AGENDA UPDATE

Economic Development and Finance
Standing Committee Meeting Agenda

Monday, August 31, 2020

Immediately upon adjournment of earlier committee, or 5:00 p.m. if no earlier committee meeting.

Location:

You are invited to a Zoom webinar.
When: Aug 31, 2020 05:00 PM Central Time (US and Canada)
Topic: N/CD & ED/F Standing Committee Meetings

Please click the link below to join the webinar:
https://zoom.us/j/95060199120?pwd=N3VrYmQzeDJZR2UwSkVCN2drY1dMdz09
Passcode: 009425

Or iPhone one-tap:
US: +13462487799,95060199120# or +12532158782 ,95060199120#
Or Telephone:
Dial (for higher quality, dial a number based on your current location):
US: +1 346 248 7799 or +1 253 215 8782 or +1 669 900 9128 or +1 301 715 8592 or +1 312 626 6799 or +1 646 558 8656 or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free)
Webinar ID: 950 6019 9120
International numbers available: https://zoom.us/u/adYHja1AUh

Name	Absent
Commissioner Tom Burroughs, Chair	☐
Commissioner Brian McKiernan	☐
Commissioner Gayle E. Townsend	☐
Commissioner Harold Johnson	☐
Commissioner James Walters	☐
Jeff Bryant, BPU Member	☐

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

II. **Revisions to August 31, 2020 Agenda**

New Item No. 6-20379…A resolution setting a public hearing date to consider a redevelopment project plan for the Epic Center Redevelopment TIF District.

III. **Approval of standing committee minutes from June 1, 2020**

IV. **Committee Agenda**

Item No. 1 - REPORT: Q2 INVESTMENT REPORT

Synopsis: Second Quarter 2020 Cash and Investment Report, submitted by Kathleen VonAchen, Chief Financial Officer; Rick Mikesic, County Treasurer; and Andrea Parra, Deputy Treasurer.

For information only.

Tracking #: 20321

Item No. 2 - ORDINANCE AND RESOLUTION: URBN DEVELOPMENT AGREEMENT AND INTENT FOR INDUSTRIAL REVENUE BOND (IRB)

Synopsis: A $403 million distribution/fulfillment center and office project for the company, URBN, at the corner of Speedway Blvd and State Ave., IRB Resolution of Intent: Cost-Benefit Analysis and Development Agreement, IRB Bond Ordinance: Bond Purchase Agreement [Note: exhibits with bond documents are forthcoming]; and Ordinance releasing property from TIF/STAR bond district/project, submitted by Katherine Carttar, Director of Economic Development.

Tracking #: 20319

Item No. 3 - HOMEFIELD TERM SHEET

Synopsis: A multi-phase attraction and retail STAR bond project centered on a major multi-sport athletic complex, performance center, and youth baseball complex known as Homefield. The term sheet lays out the project points for Committee agreement, submitted by Katherine Carttar, Director of Economic Development.

For information only.

Tracking #: 20318

Item No. 4 - RESOLUTION: BETWEEN THE UNIFIED GOVERNMENT AND BONNER SPRINGS FOR NRP#6

Synopsis: An Interlocal Agreement between the Unified Government and Bonner Springs related to the Bonner Springs Neighborhood Revitalization Plan, submitted by Katherine Carttar, Director of Economic Development.

Tracking #: 20320

Item No. 5 - RESOLUTION: SET A PUBLIC HEARING AND APPROVAL FOR NEIGHBORHOOD REVITALIZATION ACT PLAN AND INTERLOCAL AGREEMENTS

Synopsis: A resolution for approval to set a public hearing for discussion/approval of the Neighborhood Revitalization Act plan and Interlocal Agreements, submitted by Stephanie

Moore, Economic Development. The public hearing will take place at the October 29, 2020 full commission.

Tracking #: 20324

V. **Public Agenda**

VI. **Adjourn**

AGENDA UPDATE
ECONOMIC DEVELOPMENT & FINANCE
STANDING COMMITTEE MEETING
MONDAY, AUGUST 31, 2020

IV. COMMITTEE AGENDA

NEW ITEM

ITEM NO. 6 – 20379…RESOLUTION: EPIC CENTER REDEVELOPMENT TIF DISTRICT

Synopsis: A resolution setting a public hearing date of October 29, 2020, to consider a redevelopment project plan for the Epic Center Redevelopment District, I-35 & 18th St., submitted by Katherine Carttar, Director of Economic Development.

Staff Request for Commission Action

Tracking No. 20379

Full Commission Meeting Date: 9/17/20
Committee: Economic Development & Finance

Date of Standing Committee Action: 8/31/20
(If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/28/2020	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:
A resolution to call a public hearing for the Menards TIF Project Plan on Oct 29. I also have the Project Plan completed and attached but the only item that would be voted upon on Monday at ED&F is the call for the public hearing. Then the Development Agreement with the specific details of the project would come forward at the next ED&F on Sept 28.

Action Requested:
Adopt resolution setting public hearing date

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
Resolution calling TIF Plan PH (UG Epic Center Menards), Epic Center - Menards TIF Project Plan

(Published in the ***Wyandotte Echo*** on September ___, 2020)

RESOLUTION NO. R-____-20

A RESOLUTION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ESTABLISHING THE DATE AND TIME OF A PUBLIC HEARING REGARDING THE ADOPTION OF A REDEVELOPMENT PROJECT PLAN PURSUANT TO K.S.A. 12-1770 *ET SEQ.*

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), by the passage of Ordinance No. O-19-09 on February 26, 2009, created a redevelopment district known as the Epic Center Redevelopment District (the "Redevelopment District") consisting of a single redevelopment project area (the "Project Area"), all pursuant to K.S.A. 12-1770 *et seq.*, as amended (the "Act"); and

WHEREAS, the Unified Government is considering the adoption of a redevelopment project plan entitled (the "Project Plan") which provides for the redevelopment of the Project Area within the Redevelopment District; and

WHEREAS, on September 14, 2020, the Planning Commission of the Unified Government made a finding that the Project Plan is consistent with the intent of the Unified Government's comprehensive plan for the development of the Unified Government; and

WHEREAS, on September 4, 2020, a copy of the Project Plan was delivered by the Unified Government to the Board of Commissioners of the Unified Government and to the Board of Education of Unified School District No. 500.

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

Section 1. Notice is hereby given that a public hearing will be held by the Unified Government to consider the adoption of the Project Plan at **7:00 p.m. on October 29, 2020**, or as soon therafter as the matter can be heard, in the Commission Chambers, lobby level of the Municipal Office Building located at 701 North 7th Street, Kansas City, Kansas, under the authority of the Act.

Section 2. The boundaries of the Redevelopment District and Project Area are shown on **Exhibit A** and legally described on **Exhibit B** attached hereto and incorporated herein. The Project Plan is for the redevelopment of the Project Area, which boundaries are co-terminus with the boundaries of the Redevelopment District.

Section 3. Copies of the Project Plan, including a summary of the feasibility study, relocation assistance plan and financial guarantees of the developer, and a description and map of the Redevelopment District and the Project Area are available for inspection during regular office hours in the Unified Government Clerk's office located in Suite 323 on the third floor of the Municipal Office Building from 8:00 am to 5:00 pm, Monday through Friday, or upon request via email at clerkwest@wycokck.org.

Section 4. The Clerk shall send a copy of this Resolution via certified mail, return receipt requested, to the Board of Commissioners of the Unified Government, to the Board of Education of Unified School District No. 500, and to each owner and occupant of land within the Project Area. Such copies shall be sent not more than 10 days following the date of adoption of this Resolution. The Clerk shall also cause this Resolution and all exhibits hereto, to be published once in the official Unified Government newspaper not less than one week nor more than two weeks preceding the date fixed for the public hearing.

Section 5. This Resolution shall become effective upon its adoption by the governing body of the Unified Government.

ADOPTED by the governing body of the Unified Government on September 17, 2020.

[SEAL]

____
Mayor/CEO

Attest:

____
Clerk

EXHIBIT A

MAP OF REDEVELOPMENT DISTRICT/PROJECT AREA

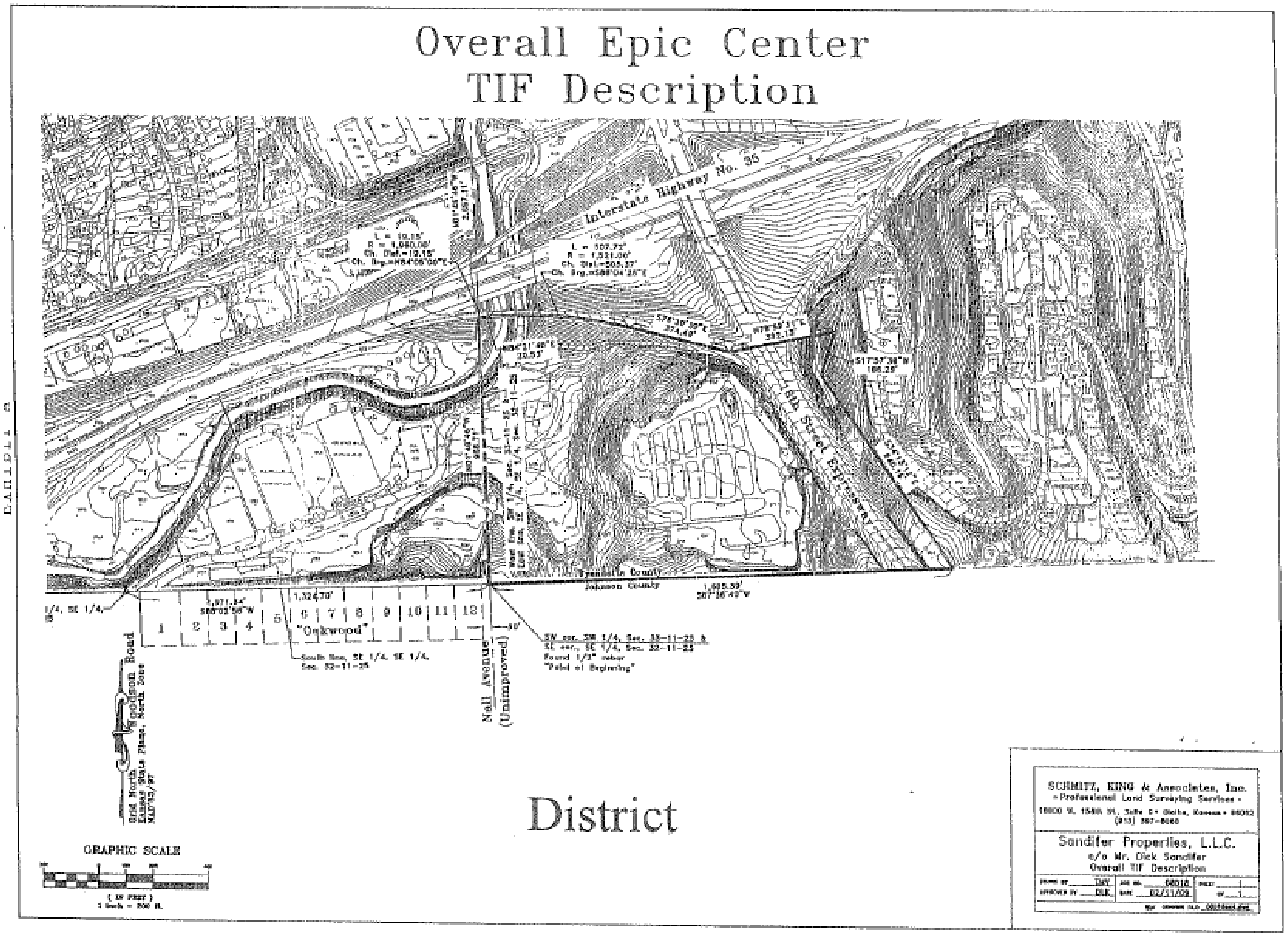

EXHIBIT B

LEGAL DESCRIPTION OF REDEVELOPMENT DISTRICT/PROJECT AREA

A tract of land in the Southwest Quarter of Section 33, Township 11 South, Range 25 East of the Sixth Principal Meridian, in Kansas City, Wyandotte County, Kansas being more particularly described as follows:

Beginning at the Southwest corner of the Southwest Quarter of said Section 33;

Thence North 01°46'46" West 966.71 feet, along the West line of the Southwest Quarter of said Section 33, to a point on the Southerly edge of pavement of the on-ramp to 18th Street Expressway, said point also being on a non-tangent curve concave to the South having a radius of 1,960.00 feet;

Thence Easterly 19.15 feet, continuing along said Southerly edge of pavement and said curve to the right having a chord bearing of North 84°05'00" East and a chord distance of 19.15 feet;

Thence North 84°21'48" East 20.53 feet, along said Southerly edge of pavement, to the beginning of a curve concave to the South having a radius of 1,521.00 feet;

Thence Easterly 507.72 feet, along said Southerly edge of pavement and curve to the right having a chord bearing of South 86°04'26" East and a chord distance of 505.37 feet;

Thence South 76°30'39" East 374.49 feet along said Southerly edge of pavement;

Thence North 78°59'31" East 392.13 feet to a point on the Easterly right-of-way line of 18th Street Expressway as now established;

Thence South 17°57'38" West 166.29 feet along said Easterly right-of-way line;

Thence South 34°13'12" East 840.16 feet, along said Easterly right-of-way line, to a point on the South line of the Southwest Quarter of said Section 33;

Thence South 87°36'40" West 1,685.39 feet, along said South line, to the "point of beginning" of the tract herein described, containing 1,271,922 square feet or 29.20 acres, more or less.

Subject to all easements and restrictions of record.

REDEVELOPMENT PROJECT PLAN
EPIC CENTER REDEVELOPMENT DISTRICT

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

Submitted: August 19, 2020

TABLE OF CONTENTS

I. INTRODUCTION

A) Redevelopment District

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

On March 5, 2009, the Unified Government of Wyandotte County/Kansas City, Kansas (the "**UG**"), after conducting a duly noticed public hearing, found that certain real property generally shown on the map attached hereto as **Exhibit B** and legally described on **Exhibit C**, is located within an enterprise zone. Based in part upon such finding, the UG established a redevelopment district called the Epic Center Redevelopment District pursuant to Ordinance No. O-19-09 (the "**District**") that encompasses the Property. The District consists of one (1) redevelopment project area (the "**Project Area**").

B) Redevelopment Project

If approved, this Tax Increment Financing Redevelopment Project Plan (this "**Redevelopment Plan**") shall not exceed twenty (20) years and shall commence upon the UG's approval of the same (the "**TIF Collection Period**").

This Redevelopment Plan contemplates the redevelopment of the District, which consists of approximately 29.20 acres located at the southwest corner of 18th Street Expressway and Interstate 35, plus adjacent right of way.

The redevelopment project consists primarily of a new Menards home improvements store and related infrastructure improvements. A site plan depicting the general development concept of the Project (as more fully described below) is attached hereto as **Exhibit A**. Other uses within the District may consist of office, hotel, restaurant/retail and mixed use buildings, and related public and private infrastructure.

This Redevelopment Plan contemplates reasonable variations from the descriptions contained herein, subject to the terms and conditions of the Development Agreement (18th Street Expressway Menards) (the "**Development Agreement**") between Menard, Inc., a Wisconsin corporation (the "**Developer**") and the UG, but generally allowing for certain retail uses, including a home improvement store.

II. REDEVELOPMENT PROJECT PLAN

A) The Property

Developer owns a portion of the real property that comprises the Project Area. A map generally depicting the Project Area is attached hereto as **Exhibit B**, and the legal description of the Project Area is attached hereto as **Exhibit C**.

B) Established Redevelopment District

The Property is within an established District approved by the UG on March 5, 2009 pursuant to Ordinance No. O-19-09 (see copy attached hereto as **Exhibit D**). The proposed Redevelopment Plan is consistent with the stated purpose and intent of the approved District.

C) Description of the Proposed Project

The Redevelopment Plan provides for the construction of the Project, as described below:

> Construction of a new Menards home improvements store and related infrastructure improvements. including the following elements: (i) a new Menards prototype building comprising approximately 209,000 square feet, (ii) an approximately 156,000 square foot outdoor sales area, and (iii) an accessory building comprised of approximately 42,000 square feet of warehouse space. Additional development will include associated site work and infrastructure, which may include sidewalks, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), and other associated and appurtenant improvements allowed under the TIF Act.

All redevelopment efforts described in this paragraph are referred to collectively as the "**Project**".

D) Feasibility Study

As required by the TIF Act, a study has been prepared to determine whether the Project's estimated benefits and tax increment revenues are expected to exceed or be sufficient to pay for the Project's estimated costs. This effort involved utilization of consultants with experience and expertise in the actual design, development, financing, management, and leasing of projects of similar scope and nature. Further, outside resources were consulted to compare and verify cost and revenue projections including outside industry sources and actual taxing jurisdiction data where available. The results of this study are as follows:

1. **Project Costs**

The total estimated cost to complete the Project, including land acquisition, site development, building construction, soft costs, and all fees, is approximately $33,971,244. A breakdown of the estimated costs by category and the amount and basis for determination is set forth below on Table 1.

Estimated Project Costs

Description	Total Costs
Property Acquisition	$8,000,000
Site Costs	$11,350,791
Building Construction Costs	$13,812,804
Professional Services and Soft Costs	$807,000
TOTAL ESTIMATED PROJECT COSTS	**$33,971,244**

2. **Eligible Costs**

Pursuant to the TIF Act, only certain costs are eligible for TIF financing and reimbursement ("**Reimbursable Project Costs**"). This Redevelopment Plan contemplates that, to the full extent permissible under the TIF Act, available TIF proceeds will be available to reimburse Reimbursable Project Costs, subject always to the terms, conditions and limitations of the Development Agreement. As shown herein, it is estimated that approximately $19,908,440 of the Project costs are eligible Reimbursable Project Costs. These Reimbursable Project Costs are set forth by category and amount in Table 2 below, although the amounts and categories set forth below are not intended to act as a cap eligible Reimbursable Project Costs in any particular category:

TIF Eligible Costs

Description	**Total Costs**
Property Acquisition	$8,000,000
Site Costs	$11,350,791
Building Construction Costs	$0
UG Approved Professional Services and Soft Costs	$557,649
TOTAL ESTIMATED REIMBURSABLE PROJECT COSTS	**$19,908,440**

Notwithstanding the foregoing, the UG will cap reimbursement from TIF proceeds at no more than $11,710,618.

3. **Financing Method**

It is anticipated that the Developer will be reimbursed under this Redevelopment Plan on a "pay-as-you-go" method. There will be no bonds or other obligations issued by the UG in order to reimburse the Developer for any Reimbursable Project Costs.

4. **Project Revenues – Ad Valorem Property Tax Increment Captured**

According to the Wyandotte County Appraiser's Office, the 2009 assessed value for the District is $107,391. This serves as the base value against which future assessed values of the District will be compared in order to determine the amount of TIF Revenues that will be generated.

Pursuant to the TIF Act, TIF Revenues will be generated from ad valorem taxes generated by the then-current assessed valuation of real property within the District during the TIF Collection Period, less the ad valorem taxes produced from the assessed valuation as of the date the District was established (excluding ad valorem taxes not allowed to be captured pursuant to the TIF Act).

This Redevelopment Plan proposes to finance Reimbursable Project Costs by capturing 100% of the allowable ad valorem tax increment over the 20-year life of this Redevelopment Plan (the "**TIF Collection Period**"). Any uncaptured ad valorem taxes will be distributed to all taxing jurisdictions in accordance with their respective mill levies.

The TIF Revenues generated over the TIF Collection Period are estimated to be $12,631,400 for the Project Area. TIF Revenue projections are set forth in **Exhibit E**, attached hereto.

5. **Sales Tax Revenues**

No sales tax revenues will be captured by the TIF.

6. **Significant Contribution to Economic Development of the City**

The development contemplated in this Redevelopment Plan will provide significant economic development for the UG by, among other things, providing increased sales tax revenues to the UG, and increasing employment opportunities and general commerce for area residents. The feasibility study demonstrates that the benefits and tax increment revenue and other available revenues derived from the development contemplated in this Redevelopment Plan will exceed the costs and be sufficient to pay the costs of the Project.

7. **Sufficiency of Tax Increment Revenues Compared to Project Costs**

Based on the Redevelopment Plan's (1) Reimbursable Project Costs and (2) TIF Revenues, the revenues are expected to exceed or be sufficient to pay for the Project costs as contemplated under the TIF Act, when supplemented by certain other revenues described in the Development Agreement.

Estimated Total Project Costs	**$33,971,244**
Sources of Funds	**Amount**
TIF Revenue to fund Reimbursable Project Costs	$11,710,618
Private debt/equity	$22,260,626
Total Sources of Funds	**$33,971,244**

8. **Effect on Outstanding Special Obligation Bonds**

There is no anticipated effect on special obligation bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D) because no such special obligation bonds are outstanding or planned to be issued to finance the Project.

E) Relocation Assistance Plan

The UG and Developer have determined pursuant to K.S.A. 12-1777 that no relocation assistance plan is required for the Project.

III. CONCLUSION

Based on the foregoing, this Redevelopment Plan proposes to utilize the ad valorem tax increment and certain other funds described herein to finance the costs of the Project. The UG and Developer hereby submit this Redevelopment Plan for public hearing and due consideration.

Exhibit A

Proposed Site Plan

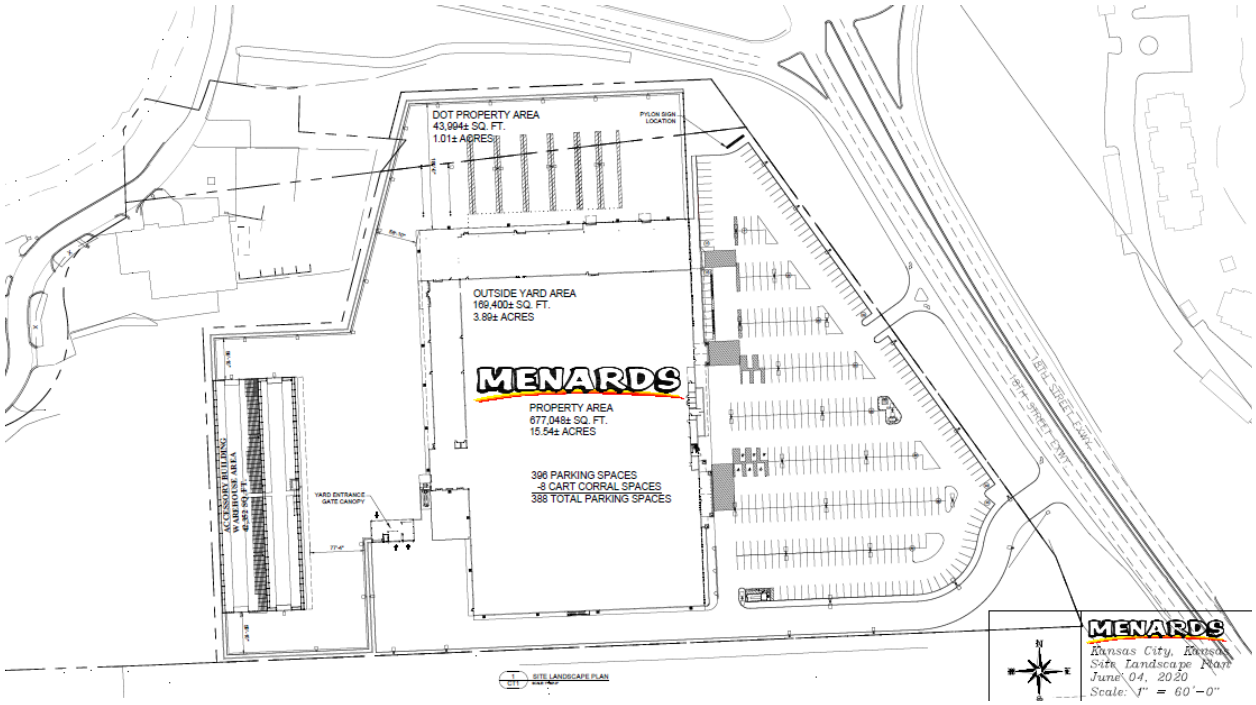

Exhibit B

Map of Redevelopment District/Project Area

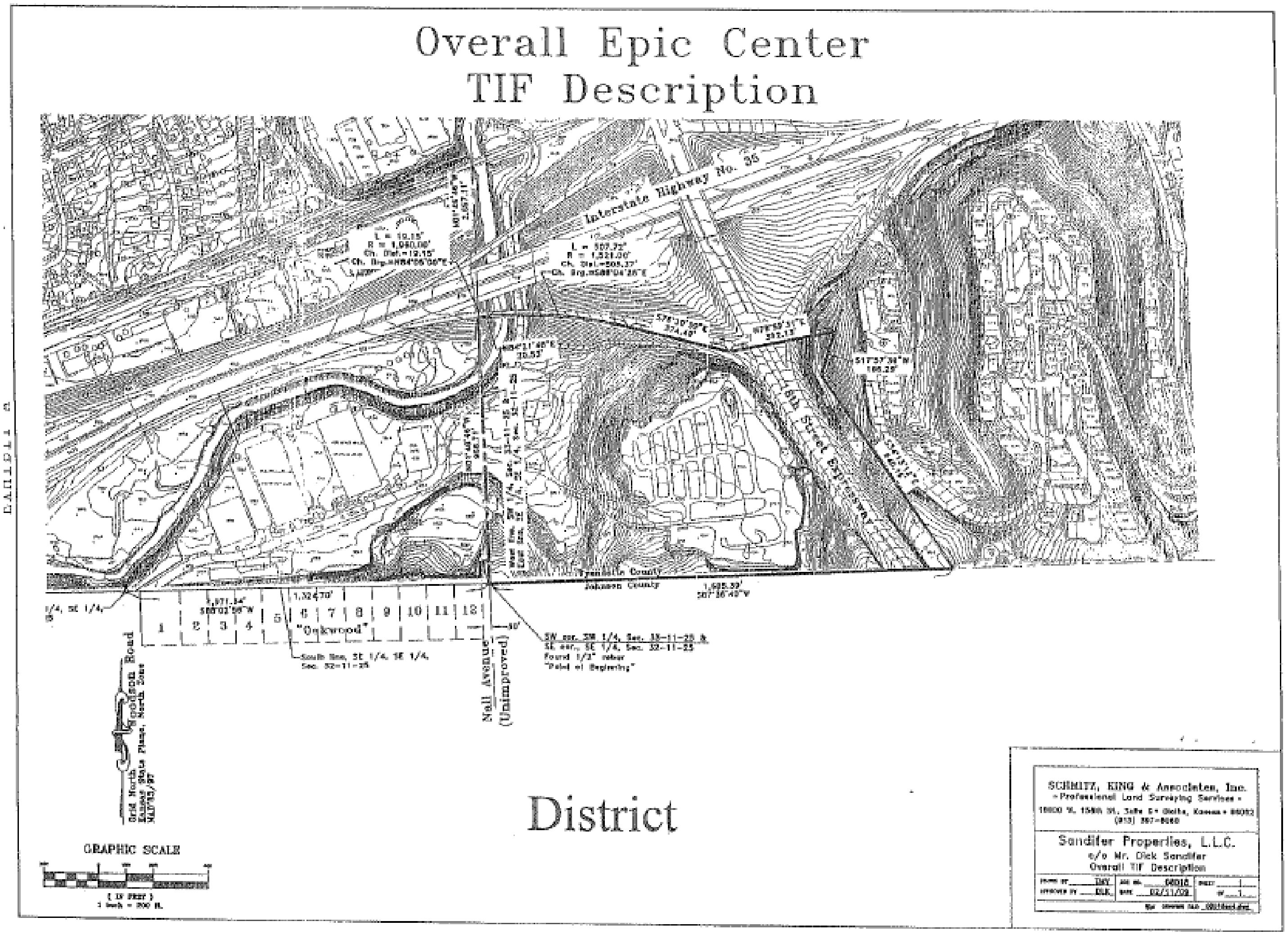

Exhibit C

Legal Description of Redevelopment District/Project Area

Legal Description – Overall Epic Center TIF Description

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Subject to all easements and restrictions of record.

Exhibit D

Redevelopment District Ordinance No. O-19-09

Exhibit E
TIF Revenue Projections

Epic Center TIF - Menards
Projected Incremental Tax Revenues

	Annual Value Increase	Assessment Rate			Base Value
	2.0%	25.0%			$ 107,391
				Value of TIF	
Year	Estimated Actual Value	Estimated Assesed Value	Total Mill Levy	Mill Levy Captured*	Estimated Incremental Property Tax Revenues
1	$ 699,500	$ 174,875	167.47	145.97	$ 9,851
2	$ 15,500,000	$ 3,875,000	167.47	145.97	$ 549,958
3	$ 15,810,000	$ 3,952,500	167.47	145.97	$ 561,271
4	$ 16,126,200	$ 4,031,550	167.47	145.97	$ 572,809
5	$ 16,448,724	$ 4,112,181	167.47	145.97	$ 584,579
6	$ 16,777,698	$ 4,194,425	167.47	145.97	$ 596,584
7	$ 17,113,252	$ 4,278,313	167.47	145.97	$ 608,830
8	$ 17,455,517	$ 4,363,879	167.47	145.97	$ 621,320
9	$ 17,804,628	$ 4,451,157	167.47	145.97	$ 634,060
10	$ 18,160,720	$ 4,540,180	167.47	145.97	$ 647,054
11	$ 18,523,935	$ 4,630,984	167.47	145.97	$ 660,309
12	$ 18,894,414	$ 4,723,603	167.47	145.97	$ 673,829
13	$ 19,272,302	$ 4,818,075	167.47	145.97	$ 687,619
14	$ 19,657,748	$ 4,914,437	167.47	145.97	$ 701,684
15	$ 20,050,903	$ 5,012,726	167.47	145.97	$ 716,032
16	$ 20,451,921	$ 5,112,980	167.47	145.97	$ 730,666
17	$ 20,860,959	$ 5,215,240	167.47	145.97	$ 745,593
18	$ 21,278,178	$ 5,319,545	167.47	145.97	$ 760,818
19	$ 21,703,742	$ 5,425,935	167.47	145.97	$ 776,348
20	$ 22,137,817	$ 5,534,454	167.47	145.97	$ 792,188
Total Value					**$ 12,631,400**

* Excludes 21.5 mills for state school levy.

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, June 1, 2020

The meeting of the Economic Development and Finance Standing Committee was held on Monday, June 1, 2020, at 6:15 p.m., remotely via Zoom. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Townsend, Johnson, Walters; and BPU Board Member Jeff Bryant. The following officials were also in attendance via Zoom: Gordon Criswell, Melissa Sieben, Emerick Cross, and Alan Howze, Assistant County Administrators; Patrick Waters, Senior Counsel; Katherine Carttar, Director of Economic Development; Stephanie Moore; Management Analyst for Economic Development; Kathleen VonAchen, Chief Financial Officer; Wendy Green; Assistant Counsel; Debbie Jonscher, Deputy Chief Financial Officer; and Bridgette Cobbins, UG Clerk.

Chairman Burroughs said before I call the meeting to order, I want to announce that due to COVID-19, the committee members, staff, and public are attending remotely via Zoom. All participants joining by phone should mute their phones when not speaking to avoid any background noise.

During the meeting, please make sure that you announce yourself by name and title every time you speak so that the public that is observing knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General.

Also, due to COVID-19 requirements, public comment has been suspended unless otherwise required by law. The public has been allowed to submit comments by email prior to the meeting and those comments will be included in the recording of this meeting.

Chairman Burroughs called the meeting to order.

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

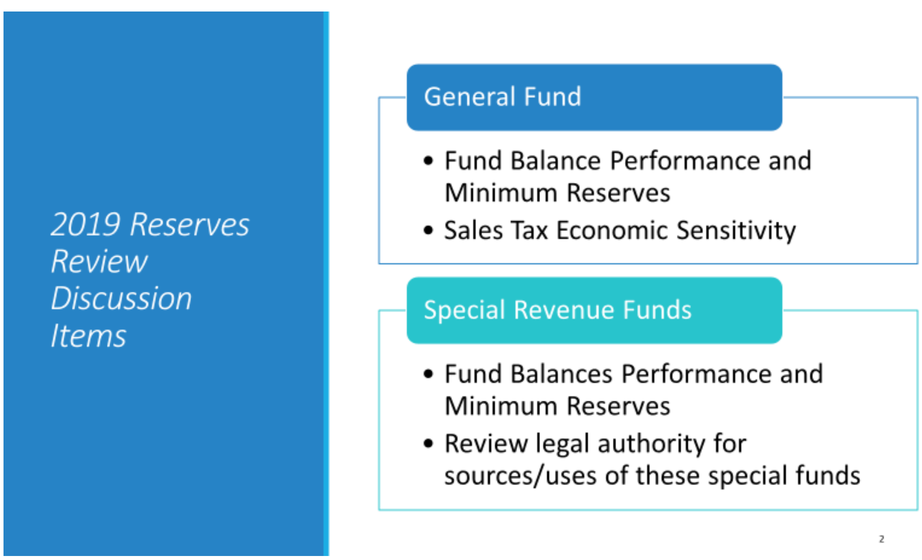
Approval of standing committee minutes from April 6, 2020. **On motion of Commissioner Townsend, seconded by Commissioner McKiernan, the minutes were approved.** Motion carried unanimously. Roll call was taken and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

Chairman Burroughs said I don't believe we have a revision to tonight's meeting. **Bridgette Cobbins, UG Clerk,** said there are no revisions.

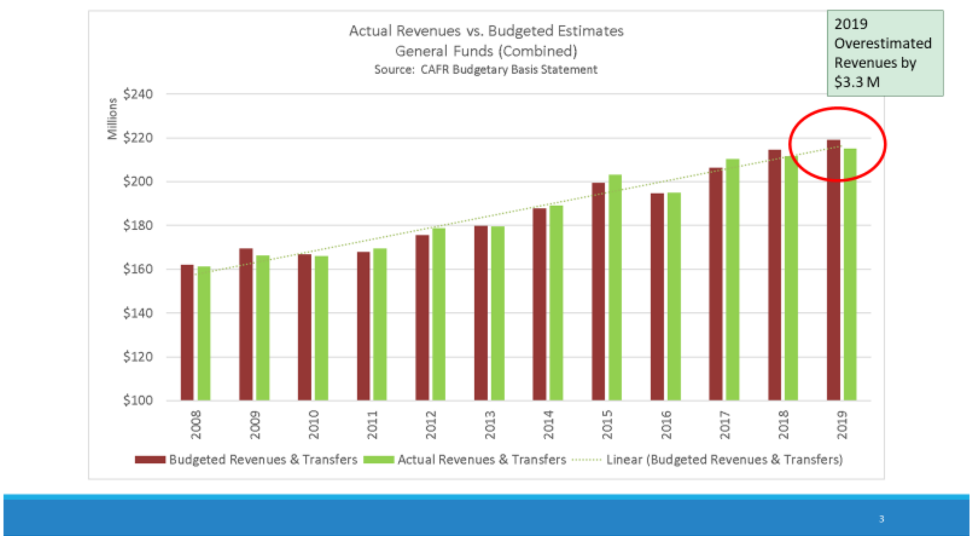
Committee Agenda:

Item No. 1 – 20167…REVIEW: YEAR-END 2019 FUND BALANCES

Synopsis: Review of the 2019 Year-End Fund Balances for the General Fund and Special Revenue Funds and legal restrictions for said funds, submitted by Kathleen VonAchen, Chief Financial Officer.



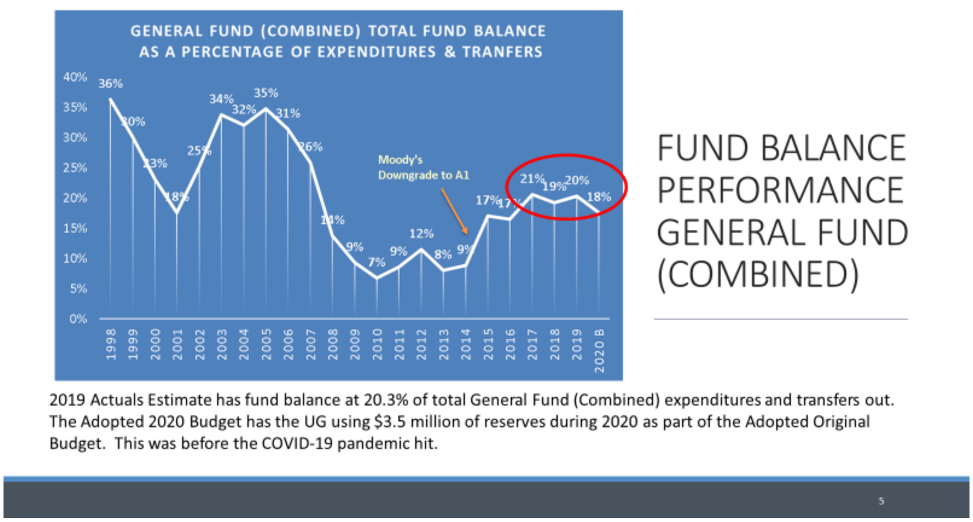
Kathleen VonAchen, Chief Financial Officer, said tonight we're going to be presenting how the year-end balance—how the Unified Governmental Funds performed during 2019. I'm going to share my screen. This is for information only and we're providing this information to provide you basis from which future decision-making can be made regarding the Unified Government budget. At the end of 2019 we ended with what we call reserves. That's the amount of money that has accumulated that was unspent in the prior years, plus revenue brought end in '19, that's how much we spent so. This evening we're going to first talk about the county and the parks combined General Fund and we're going to talk a little bit about how sales tax is economic sensitivity and then we're going to talk about the other Special Revenue Funds. We have about 30 different funds. Some of them are what they call Enterprise Funds, but the remaining ones are Special Revenue Funds. Those are the ones we're going to talk to you a little bit about along with their legal authority of how to be spent and what the resources are restricted for.



Right off the bat, we just wanted to give you an overview of the City General Fund just to give you an idea how the actual revenues compared with budgeted estimates for the Combined General Fund. The Combined General Fund is the City, the County, and the Parks Consolidated City/County Parks Fund combined. Over the past ten or so years there's a graph here, the green is that actuals and the brown or red color is the budgeted number. A lot of finance directors will tend to underestimate revenues and then hoping that they will come in higher than predicted. Of course, I was hoping for that too, but in the past year, and that too, that hasn't taken place.

At the end of 2019, the budgeted revenue estimate was about $3.3M higher than the actual coming in. I can tell you straight up that's because the electric PILOT came in a much lower than I anticipated and that's because if you looked at the consumption level for the electric utility at the BPU and it was quite a bit lower last year. It just kind of took a turn toward the later part of the year so that's the reason for that.

On the expenditure side for 2019, we estimated our budget to be $8.5M greater than what we actually spent in the general fund. You can see, typically, the Unified Government's General Fund underspends its budget. You can see all those brown bars over the past years being higher than the green. In fact, that's true for all the years.



The net between revenues and expenditures, and then you add in how much balances you had in the prior year and you come up with a new fund balance. This is a graph of the general fund, combined general fund, total fund balance on a CAFR basis using GAP as a percentage of total expenditures and transfers. As you can see, when we first consolidated, we were at 36%, dropped down to 18% during the dot com kind of recession. It came back up to 34% and then as the great recession hit, it dropped down to a low of 7% in 2010 due to the decline in real estate values. It kind of hoovered around this area. In 2015, Moody's downgraded the Unified Government to a single A. S&P still has us AA. Since then, since 2015, thanks to your prudent financial management and the work of the administration, we've been able to build that fund balance back up to around 17% level. The past three years it's been at around 20% and that's where it ends. In 2019 roughly at 20.3% of expenditures. The total in '19 actual estimate has a fund balance of 20.3, 20% total expenditures and transfers. In 2020, the budget assumes a use of reserves of $3.5M in reserves and that's part of the original budget, but that was before the COVID pandemic hit. Right now, we're looking to basically redo the current year budget in the middle of the year.

Chairman Burroughs asked, Kathleen, the $3.5M of reserves, can you share with the public as to why we chose to take the $3.5M? **Ms. VonAchen** said, well, the quandary with a local government is that typically the revenues do not grow as fast as the expenditures. We have a lot of obligations and overtime, it's difficult to keep the revenue base high enough to support all of our obligations.

In general, I believe that the Administration and all of you on the Commission felt that typically our vacancy rate on salary and the level spending is typically less than what is budgeted, as you can tell from this chart here. That frequent five sort of banks in the expectation that we'll spend under our budge. Let me go to the next Chart. I will show you. Like for example, in 19, well, we will get there. In 2019 we actually grew our fund balance because we spent less than we anticipated in almost every year.

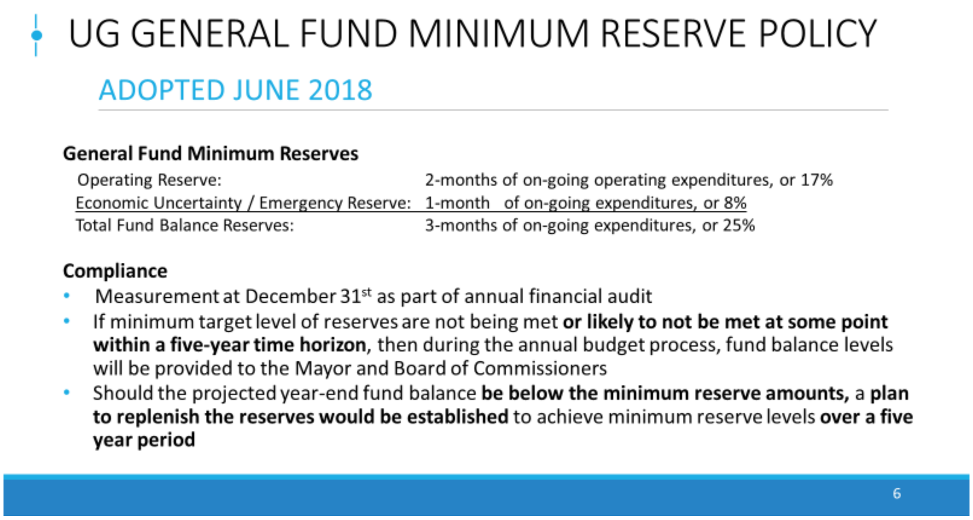
Commissioner Johnson asked, Mr. Chair, can I ask a question before we go to the next slide? **Chairman Burroughs** said yes, please, by all means, I have no way of knowing who's raising their hand. Please don't hesitate to let me know if you want to speak. **Commissioner Johnson** said thank you so much. I appreciate it. Kathleen, you notate on that bar graph that, on that chart rather, that the Moody's downgrade to A1 happened in 2014. Can you tell us what our grade is now relative to the improvements that we've been making over the course of time since then? **Ms. VonAchen** said it happened in February 2015, the downgrade. Moody's had us on negative watch for a number of years. When they saw this 9%, that's when they went ahead and downgraded. Since then, Moody's has not changed their rating even though we have made a lot of progress. The reason for that is they have concerns about our—the market value of the residential and commercial properties in our community are less than would be anticipated for a community of our size. It's generally the income level, the economics of the community in general that will really convince them that we're due for an increase. **Commissioner Johnson** said thank you.

Bridgette Cobbins, Unified Government Clerk, said Commissioner Walters hand is raised. **Commissioner Walters** said a simple question. Why are we looking at a combined City/County Parks Department graph instead of individual? **Ms. VonAchen** said we're looking at the City

General Fund combined because that's how the credit rating agencies judge our financial performance. They look at the entire City/County and Parks General Funds combined. That's how we discuss the reserves in the Reserve Policy that you all adopted several years ago. We're happy to provide information in the future as part of the budget process with each general fund separated out.

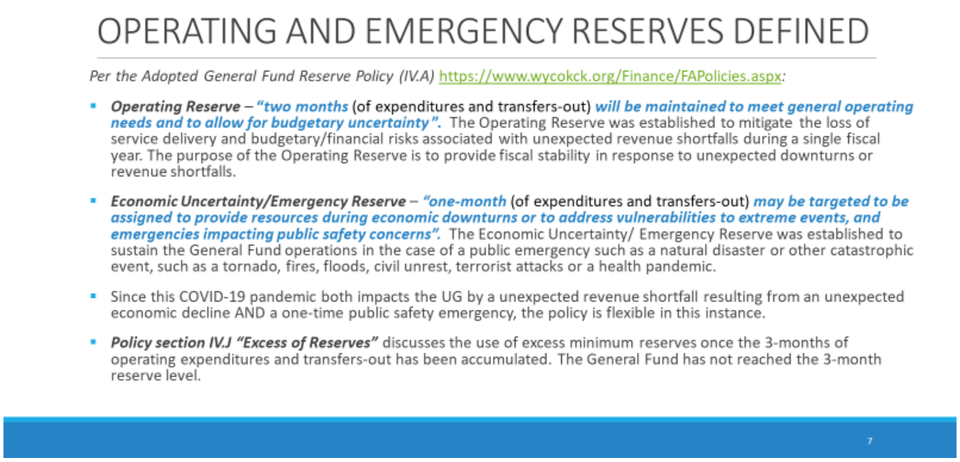
Chairman Burroughs said any other questions committee? If there's no other hands raised, Commissioner Walters did you get your question answered? **Commissioner Walters** said I got the question answered. I do think it's more meaningful to look at the individual fund. We manage those funds independently. We look at mill levy increases and decreases on each fund which ultimately determines the reserves in those funds. This is interesting and I will watch it, but I'm really more interested in the individual funds. **Chairman Burroughs** said thank you Commissioner Walters. I appreciate the statement. I believe you and I run very parallel on those issues.

Ms. VonAchen said well as part of the budget process we provide information on each fund. This is just the year end balances.



As a reminder, we have a Unified Government General Fund Minimum Reserve Policy. The reserve policy is a reminder, which was adopted in June 2018, is that we retain in our reserve an operating reserve of two months of ongoing operating expenditures and two months equates to roughly 17%. If you divide two into 12, you get 16.7% and so we round up to 17.

If you add—then the policy also hopes to achieve over the future in additional months to address economic uncertainty and emergency reserve which one into 12 is roughly 8%. The two combined results in a total minimum fund balance of 25%. What we do is we measure as of December 31 as part of the CAFR Financial Audit and that's the thing is our CAFR Financial Audit combines all three of the funds together to further answer Commissioner Walters question. One thing just as a reminder, given the current situation with COVID, I just wanted to remind you that if a minimum target reserve is foreseen to likely not to be met, at some future or within the next five years, than during the annual budget process we will bring that to the attention of the Mayor and all of you commissioners and then we're going to provide you with a plan of how to replenish the reserves over a future five-year period, if our minimum reserve hits below the two months.



Just as a reminder, we're providing this for information. There's a lot of words on this page, but in the policy itself it defines the difference between an operating reserve in an economic uncertainty in the emergency reserve. The operating reserve is defined to be maintained to meet general operating needs and to allow for some budget uncertainty such as the revenue estimates that I have in the PILOT.

The economic uncertainty or emergency reserve is recommended and may be targeted to be assigned to provide resources during economic downturns or to address vulnerabilities to extreme events, and emergencies impacting public safety concerns.

When I was looking at these two definitions, the current circumstance with COVID-19, the pandemic, it's sort of a cross between the definitions of both of these. It certainly was an unexpected revenue shortfall that we're anticipating, but it is also a one-time public safety kind of emergency. I think the policy is a little flexible in this instance.

General Fund Reserves

Increased 2019 year-end by $2.72 million

Combined General Fund Reserves ($ millions)	Reserves
2018 Ending Fund Balance - Reserves	$39.99
FY 2019 Change in Fund Balance (net operating margin)	$2.72
2019 Est. Ending Fund Balance - Reserves	$42.71
% of 2019 Expenditures and Transfers-out:	20.3%

2019 Year-End Estimated Reserves at 20.3% of expenditures and transfer-out, or 2.4 months. Operating Reserve, or 2-months of expenditures & transfers-out (16.7%), equals $35.1 million of the total $42.71 million. Remaining reserve balance for "emergencies" totals $7.7 million.

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In 2019, as I mentioned, we actually added to our reserve. The reserve amount that was at the end of 2018 and compared to 2019, it's now $2.7M greater. At the end of 2018, it was roughly $40M and we added $2.7M, now it's at $42.7M which is 20.3% or 20% of the expenditures and transfers. The two months of expenditures and transfers or 16.7% equates to $35M of that $42M. The remaining $7.7 is essentially what would be in the emergency bucket. We haven't really talked about that in that way, but just seeing how that's the two buckets.

Chairman Burroughs asked, Kathleen, the emergency reserve instead of going with the 3 months reserve this Commission chose to install the emergency reserve, at any one time will that emergency reserve, in total, meet a one-month reserve criteria that would take us up to 3 months. **Ms. VonAchen** said well, so, I haven't done the math off-hand. As you can see, we're at 20%. The operating reserve is roughly 17%. The extra one month, you're sort of halfway there is my point. If we had another roughly $7M or $8M in our reserve, we would likely be at that 25%. **Chairman Burroughs** said thank you, Kathleen. I think that I wanted to bring that point up specifically because we didn't go with 3 months reserve, we went with a 2-months reserves in emergency reserve. It allows us at the same time to one, have our stable reserve that we know will be 2 months, but it allows us to put additional reserves aside without cramping the budget to the extent that we feel we need 3 months budget and an emergency. I appreciate your statement. Thank you. Any other questions from the committee in reference to this.

Jeff Bryant, BPU Board Member, said, Kathleen, so it's roughly $17.5M a month of expenditures, transfers, and operating reserve. I know the biggest hit has to be sales tax revenue for the last couple of months. As far as revenue overall, what level, percentage level of revenue are we still receiving? Of the expected 100%, are we still getting 60% of it, 70% of it, do you have a feel for what just in the last couple of months where we struggled the most. **Ms. VonAchen** said for sales tax I'm projecting as part of the budget that our sales tax revenue, which is the second largest revenue source of the general fund, it's going to be declining by 20%. That was made in the presentation I gave as part of the budget workshop number one and several presentations previously. Your question, what am I seeing most recently, the problem is that we don't receive that data until two months after the actual transaction has occurred. At the end of—a few days ago we received our main distribution from the state of Kansas and that was for transactions through March or basically the March transactions. As you know, the closure occurred roughly the second or third week of March. There was a lot of stock up buying especially at grocery stores and various places. Not all retail activities ceased as part of the closure because some of those stores were deemed essential, especially some of the larger box stores.

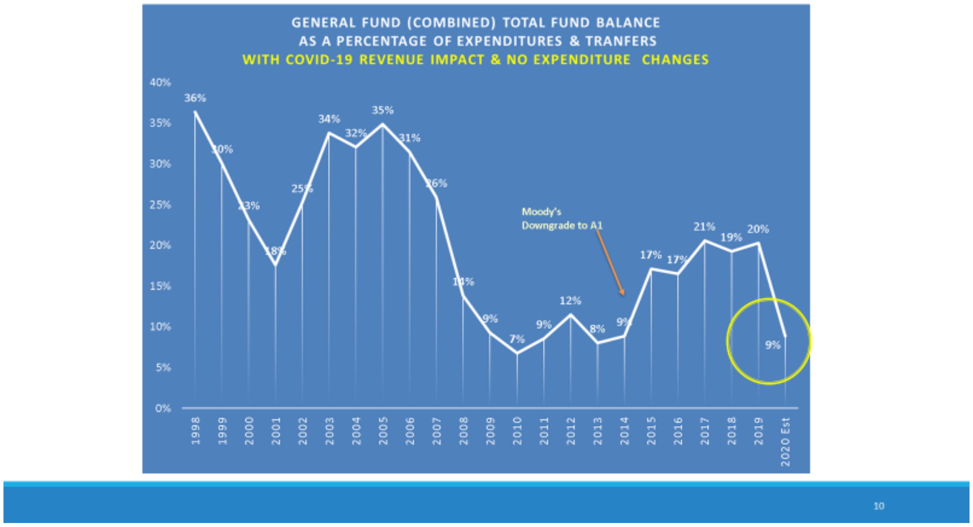
What we found and I was just looking at the sales tax data for the distribution we received two days ago for the March activity, is that the 2%, which is the 1% city and county sales tax, actually performed very consistently with last year, last year's March winter activity. The sales tax that is derived from the Legends area, the STAR Bond money, that area, the sales tax dropped 37% compared with the prior year. **BPU Board Member Bryant** said if you're anticipating roughly a 20% drop or decline for at least the two months and you say the sales tax is the second largest revenue source, what percentage of our overall revenue is sales tax? Is it 40%? **Ms. VonAchen** said my 20% reduction is actually for the entire year. It includes the really solid performance of the past four or five months, but also anticipates a prolonged reduction in revenue in the future. Sales tax is roughly around 25% of the total revenues from the General Fund. It's about 25%. **BPU Member Bryant** said I'm just trying to gage, if it's $17.5M a month of expenditure, what length of time the fund balance has before it gets down below less than 17 or 15% where I think it was critical. We've done that analysis, that isn't actually the purpose of this presentation, but I think I have a slide coming up that's shows the impact.

Ms. Cobbins said, Mr. Chair, Commission Johnson has his hand raised.

Commissioner Johnson said, Kathleen, thank you for this presentation. Just dovetailing off of what Mr. Bryant was just talking about, I think what your response really gave me at least a sense of how important it is that we keep the Legends moving forward. Just the percentage drop, as it relates to the overall sales tax drop, how much of it gets related to the Legends speaks to the fact that how important that is for our community for sure.

My other comment or question was relative to the two months versus the three months that you all had before I came on this committee, where do our peers and the industry standard speak to in terms of the levels that we need to maintain? I can recall back to my banking days, you know the numbers were much larger, but of course, the economy was much better at that particular time. Years ago, we would talk about 3 to 6 months, now we're talking about 2 to 3 months. Where do our peers line up with regard to that and what is the typical industry standard relative to those predictions in those metrics? **Ms. VonAchen** said the Government Finance Officers Association is a national organization of all the local governments and state government municipal public folks, they recommend—they have a number of recommended practices and they recommend that when operating reserve that you have two months ongoing expenses set-aside in order to meet basic liquidity issues which is you're not bouncing any checks throughout the year, so you have enough liquid assets to pay your bill.

The emergency reserve is actually based on a risk assessment. The likelihood and the costs that is expected if you were to be in a pandemic and a tornado and flood, and if you suddenly— other catastrophic events. The likelihood that all three or four of those things is going to happen all at the same time is pretty unlikely, but there's a statistical risk assessment that's done. I did that risk assessment. I went through the analysis to perform that risk assessment. What it told me was that an additional one month will cover all the likelihoods that any of those things would happen. When I did the risk assessment I was really thinking about floods and tornadoes. I was not thinking that a pandemic would close the economy for two months. This is a very unusual and unexpected event that has occurred for not only ourselves, but the entire country. All local governments in the country are in it. **Commissioner Johnson** said I agree and certainly for the country as well as the world, so I totally agree with what you're saying.

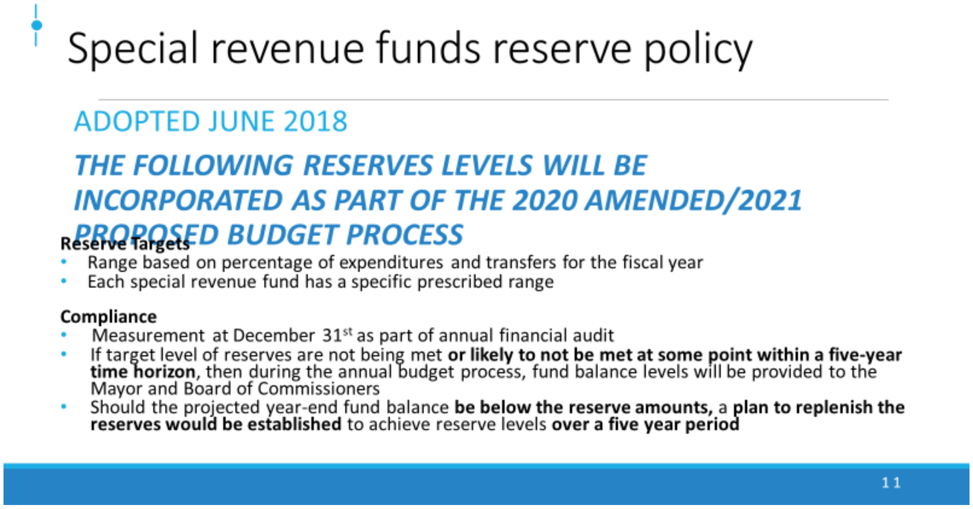


Ms. VonAchen said I don't think we need to harp on this, but the sales tax is very volatile. There is some risk on relying on it too much. There's risk in just relying on it. It's 23% of the General Fund revenues. Our reliance is greater now that we shifted six mills downward from the City General Fund, so the reliance on sales tax increased since 2016 slightly. It was 21% in 2016. Also, there is some sensitivity to collection methods. The sales tax base could change and then just generally the stock market impacts the economic conditions. It impacts consumer confidence. There's interest rate hike by the fed or reductions, there's international trade disputes, so a lot of things impact consumer confidence. This goes to the question I think BPU Board Member Bryant was asking. If we were to—given the COVID revenue impact and if we did not change any of our budget, we would end up with a fund balance for the combined General Fund of 9%. That's how much lower it would go.

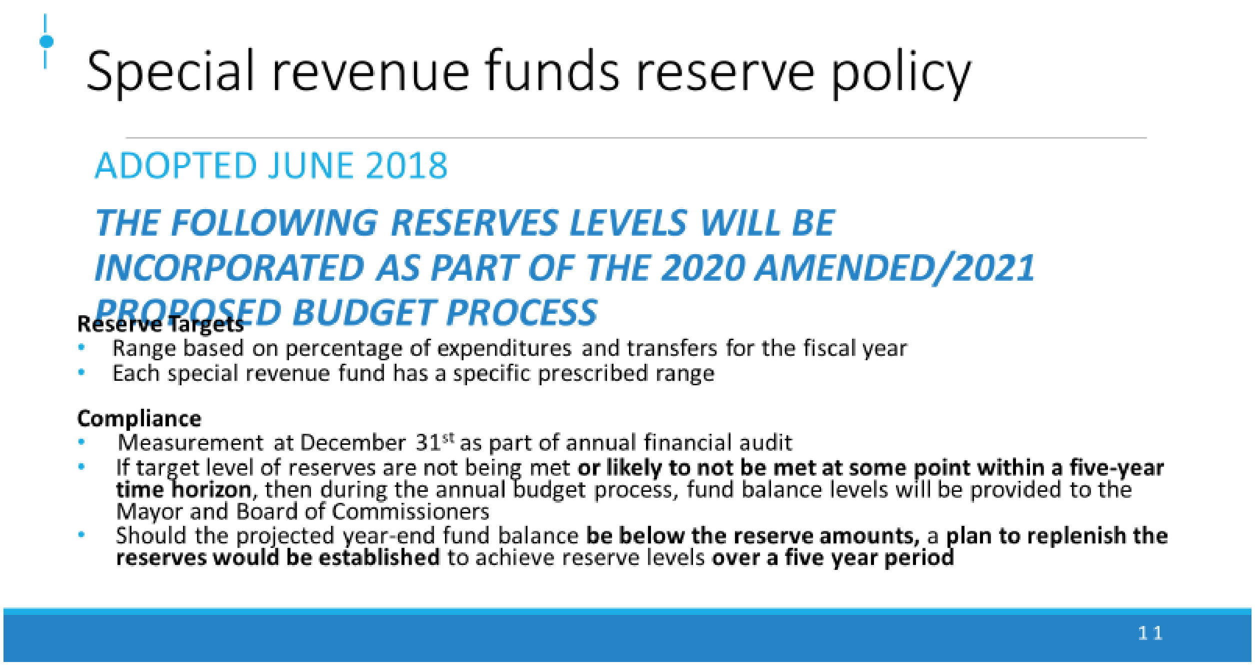
Chairman Burroughs said the report from the state was that sales taxes were up .5 basis point more than what they anticipated. I believe that goes to what you stated early on in your presentation that the people stocked up, there's still people out there purchasing. You had your essential businesses that were utilizing sales so the state itself has seen a half basis point increase in their sales tax when they were looking for a lot more, but still half a basis point. The challenge we have with the local sales is just that. It's our local sales tax, but I truly believe that some of the things you talked about that could affect our sales tax, we may be immune from, but it can affect us. I don't think that our sales tax is as dire as some of us might believe it is. At least that's not what the report is from the state that I received today. **Ms. VonAchen** said it is real tempting to be hopeful. I think it's best to plan for the worst and hope for the best. It is very tempting to be hopeful. The base sales tax did perform okay in March, it did. **Chairman Burroughs** said through the end of May. **Ms. VonAchen** said but April all of those businesses were closed, and we don't have information on April, so I don't know, we'll see.

Chairman Burroughs said my report came in through the end of May that shows as I stated, the state, even though it was down overall from what they had projected, it had still performed a half basis point above what they had anticipated after they came back and made the cut. We're very fluid in all of this. I just wanted to share that with others. I'm reading the report at the same time I'm talking to you. The state made cuts just like what we were proposing to do here and found out that the cuts weren't needed as deep as they thought they would, which is a good sign, and this is through the end of May. These are the latest numbers that came out today. I wanted to run those numbers before we had a chance to have this meeting tonight. **Ms. VonAchen** said those numbers from the state that you're talking about, they came out the end of May, but those were April transactions, right? If I'm understanding you right, what you're saying is they're half a percent better than the reduced number that they revised for that month. Is that right? **Chairman Burroughs** said that's correct. All those sales tax receipts for the month of May were $27.3M less than those from the same month from 2019, fiscal year-to-date receipts. Now remember, their budget runs different than our budget. On the state side it runs to the end of June, starts the 1st of July. We run through fiscal year. The forecast was reduced in April by $95M not withstanding the fact that receipts through March had run $22.5M above the previous estimate. Sales tax receipts through the end of May continue to show positive growth of .6%. I said half a basis point, I was being conservative, above the 2019 receipts.

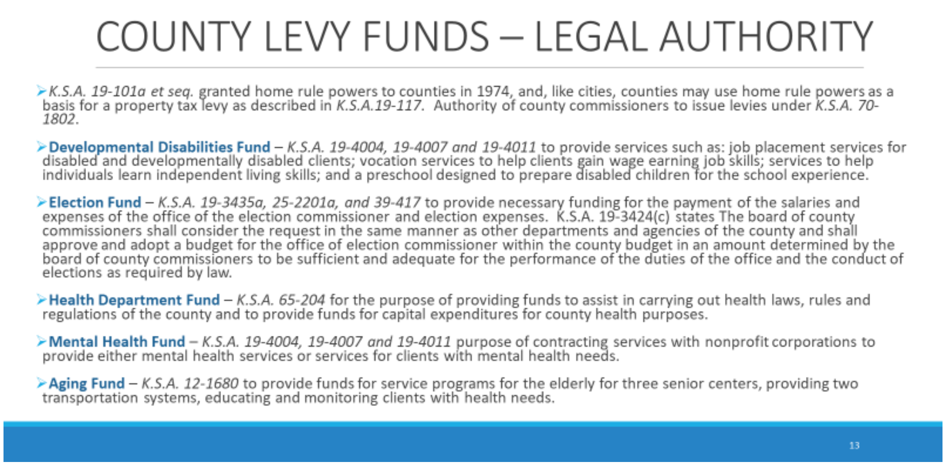
Ms. VonAchen said if there aren't any more questions about that, I wanted to move on to the Special Revenue Fund.



Just as a reminder, we have a variety of special revenue funds and the currently policy which we are going to be discussing and revisions to this policy in the next agenda item, but the current policy basically delineates a range of target minimum reserves, depending on the fund. It follows the same situation where if the minimum reserves are not met, then at some point if we foresee that there's a problem, then we develop a plan to replenish and so forth. That's the same provision as the General Fund.



There's four categories to these Special Revenue Funds. A lot of this presentation you have seen in prior years. There's kind of a lot of legal jargon in here in some of these slides. Honestly, I just provided them as a means for you all to kind of refer to. I wasn't necessarily going to revisit each of the legal provisions of each of these funds, but I'm providing it just as a reference. **Chairman Burroughs** said, Kathleen, I appreciate that very much. I believe as you stated and as a number of committee members have talked about these special funds. **Ms. VonAchen** said we have the County Levy Fund, we have a two Debt Service Funds, and then we have funds that are restricted by state statute and then funds that are created by the Unified Government have been created in the past and have some under the authority of the state statutes provide us.



The first one, the County Levy Funds, generally we are granted home rules powers, the counties in 1974. We can set up various property tax levies for various purposes. These are the property tax levies that we currently have. The Development Disabilities Fund, the Election Fund, the Health Department Fund, the Mental Health Fund, and then the Aging Fund. Each of these have specific restrictions on how to spend the money and so based on the state statute.

2019 Expenditure and Transfers & Fund Balances for Special Revenue Funds						
Special Revenue Funds' Resources Dedicated for Legally Authorized Uses (refer to CAFR for details of dedicated/ restricted uses)						
Source: 2019 Draft Non-Major Governmental Funds' Financial Statements						
	FY 2019 Expenditures & Transfers-out	FY 2019 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out)	Fund Balances in Excess of Highest Reserve Target Range	Notes Regarding Revenue Sources and Obligations of the Outstanding Fund Balance
Developmental Disability	$ 436,679	$ 479,547	110%	10% to 15%	$ 414,045	Resources from annual 0.346 County property mill levy rate
Elections	$ 1,303,089	$ 432,790	33%	10% to 15%	$ 237,327	Resources from annual 0.873 County property mill levy rate
Health Department	$ 3,185,965	$ 334,532	11%	10% to 15%	$ (143,363)	Resources from annual 1.559 County property mill levy rate
Mental Health	$ 659,000	$ 63,620	10%	10% to 15%	$ (35,230)	Resources from annual 0.425 County property mill levy rate
Special Programs for Elderly	$ 1,882,162	$ 48,417	3%	10% to 15%	$ (233,907)	Resources from annual 1.027 County property mill levy rate
Totals	**$ 7,466,895**	**$ 1,358,906**	**18%**		**$ 238,872**	

COUNTY LEVY FUNDS

2019 Fund Balances generally exceed fund balance targets, except for the Health and Aging Funds that fell below the highest target. These funds are accumulating resources for potential caseload increases and expected increasing costs in the near-future.

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Here is the balances for the funds in this category. Each one of those categories is presented the same way. The first column, remember, it's the expenditures, its not the fund balance. It's how much was spent during 2019 including transfers and then the blue column is the fund balance at the end of 2019. These are based on the CAFR, so this is the CAFR fund balances as prescribed in the policy. This next column is basically taking the fund balance and dividing it by the expenditure level and so you can see, for example, Developmental Disabilities, it's fund balance of $479,000 is 110% of the amount it spent in 2019. It's a pretty healthy fund balance. Whereas, the current policy we have in place, as I mentioned we have a range and it prescribes a minimum reserve of between 10 and 15%. The last column is how much in excess of the highest number it is. If we only have 15% of the expenditures in a reserve, then this is how much more we have in excess of the 15%. These are the mill levy rates. You can see that the Developmental Disability Fund has quite a bit of fund balance.

The Elections has quite a bit of fund balance. I should point out that Elections, you know, their cost kind of vary from one year to the next, depending on whether there is a general election. Sometimes they need to have a little bit more money because when that presidential election happens, they often spend more money in that year. There's a little bit of variability for them. The Health Department is at 11%. Mental Health is at 10%. The Aging or the Special Programs for the Elderly are only at 3%.

Chairman Burroughs said the committee has discussed this. I'm really pleased that you brought these forward as we've had much discussion in reference to the target reserve range in reference to these funds. As you can see, we do have—even though the mill levy has been set for those particular funds, we did find three of them that the reserves are in the negative category. I guess my comment would be, when we do the budget, do we give guidance as to what the mill levy should be on those, or is that guidance given that we want to keep the mill levy the same and then the Administrator makes the mill levy adjustment. **Ms. VonAchen** said so what's missing, again, from this presentation, is how much we plan to spend in 2020 and how much we plan to spend in 2021. Of course, those amounts plus how much is coming in, those amounts impact the reserve. As part of the budget process, we individually look at each and every one of these funds and we monitor whether the reserves are too low or too high, and we make adjustments accordingly. What I mean by we, I mean that the County Commissioner in conjunction with say the Election Commissioner, we talk about whether the mill levy should be shifted among these funds slightly.

As I mentioned in the prior slide here, I wanted to tell you that these reserve levels are going to be incorporated as part of our discussion in the 2020 Amended 2021 Proposed Budget process. We're certainly going to be very closely watching the reserve levels to see whether there's opportunity for shifting mills around in order to make sure that the programs that are being provided are—that it makes sense for example.

Chairman Burroughs said I sincerely appreciate that statement. This is something since I have come on as the commissioner that we have identified that our reserves are out of whack with our mill rate. We sincerely need to give consideration to proposed mill rates to make sure, at the very least, that we meet the policy in place and we haven't done it with the three negative categories here on the three funds, the Health Department, Mental Health, and Special Programs for the Elderly. Either we're not raising enough money or it's costing us more money and we need to balance that out. As far as the excess in reserves, when it comes down to making sweeps and/or utilizing those funds for something else, we are mandated because of the mill rate to spend those dollars accordingly. I did want to bring that to your attention. I wanted to make a public statement that something that many of us have talked about over the last couple of years and we see it again tonight that we are under water in reserves on three of these funds and two of the funds have a tremendous amount of money. I just wanted to bring that to the committee's attention.

Ms. VonAchen said I failed to share earlier that as part of the 2020 Budget, we shifted .4 mills, maybe .04 mills, I'm not remembering exactly, but a small millage we shifted out of the Developmental Disabilities Fund and into the Health Department Fund. You all approved that as part of the 2020 Budget and at the moment the administration is thinking about keeping that in place. **Chairman Burroughs** said just for transparency sake, this goes back to my original question, we approve a standard mill levy when we approve our budget. I don't know who had come forward and talked about moving a half of percent of something around. I would like to have that disclosed when we're having our budget discussion because, in my opinion, that was a sweep when we pulled some money down, but that's just my opinion. I want to watch those dollars. If we're pulling money out of the Developmental Disability Fund at a half percent a mill and that mill went into something else, then we need to ensure that whatever monies are there for Developmental Disabilities that is spent properly and accordingly. That's what the mill levy was set to do. To come in later once those funds have been identified as being excess, which we as a committee members have done that, only to find out that they were shifted later once we approve the entire mill structure. I want to know who has the authority once we approve the mills to go in there and change those around to collect the excess dollars in revenues. I just don't believe that's transparent to the public and I don't think it's fair to the disability group, the election group, or any of those who have been taxed or have a mill levy rate associated to those particular entities that those monies sit idle and/or go in reserve only to be moved somewhere else without public discussion. That's my comment.

Ms. VonAchen said so the next budget presentation we're going to be presenting what they call the maximum mill levy presentation and in that presentation is when each of the mills for each fund are presented. Any shifting that is recommended by the administration would be presented at that time for the entire Commission comment and approval and vote. That's coming up in the next two weeks.

Commissioner Townsend said, Mr. Chairman, I had my hand raised, but this is a little bit challenging. **Chairman Burroughs** said it is. Please never hesitate to speak up. **Commissioner Townsend** said before Ms. VonAchen proceeds, I would like to remain on this slide 14 and get a really primary understanding of what we're saying here. For instance, let's look at the Health Department, Mental Health, Special Programs for Elderly. If you look at the columns in the blue, those are all positive numbers indicated. Those are the remaining balances in those funds. That's correct, Ms. VonAchen? **Ms. VonAchen** said, that's right. **Commissioner Townsend** said explain to me what we're saying about those balances. Again, when we look at the column that says fund balances in excess of highest reserve target. If you look at the Health Department, you've got a negative of $143,363. What are we saying about that number? That's an ending balance, should be at least that amount added to the $334,502 you have in there to be in a compliance state. **Ms. VonAchen** said right now, the policy prescribes or recommends that you keep between 10 and 15% of the expenditure level. Right now, this fund is within that because it's at 11%, which is between 10 and 15%. This is just an example here. If we were shooting for high one, the 15%, this fund reserve of $334,000 would need to be $143,000 higher in order to meet that 15%. **Commissioner Townsend** said at the highest range. We're looking for the highest range. **Ms. VonAchen** said well, it's just to give you an example. I could have picked the lowest as well.

Commissioner Townsend said one other thing I wanted to go back to your slide before we go any further that showed the general fund, combined total fund balance, where we see that nosedive of the fund balance going down to 9%. When we're looking at that 20% in 2019, is that number inclusive only of the two months of ongoing operating expenses where we should be around 17% or does that 20% also take into account the one month of emergency reserve so we really should be comparing that number to 25%? **Ms. VonAchen** said we hit the two months which is 17%, and then any amount above 17% is going toward the extra month. **Commissioner Townsend** said alright. Well, I guess what I'm saying is that—okay, you're saying we're 20 looking at 17 with 3% being extra. **Ms. VonAchen** said yes, that's right. That extra equates to $7.7M. **Commissioner Townsend** said I'm always going to be pretty careful from here on out to make sure that I fully understand if we're talking about the reserves when you quote a percentage inclusive of or not inclusive of the emergency, which would be the 25% watermark. Thank you.

Ms. Cobbins said, Mr. Chair, I see Commissioner Johnson with his hand raised.

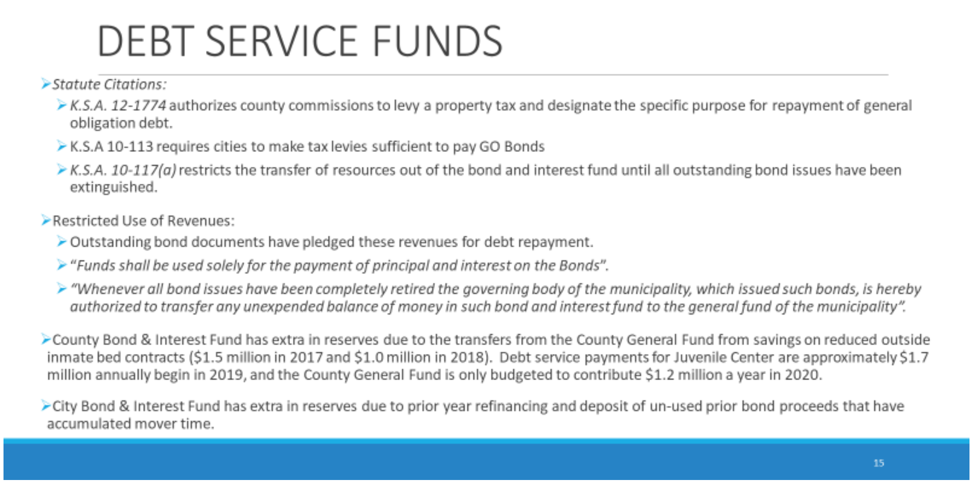
Commissioner Johnson said I have a pretty short tension span for better or for worse, so I jumped ahead throughout the presentation. From what I can tell, these are the only three funds that have a fund balance less than what we have prescribed and I'm speaking of specifically the Health Department, Mental Health, and Special Program for the Elderly. **Ms. VonAchen** said actually the only one is the elderly. These other two or within the range. **Commissioner Johnson** said yes, I stand corrected on that. We only have one fund out of I don't know how many funds you have in this presentation that is out of sync so to speak. The only question I have of that is, for that one fund, historically, has it been lower than what we had prescribed, or can you give me some historical context for this particular fund? Everything else, as I can tell, Chair, looks like they are at or above what we have prescribed or the state has prescribed or whoever has prescribed these particular percentages.

Chairman Burroughs said, Commissioner Johnson, you are correct in that statement, but we also made a change in the policies last year that allowed some of those monies to be moved around for the technology fund and a few other things which lowered and impacted some of those reserve funds. My point all along has been, lets be transparent in the mill levy requirement that we're putting on it because those mill levies reflect in our total mill levies that we assess our ratepayers. It's important that even though these are only 1.2 mills or 2.4 mills, it's important that we utilize that mill levy to pay for those services and not utilize them to build reserve. Our reserves that are set aside, are they inclusive of these reserves in reference to the two months that we are putting aside or are they excluded? That's a discussion for us as a committee, but I really appreciate you bringing those up and looking at those. I'd be more than happy to visit with you about some of the other discussions that have gone on in reference to these mill levy reserves.

Commissioner Johnson said I agree with you, every mill counts right now in this environment. I completely appreciate the scrutiny with which we have been applying to these funds. Particularly, what we are expecting right now and coming into the next year or two. Every fraction of a mill counts, so I appreciate the work that you and Commissioner Walters have already put into this. I don't need to be brought up to speed on it. I just to make sure that I was understanding this properly.

I guess it's back to my original question. Historically, on the Special Programs for Elderly, has that typically been out of whack, Kathleen, or is this just a one-off situation? **Ms. VonAchen** said the Special Programs for the Elderly have a lot of needs. They pretty much are always a little short. In fact, every year we not only collect this property tax, but we also transferred $260,000 from the County General Fund to this fund in order to augment the number of meals that we can distribute to our aging population. **Commissioner Johnson** said with that being said, and again, I don't want to take too much time in the weeds, that's not where I really need to stay at. Does it make sense, back to what Commissioner Burroughs has been talking about, for us to at least address those areas that are below the prescribed percentages of which I see one right now, so that we don't have to continue that process of having to transfer funds over when we might just need to make an adjustment in the fraction of whatever mill that we are assessing to that fund. That's the only thing I would add to the comment.

Ms. VonAchen said that is one opportunity. I would also like to point out that Developmental Disabilities, generally they build within their budget, expenditures that are unexpected kind of emergency needs, but they also often don't know exactly what the grant level is going to be for their services in the grant fund. What happens is, their budget, for example, typically is around let's say $550,000 or maybe $600,000, but then they end up only spending $436,000 because that emergency money that they planned for wasn't spent. That's how the reserves got started building in this fund because some of the contingency money that they have to set-aside wasn't needed. Just so you know, that's why this fund balance is higher. **Commissioner Johnson** said I appreciate that. There's always a narrative that comes with all of these percentages. I'm always saying I'm a bottom line kind of guy. I only see one fund right now that might need some adjustment, but other than that it looks like everything else is at and/or above where it has been prescribed either by the state or by us or agencies might be. **Ms. VonAchen** said by us. **Commissioner Johnson** said I'm talking about the other funds going forward that you are going to identify in the presentation. I'm going to shut up so we can move on. **Ms. VonAchen** said I really appreciate your comments and questions.



Ms. VonAchen said the debt service fund is reported as one single fund in the CAFR, but in reality, there's a City General Fund, I'm sorry, a City Debt Service Fund, the Bond & Interest Fund and then there's a County Bond & Interest Fund. Then there's a whole variety of about 15 tax increments, separate tax increment financing funds.

Special Revenue Funds' Resources Dedicated for Legally Authorized Uses (refer to CAFR for details of dedicated/ restricted uses)
Source: 2019 Draft Non-Major Governmental Funds' Financial Statements

	FY 2019 Expenditures & Transfers-out	FY 2019 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out)	Fund Balances in Excess of Highest Reserve Target Range	Notes Regarding Revenue Sources and Obligations of the Outstanding Fund Balance
City Bond & Interest Fund	$ 50,760,125	$ 6,033,955	12%	5% to 10%	$ 957,943	100% restricted for debt service payments
County Bond & Interest Fund	$ 5,047,244	$ 4,490,167	89%	5% to 10%	$ 3,985,443	100% restricted for debt service payments
TIF Debt Service Funds	$ 2,789,928	$ 4,156,888	149%	5% to 10%	$ 3,877,895	100% restricted for debt service payments
Totals	**$ 58,597,297**	**$ 14,681,010**	**25%**		**$ 8,821,280**	

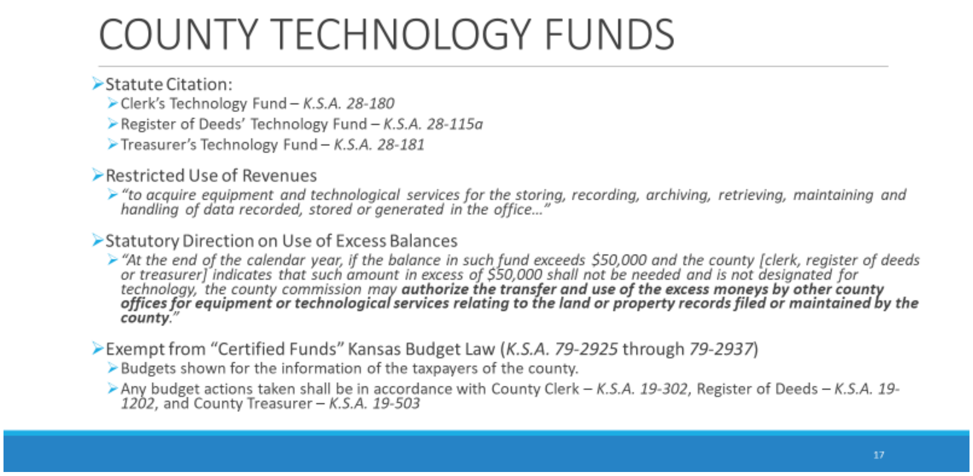
We're going to focus on the City and the County Bond & Interest Fund. You've seen some information, quite a bit of information, about the financial performance of those two Debt Service Funds as part of the CMIP presentation so I'm not going to belabor that. I did want to share this with you, we have the City Bond & Interest Fund ending the fund balance with $6M and the County Bond Interest at $4.5M. Then, all of the TIF Debt Service Funds combined equal $4.1M. That's a total of $14M. All of these are 100% restricted for debt service. State statutes are very clear on that. If you want to spend this money, you have to issue debt and then pay off the debt with them, those reserves. **Commissioner Johnson** asked, Kathleen, on this excess funds—I'm sorry, Mr. Chair, forgive me for that, Chairman Burroughs. **Chairman Burroughs** said go right ahead, Commissioner. **Commissioner Johnson** said the $8.8M are we achieving any kind of positive arbitrage on those funds since we are obligated to keep them in the fund and not able to spend them. Can you speak to that and any of the other funds as well to that degree? Are we able to receive a positive arbitrage on those since we accrue debt service? **Ms. VonAchen** said we have a policy, an internal accounting policy related to which funds receive interest income and these funds do receive interest income on their balance, if that's what you're asking.

Ms. VonAchen said I wanted to mention, the County Bond & Interest Fund, the reason it's fund balance is higher is because all of you approved as part of the budget the past two years, I think began in 2017, 2018, and again now in 2019, we transferred roughly between $1 and $1.5M amongst those years, each of those years, from the County General Fund to the County Bond &

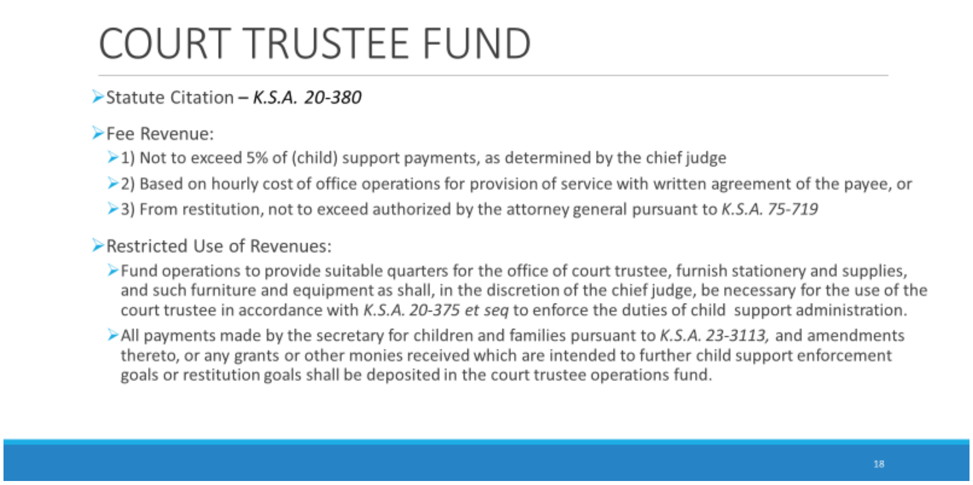
Interest Fund in anticipation of the debt service that we're going to be paying for the Juvenile Center. The debt service on the Juvenile Center is about $1.7M. That was something that we did in order to kind of set aside money in the County Bond and Interest Fund to make sure that we have enough to make that debt service payment. That's why that fund balance is higher.

The TIF Debt Service Funds are basically—there is debt service, well basically, sales tax and property tax over the course of the life of the Tax Increment Financing District exceeded the amount of debt service that was required and there is a number of funds in there is and that's what that is. As the bonds become callable, then we're able to pay off those TIFs earlier with those reserves.

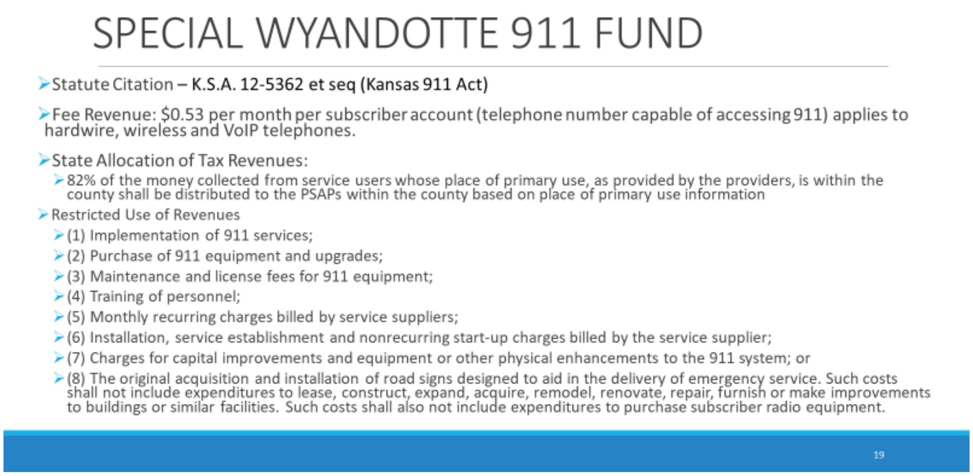
City Bond & Interest Fund, it's holding at $6M. As I mentioned during the CMIP presentation, because over the course of, especially the last five years, we have refinanced bonds, a number of bonds. Every year we refinanced bonds so that the debt service is less than what we were paying previously. Also, when we permanently finance bonds, sometimes we overestimate how much is left for the project cost and the cost ends up being a little less than what we bonded for. The difference in those proceeds are required to be deposited back from the project account to the debt service account so that those balances have been growing. That's why that $6M is in there. As you know, these funds don't necessarily need a great deal of liquidity and that's because we have set mills—the TIF probably needs some liquidity, alright. The City & County Bond & Interest Fund, they probably don't need very much liquidity because we receive ½ of the property tax payment the first month of the year. The first debt service payment made in February is for interest, not principal. The largest debt service payment typically happens in October for principal and interest.



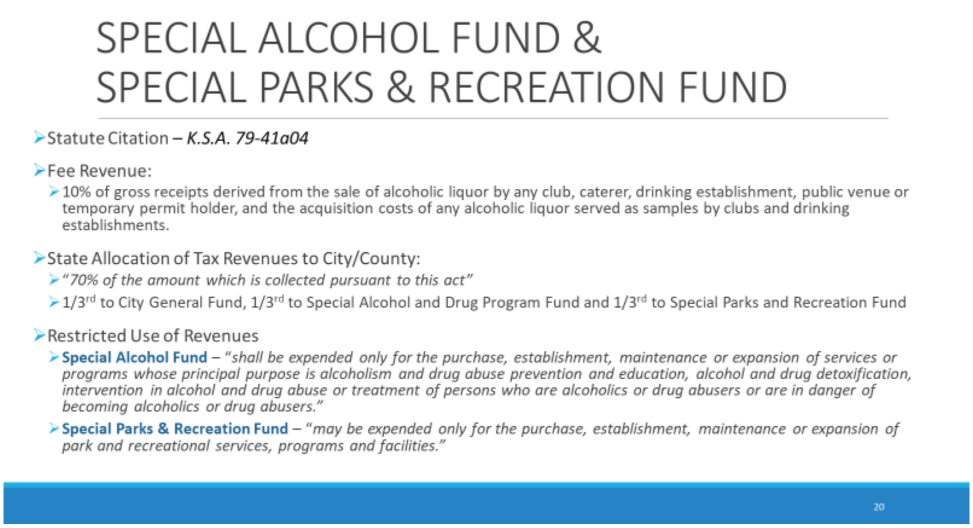
Commissioner Burroughs mentioned the County Technology Fund. By statute we have three of them set up for the Clerk, Register of Deeds and Treasurer. They are restricted for these purposes that are discussed here. I'm not going to go into the detail of it. Generally, they're for acquiring equipment and technology services. There is some provision for the use of the balances in these funds once they exceed $50,000. The use of those balances have to be authorized by the respective people in charge of these funds, so the UG Clerk, the Register of Deeds, and then the County Treasurer.



The Court Trustee is restricted for the use of supplies, and some furniture suitable for the Court Trustee Office, but also to assist families and children with child support enforcement.



We have a 911 Fund, it's a fee per prescriber on accounts and telephone numbers. It's very restricted. You can only use the money for these purposes; you can't even put personnel in here.



We have the Special Alcohol Fund and the Special Parks and Recreation Fund. The revenue from these funds are from the sale of alcohol, clubs, and drinking establishments, but not liquor stores. The purpose of those funds are specified here.

SPECIAL STREET & HIGHWAY FUND

- Statute Citation
  - K.S.A. 12-1,119 creation of street and highway fund by ordinance
- State Allocation of Tax Revenues:
  - Revenues are received from the State of Kansas from motor fuel tax collections. Allocations are based on population of the city and county
- Restricted Use of Revenues
  - Funds are to be used for the construction, reconstruction, alteration, repair and maintenance of city streets and highways.

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The Special Street & Highway Fund is a gas tax fund. This fund was negatively impacted due to COVID. It's basically restricted for construction alterations of city streets and highways.

Special Revenue Funds' Resources Dedicated for Legally Authorized Uses (refer to CAFR for details of dedicated/ restricted uses)
Source: 2019 Draft Non-Major Governmental Funds' Financial Statements

	FY 2019 Expenditures & Transfers-out	FY 2019 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out)	Fund Balances in Excess of Highest Reserve Target Range	Notes Regarding Revenue Sources and Obligations of the Outstanding Fund Balance
Jail Commissary	$ 2,363	$ 288,030	12189%	8% to 12%	$ 287,746	Restricted to inventory cost of sale to inmates for clothing, food, etc
Special Dedicated Sales Tax	$ 9,836,028	$ 4,856,128	49%	5% to 10%	$ 3,872,525	Resources committed for prior year capital projects & equipment acquisitions
Special Assets Fund	$ -	$ 2,282,700	0%	5% to 10%	$ 2,282,700	100% assigned for future projects at CAO and Commission direction
Tourism & Convention	$ 2,535,744	$ 6,709,672	265%	3% to 5%	$ 6,582,885	100% assigned for future projects
Environmental Trust	$ 1,002,689	$ 1,450,165	145%	10% to 15%	$ 1,299,762	100% assigned for future dedicated projects / potential landfill risk mitigation
Totals	**$ 13,376,824**	**$ 15,586,695**	**117%**		**$ 14,325,618**	

CREATED BY UG COMMISSION WITH AUTHORITY OF STATE STATUTE

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Here's the balances. The Jail Commissary Fund is, if you do the math, it has a significant percentage compared with those expenditures, but that's because the expenditures are so low. They were only $2,000 last year. There is some excess revenue in there. These are the funds created by the UG Commission. I think I got those turned around. **Chairman Burroughs** said something is not adding up there Kathleen. **Commissioner Johnson** said you show the actual of balances ahead of the description of the funds themselves.

Debbie Jonscher, Deputy Chief Financial Officer, said, Kathleen, the last slide you have in the PowerPoint I think has the funds that you just went over. **Ms. VonAchen** said I got turned around.

I'm so sorry about that. Somehow the slide got—let's go back to that slide then since we talked about it.

Special Revenue Funds' Resources Dedicated for Legally Authorized Uses (refer to CAFR for details of dedicated/ restricted uses)
Source: 2019 Draft Non-Major Governmental Funds' Financial Statements

	FY 2019 Expenditures & Transfers-out	FY 2019 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out)	Fund Balances in Excess of Highest Reserve Target Range	Notes Regarding Revenue Sources and Obligations of the Outstanding Fund Balance
County Clerk Technology	$ 2,375	$ 162,565	6845%	5% to 10%	$ 162,328	Accumulating resources for future equipment/software acquisitions
County Treasurer Technology	$ 84,432	$ 81,564	97%	5% to 10%	$ 73,121	Accumulating resources for future equipment/software acquisitions
Court Trustee	$ 451,917	$ 688,392	152%	8% to 12%	$ 634,162	Resources restricted for child support enforcement activities in future years
Register of Deeds Technology	$ 126,222	$ 235,431	187%	5% to 10%	$ 222,809	Accumulating resources for future equipment/software acquisitions
Special Wyandotte 911	$ 974,450	$ 460,996	47%	5% to 10%	$ 363,551	Resources from a statewide 911 fee on hardwire, wireless, VoIP phones
Special Alcohol Program	$ 430,705	$ 1,045,242	243%	5% to 10%	$ 1,002,172	Resources from a portion of UG's allocation of State liquor tax sales
Special Parks & Recreation	$ 420,494	$ 301,328	72%	3% to 5%	$ 280,303	Resources from a portion of UG's allocation of State liquor tax sales
Special Street & Highway	$ 7,649,050	$ 1,687,775	22%	3% to 5%	$ 1,305,323	Resources from UG's allocation of State motor fuel taxes
Totals	**$ 10,139,645**	**$ 4,663,293**	**46%**		**$ 4,043,767**	

FUNDS RESTRICTED BY KANSAS STATUTES

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Here is the Technology Fund, all of the three technology funds are here. The County Clerk is accumulating resources for future acquisition in software. She does plan to have to engage in some projects in the coming years, so you'll see that as part of the budget process.

The Treasurer made a significant investment this year in the technology needs of the Motor Vehicle Registration and Property Tax Administration area. He spent down his fund balances although they're still at 97%. The Court Trustee is administered by the courts. Here's all the balances here.

Ms. Cobbins said, Mr. Chair, Commissioner Johnson has his hand raised.

Commissioner Johnson said I think I might have got a little confused here, but I guess what I'm trying to understand, and I'm just looking at that, you talked about the County Technology Funds and I think Commissioner Burroughs you may have already spoken to this. It sounds like there is some level of discretion that can be utilized for that particular fund if it is in excess of $50,000 above what it needs to be or whatever the case may be. Is that true? I know it's true, I just wanted your perspective on that. **Ms. VonAchen** said that's true, yeah.

Chairman Burroughs said, Commissioner Johnson, I appreciate you raising that question. It's not to make accusations or to negatively point in anyone's special direction, but those funds are there for specific reasons. Either they're not being spent to address those reasons, or they are sitting there and accumulating a large reserve and we do know that technology is not cheap.

We're sitting at, as you can see, the one at the top, 68% of reserves, we should have a report as to why those reserves are growing—have grown to the extent that they have. What I would caution us about doing, is seeing those reserves grow and then seeing diminish with no expense put into the County Clerk technology. Ideally sweeping those funds to go somewhere else in the budget. We need to be mindful that funds that are restricted by Kansas statute, as Kathleen has stated, if they're just being sent into reserve and not being spent, what services are we not providing and what is our timeline to update the County Clerk's technology to ensure that we can be more efficient and more effective in dealing with the needs of the County Clerk. If the reserves are too much, then we need to look at some of the costs of the County Clerk. That's just one example.

As you can see, you have a number of them there with a 46% at the bottom. We can talk about these. This is something that members of the finance committee have been trying to bring forward in the past. There's a tremendous amount of reserves sitting here. As I stated, they should be utilized for what they are designated for or we need an explainer to us as to why they continue to sit there within the budget in the reserves. That's just my point to the committee and it's members.

Commissioner Johnson said I would add or question to that extent as well, are these excess funds receiving interest also, Kathleen? **Ms. VonAchen** said some of these funds receive interest, but not all of them, no. It's based on our accounting policy. They follow the state statute. We only give interest to funds where we're required. The rest of the interest goes to the County or the City General Fund. **Commissioner Johnson** said that's to say that all of the funds are receiving interest. Some of the interest is going to the General Fund. **Ms. VonAchen** said, yes. These Technology Funds aren't receiving interest. **Commissioner Johnson** said not at all.? **Ms. VonAchen** said it's not statutorily required. **Commissioner Johnson** said just because it's not statutorily required doesn't mean that we shouldn't be acquiring or putting them into interest bearing accounts though, right? **Ms. VonAchen** said well, we invest all of our reserves. It's just that the interest is allocated either—in this instance to the County General Fund. **Commissioner Johnson** said that's what I wanted to make sure. They're all receiving interest; it just comes down to the matter of whether or not they're required to go into the General Fund or not. **Ms. VonAchen** said right.

Ms. VonAchen said the next category, is that the next category, because I'm getting confused here. **Chairman Burroughs** said, Kathleen, what you have been able to propose this evening, the majority of the committee has had a chance to review the documentation. Might I suggest, are there any questions of Kathleen in reference to any of the materials that were received or put forward? I do know that we have two other items that are action items this evening and I don't want to take away from our time to address those. As Chair, I would ask the committee if there is anything pressing to these numbers that you might have any questions in reference to them. **Commissioner Johnson** said I'm good Mr. Chair.

Commissioner Townsend said I have no further questions Mr. Chair.

BPU Board Member Bryant said my questions have been answered.

Ms. VonAchen said, I would like to mention, Mr. Chair, that as part of the upcoming budget workshop we'll be presenting to you the status of all of those funds and the fund balance that we are projecting through 2021 so you can see what the plan is. **Chairman Burroughs** said the committee would be most appreciative of that Kathleen. Thank you. We'll look forward to seeing what those proposals are in reference to not only the mill rate, but how the reserve funds will be utilized and/or stipulated as to how they shall be utilized. I know some of them fall under ordinances, statute. We will address those through the budget process.

If I may committee, are there any other questions, Commissioner Walters, Commissioner McKiernan. **Commissioner Walters** said I'm good. **Chairman Burroughs** said, Kathleen, thank you very much for your presentation. Should you have any questions committee, please don't hesitate to reach out to Kathleen and/or to other members of the Commission to have any of those questions or any of the concerns you might have. Be mindful these calls need of to be limited to a very small group, but Kathleen and staff are there to help with any questions you may have. I'll look forward to having that discussion during the budget process.

Action: **For information only**

Item No. 2 – 20168…RESOLUTION: FINANCIAL POLICIES/REVISIONS

Synopsis: A resolution adopting revisions to the Special Revenues Funds Operating Reserve Policy and the Capital Asset and Equipment Investment and Management Policy, submitted by Kathleen VonAchen, Chief Financial Officer.

Kathleen VonAchen, Chief Financial Officer, said I don't have a PowerPoint for that. I've presented as part of the packet, the draft of two policies for your consideration as well as resolutions to adopt those policy revisions. The first one has to do with the very subject that we were just talking about which is the Special Revenue Fund. Basically, the only change presented, in the draft that you have in front of you, is that we would actually change the range because right now the current policy has a range. The minimum reserve is a range, which doesn't make a lot of sense to me and to some of us. We think that if you have a minimum, it should be a minimum percent. We have a number of conversations about that and what we, you know, individually and many of us concluded that in order to be consistent we should just keep them at between—keep many similar to the General Fund.

The other item that I added to this policy was a reference to the actual statutory requirements and restrictions of those various funds. There's a lot in there to talk about and we're already getting kind of late in the evening, so I don't know.

The second policy that I have in front of you is to have you approve the revisions to the Capital Asset Policy. That policy was already approved by the Public Works Commission. This is what you need to do—basically it's formalizing the provisions for you.

Rocki Mayes, Administrator's Office, said Commissioner Burroughs, Commissioner Townsend has a question.

Commissioner Townsend said, Ms. VonAchen, I think you answered one of the questions that I had already and that was with respect to move from the range of percentages to 2 months. That was chosen to be consistent with how we're looking at the fund balance expenditures. **Ms. VonAchen** said yes, that's right. **Commissioner Townsend** said I did have a question about something that was not proposed as a change. It appears, I don't know what page this is, but it's Item G in the policy, and it talks about fund balance classification and in it, the policy talks about in what order we could reduce restricted fund balances and/or unrestricted fund balances if such a need arose. As I'm reading it, I was confused as to why we're saying in the policy that we could restrict the fund balances first followed by unrestricted fund balances. You lost me there because we spent quite a bit of time and explanations talking about the restrictions on some of these funds and why we would if we had to reduce restricted fund balances first.

Ms. VonAchen said that language was in the original policy that was adopted. Actually, what it's saying is that it's important to spend the funds on the resources on expenditures for which it was restricted for. That's what that's meaning. If there are any monies beyond that, then if there are expenditures that are not specifically specified in the fund that are specifically restricted, then you would spend that last. It's an accounting—it's a good question. I will need to study it again. I'm forgetting now why that was in there. **Commissioner Townsend** said that's okay. I'd appreciate some more clarity on that because as you read through the policy, if we were in a position where we were looking to go to some reserve fund for extra money, it just seems to me the plain language of this, as I read it, was saying we can go and look at the restricted funds first and then go to the unrestricted. To me, it just seems like it would be exactly the opposite and it goes to what I think the point the Chairman was making that we want to give services and use the money, but it seems like we should use the unrestricted first. **Ms. VonAchen** said it's actually not applicable with most of these funds because all of these funds already have 100% restriction is my point. That statement is applicable to you know, funds that, for example, in the General Fund. There are a number of revenues that are specifically restricted and others that are not. These funds that you're looking at—Special Asset Fund, is not restricted at all. **Commissioner Townsend** said I wasn't looking at any of them. I'm just looking at the language here that says we go to restricted funds first, then the unrestricted fund balance and just on the face of it didn't make sense to me at all. If you could look at it later and further clarify, I would appreciate it just so that I understand that better.

Commissioner Johnson said I was just going to say, if you could provide that explanation to the whole committee, I'd be interested on that as well.

Chairman Burroughs said, Kathleen, I appreciate you sending these changes out, but if you remember correctly when we proposed those changes a couple of years ago, the committee took a tremendous amount of time and energy and effort to address these concerns in the policy changes in our financials. Tonight, I would highly recommend that committee members look over those policies position. Kathleen, I just want to state this is an action item. There's been some questions raised. My question to you is, do you want to go ahead and take a vote on this this evening with the questions that are there? Commissioners, is that what you want to do? If that's what you want to do, we'll go ahead and take the vote. I anticipate this is going to a point of discussion come budget. **Ms. VonAchen** said I would recommend that we table this for next month given the hour. **Chairman Burroughs** asked, any other comments from the Commission.

Commissioner Townsend said I agree with Ms. VonAchen's recommendation only because we, as this committee, needs some clarity on what it is that's actually going forward before we vote, at least that's my view.

Chairman Burroughs said I'm going to ask guidance from staff. Staff, what action do we need to take to table this this evening? **Patrick Waters, Assistant Counsel,** said, Commissioner, I think just a motion to table for one month. **Chairman Burroughs** said thank you for that guidance so, with that, I would entertain a motion to table.

Action: Commissioner Townsend made a motion, seconded by Commissioner Johnson, to table this item for one month to the next meeting of this body.

Chairman Burroughs asked, any comments from the committee before we take a vote. Staff, do I need to ask the public if there's any comment being this is a table. **Mr. Waters** said yes, this is an action item, we'll go ahead and see if there anyone wanting to comment.

Chairman Burroughs asked, staff, did we have anyone stepping forward or presenting information. **Ms. Cobbins** said no request was submitted to the Clerk's Office regarding this item. **Chairman Burroughs** said let the record show no one came forward. With that we have a motion and a second on the table to table for 30 days.

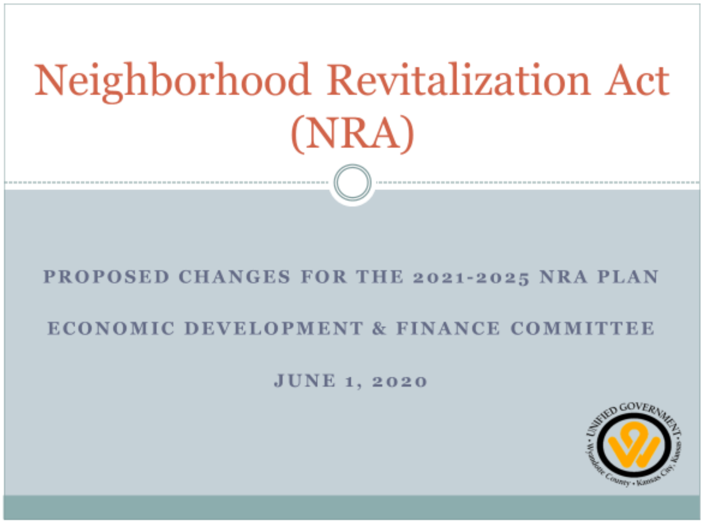
Roll call was taken on the motion and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

Chairman Burroughs said thank you committee. I think that was the prudent thing to do. Kathleen, thank you for your patience with us being these are important items and I really commend the commissioners for taking them seriously.

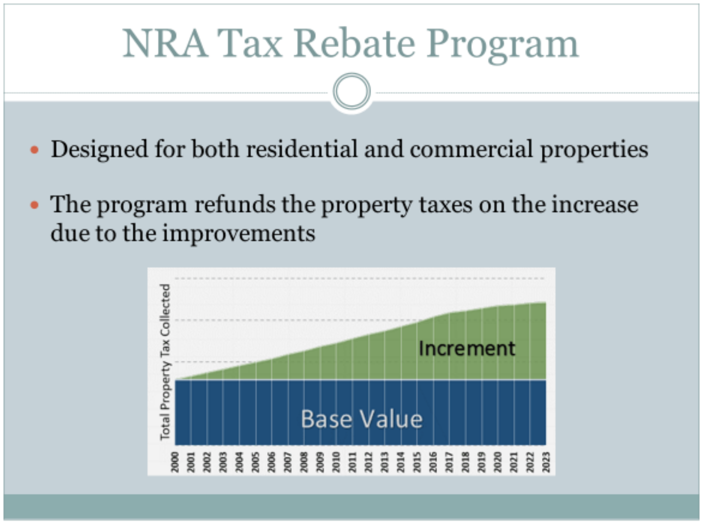
Item No. 3 – 20169… PRESENTATON: 2021-2025 NEIGHBORHOOD REVITALIZATION ACT PLAN REVISIONS

Synopsis: Presentation of the 2021-2025 Neighborhood Revitalization Act Plan, submitted by Kathleen Carttar, Director of Economic Development. The current 2018-2020 NRA Plan expires at the end of this year. Approvals from all affected taxing jurisdictions will be sought prior to approval by the UG Commission. The 2021-2025 NRA Plan changes will go into effect January 1. 2021.

Katherine Carttar, Director of Economic Development, said there's a decent amount of information to go through, but we will try to be pretty expeditious going through this knowing that it is already 7:40 p.m. It's been an evening already for you all. Just a quick update on what this is. Every three years we go through and have the Neighborhood Revitalization Plan revised and then reapproved by all the different taxing jurisdictions. Today, just kind of making sure from the jump today is not for approval. This is really for you all to see the improvements we think that we will be taking to the other taxing jurisdictions and making sure that we have your kind of (inaudible) approval, your kind of approval in concept and then once we speak with the other taxing jurisdictions, we will come back and request formal approval from you all, if that works. Stephanie Moore in Economic Development will also be assisting. She manages this program on a day-to-day basis and will presenting with me.



Stephanie Moore, Management Analyst, Economic Development, said, Commissioners, some of this may look familiar to you. As you will recall, we were presented some of this with the Finance Committee a few weeks ago. Like Katherine said, it's time to renew the program. The NRA started 20 years ago actually, so it's been around awhile. It's a very successful program in promoting and revitalizing Kansas City, Kansas to new construction and rehab. We are asking for jurisdictions to approve it so that we can be the ones to approve projects and they don't have to recome to all the jurisdictions. It's just an easier and faster way to get those projects rolling.



Ms. Carttar said this is one of those projects, and we'll get more into the nitty-gritty here in a minute, but this really is one of those programs and tools that we have that is able to really focus on those smaller projects. This is not one where you're going to need to pay for development attorney and all of that. This is a program that someone, your neighbor or you, can use if you're rehabbing your home or business. This is really meant to be a very user-friendly program. This is for the folks watching on UGTV or YouTube. Just kind of a quick explanation of how this tool works. It's for residential and commercial. What it does is it actually refunds the property tax on the increase of your property taxes due to whatever improvement you've put into that property. I always like to have a graphic, sometimes it helps folks. If you think about your property today, there's kind of base value, that's the property tax that you pay today, that blue kind of base value, before you've done anything to it. Then you make some improvements. To be qualified for this program you have to have an increase of 15% of appraised value. It's not a huge amount, but it's enough that you've really made some significant improvements on your property.

Basically, that piece that is in that orange color, that is what the increase of your property tax due to whatever improvement you made to your property. You can see that that's for ten years. During that time, when you pay your taxes, you have to pay your taxes every year, but then that additional amount will get refunded to you. You'll get a check back for that amount. We, as the UG, and the other taxing districts we're not losing any money in this. The goal of this is to have long term growth and encourage people to invest in their properties. After 10 years, you can see the increment and the base value, all of that would come to the taxing jurisdiction. Hopefully, if you're going to be investing in your property, you would keep doing so. We're really looking for long-term good residents and folks who are going to keep their properties up.

Ms. Moore said here some examples showing investment in our community versus abandonment. It's really like the but for test to make projects, especially commercial projects passing that but for projects or test to get them to make them possible.

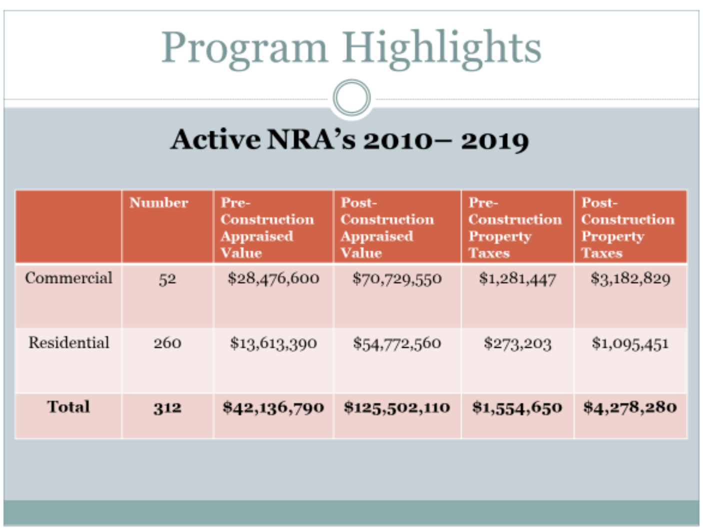
Here is some great examples, residential rehab. This is area one where these are located.

Next slide is new construction so you can see those infields happening. Those are excellent examples.

This is our commercial rehab and it's over in Fairfax.

This one is a new construction. It's helping the small businesses and hope they will continue to invest in our community and also helps out tremendously with residential new construction projects for single like residents working on their home.

Here's just a breakdown of the taxes NRA projects. We have 312 going on right now. That's just a breakdown of the 260 in residential and 52 in commercial. One that I think stands out a lot here is that pre-construction appraised value of $42M versus you get three times the bang for your buck on the post-construction value. It's doing what it's intended to do and it's a great program for the community.



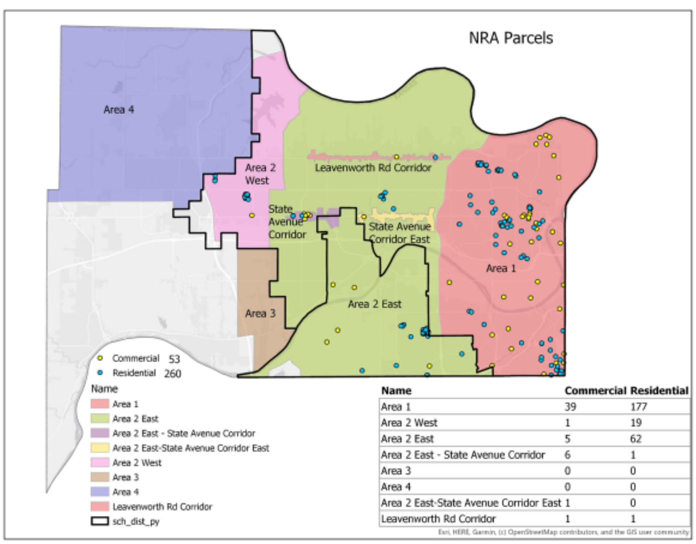
	Number	Pre-Construction Appraised Value	Post-Construction Appraised Value	Pre-Construction Property Taxes	Post-Construction Property Taxes
Commercial	52	$28,476,600	$70,729,550	$1,281,447	$3,182,829
Residential	260	$13,613,390	$54,772,560	$273,203	$1,095,451
Total	**312**	**$42,136,790**	**$125,502,110**	**$1,554,650**	**$4,278,280**

Ms. Carttar said this chart just kind of breaks it down a little more. Looking at breaking out commercial versus residential and really what that translates to in terms of tax value. As you can see, the commercial property is obviously taxed at a bit of a higher rate. We're looking at, if the folks who applied for the NRA, if they had done nothing to their property, we'd be getting about $1.2M a year of taxes, but now as they're starting to roll off and that's another thing, so this is kind of a snapshot of all the active projects, but every year we have projects rolling off so its kind of a moving target. Every year we're getting additional—more of these projects are coming on to the tax rolls at their full capacity. You can see that what is estimated that once these projects are all off of the NRA, then we'll have over $3M. It's a fairly significant number and then as you can see that the totals go from about $1.5M, which is you know not nothing, but we certainly prefer $4M coming in in taxes.

Again, I just want to reiterate that this is a program that we really try to target those folks that may not make these improvements on their property otherwise, and by adding this rebate, that is the thing that actually gets them to invest and to make that continued revitalization in their neighborhoods.

Ms. Cobbins said, Mr. Chair, Commissioner Townsend has her hand raised.

Commissioner Townsend said, Ms. Moore, before we get too far gone with this, is this available to any property owner throughout the city or county? Are they eligible to get this tax increment benefit for improvement to their property or does the property have to be located within a certain region in the city or county? **Ms. Carttar** said you're just teeing me up for the next slide Commissioner. **Commissioner Townsend** said, oh, okay.



Name	Commercial	Residential
Area 1	39	177
Area 2 West	1	19
Area 2 East	5	62
Area 2 East - State Avenue Corridor	6	1
Area 3	0	0
Area 4	0	0
Area 2 East-State Avenue Corridor East	1	0
Leavenworth Rd Corridor	1	1

Ms. Carttar said there are actually a few changes that we are going to recommend to this, but really this program started in that Area 1 so that's kind of east of I-635 roughly. The real goal again is revitalization. We're really trying to target different areas. In that Area 1, this is eligible for 10-years, properties are eligible for 10-years and you get a 95% rebate on that increment.

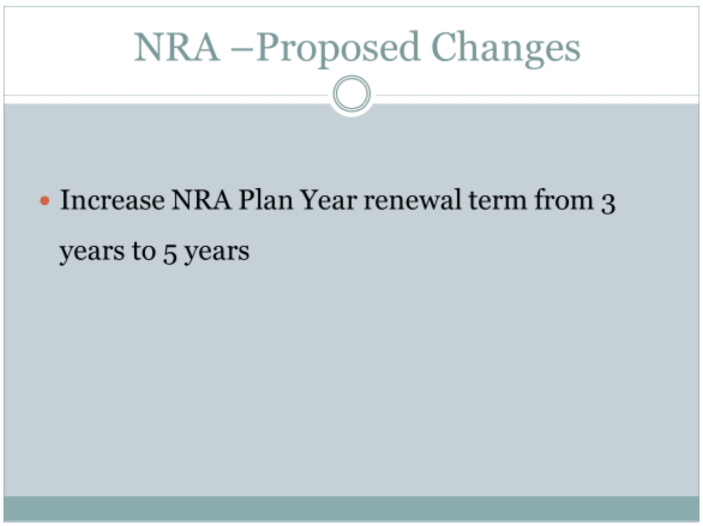
As you get into the green section, Area 2, it goes down a little. So, it's about 5 years, still that 95% rebate. There are some different—kind of these different corridors become special areas. It is a complex program, one of the things we're trying to do is make it a little more user-friendly. Currently, it is the entirety of KCK. Now, we did receive an opinion from the Attorney General that actually says that we are in violation and that the Neighborhood Revitalization Plan cannot cover the entire municipality. We are going to be recommending removal of parts of the city for kind of this next phase of the plan. As you can see, it is a program that is heavily used in the Area 1, a little less in Area 2. We have not received a single application in Area 3 or Area 4. Bonner Springs, and I believe, Edwardsville have their own plan, so they have their own requirements and it's a little bit similar but a little different. Does that answer your question?

Commissioner Townsend said, well yes, but it raises another one with your last comment about that some entity has declared we were not in compliance with the plan. As we look at the plan that's on the screen now, is the semantics we see now in violation of any NRA requirements? **Ms. Carttar** said it is the Attorney General's Office that gets us the authority—Patrick jump in if I'm misstating anything, but—**Mr. Waters** said it's not that they declared we're in violation. AG's office said that it's their opinion that municipalities should not cover their entire jurisdiction just because the plan wasn't really intended to do that. You're really looking at areas that need it the most. To declare that your entire municipality is in need of this plan, just wasn't what this statute was intended for. The AG's office did approve, they've always approved each plan and we send it for their approval, but it was their opinion in the last time around that we should remove some portion and reduce the area. We've always gotten AG approval on the plan.

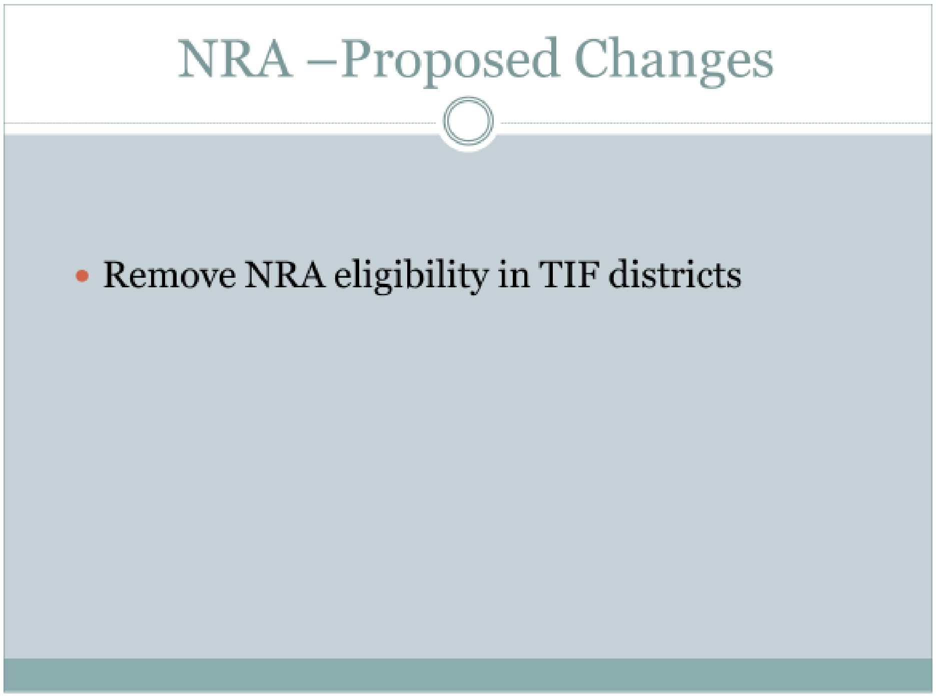
Commissioner Townsend said, Counselor, are we talking about state AG or we are talking about the US. **Mr. Waters** said the state Attorney General's office signs off after we approve the interlocals. **Commissioner Townsend** said so the plan as is shown on the screen would be within their recommended suggestions or outside of it? **Mr. Waters** said, Katherine, can you talk about it. Is this the old map or the current? **Ms. Carttar** said this is what is currently in place. The plan that will expire at the end of 2020. As we go, we're going to head into recommendations here now and we'll show you what we're recommending that we do moving forward. **Commissioner Townsend** said thank you.

Chairman Burroughs said, Commissioner Townsend, I appreciate you bringing that issue forward. I don't want us to be confusing because this is an item that we can absolutely use to encourage people to invest in our community. We just want to make sure that we one, comply and two, that it sets off what we anticipate it can do. I appreciate you bringing that question forward.

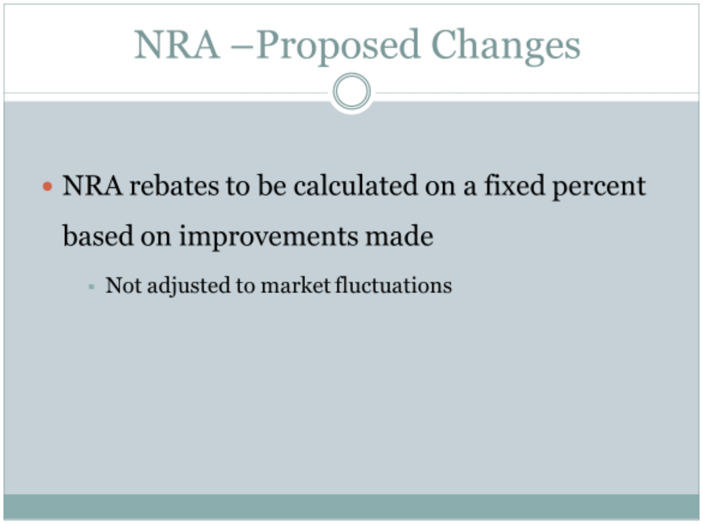
Ms. Carttar said right now we are going to jump into a handful of recommendations that we are proposing that we hope will make this a more effective, as well as user-friendly program.



Ms. Moore said right now the renewal term is three years and I'd like to increase that in 5 years. The staff time in multiple departments is quite excessive as it is a 12-month process to get it all the way through the system. If we could save some time on that and make a good plan, it's worth that 5-year timeframe. That's my first recommendation.



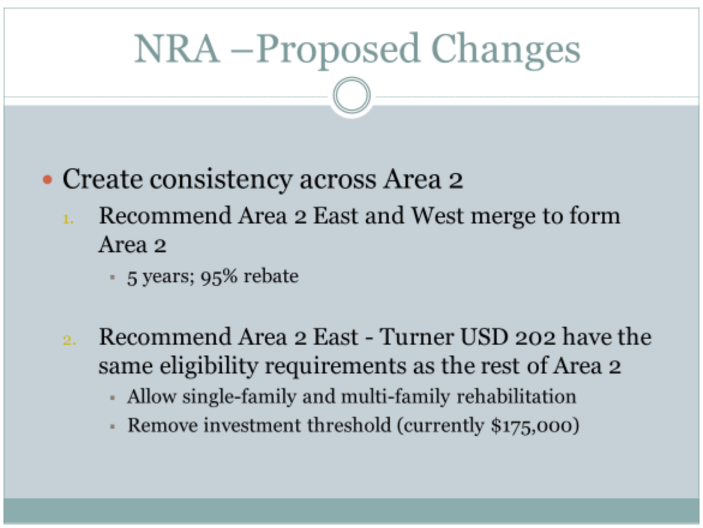
Ms. Carttar said our next recommendation, one of the changes that was made, I believe in the last one—it might have been in a couple plans, I'm not entirely sure, it actually made, in Project Area 1, so again, that is the most eastern part of our city; it allowed for some amount of NRA eligibility in TIF districts. Now, the issue with this is that you are using the same increment. You're using the same property, the same increase in property tax. You can't actually use both tools as intended. What was approved in a previous plan was that in order, I think this was primarily after the previous downturn at the end of the last decade, that trying to get additional development in areas that a TIF district was put in place and a desired development did not happen, so adding an NRA kind of hoping that would kind of move forward. The problem with this is that we are taking to pay the rebates for the NRA, that's coming directly of our General Fund. It's been utilized a couple of times, but in our opinion not enough to justify having it as part of our policy.



Currently the NRA rebates are calculated based on market fluctuation. You have that base set and then whatever is increasing over the course of that 10 years or 5 years depending on the term, that is the amount that is rebated. What our Appraiser and our Treasurer's Office have suggested, and I believe what a number of other municipalities do in our state kind of make it 6% so it really is based on what those improvements made. What that would look like is where you have your base, you make the improvements, the appraiser goes out to see what the new value is and then that's the amount that you would be rebated for the next 10 years. What we understood that was actually the original idea for the program and to also assist in having to manually go in and override for our Treasurer's Department.

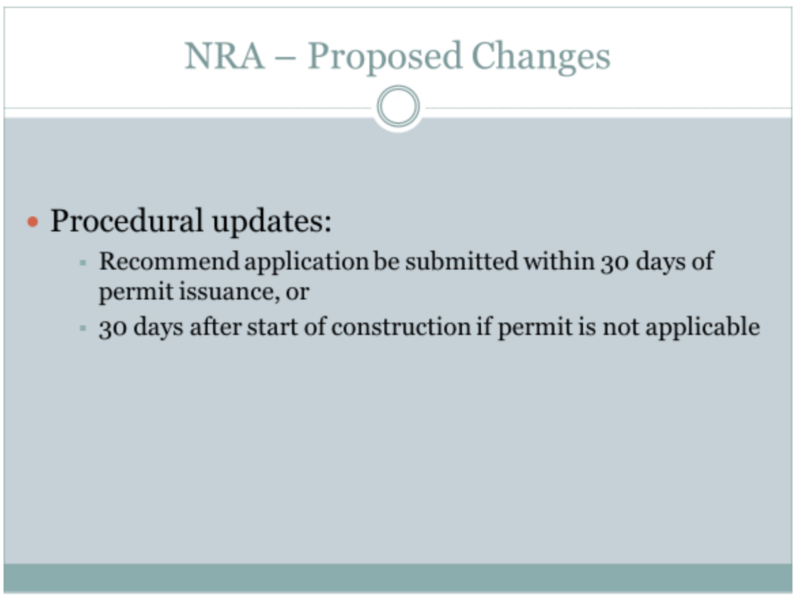
Chairman Burroughs said, Katherine, if I may, and Stephanie don't hesitate to chime in. Just what you had stated, do we have criteria set forth in this policy that would limit commercial percentages versus residential percentages so that we wouldn't—if we were to set a capital investment, hypothetically $1M of monies available through tax incentives, and if commercial projects came in and took advantage of those and we wouldn't be able to allow the residential to bust that cap, do we have something in place for consideration as to setting a cap as to how much residential can use and how much commercial can use or a percentage of that cap so that everyone has a fair opportunity to receive the monies necessary to invest in their projects? **Ms. Carttar** said at this time we don't have a cap. We have a cap in terms of the size of the project. It has to basically be under a $3M project. There are some outliers, but those would have to come in front of the Commission and go through a full process. Because most of these are very small projects, we have not felt the need to put some kind of cap on this. I think that if, for example, going back to the last one, if that were something that you all were interested in retaining, than I could see potentially putting some kind of cap since this is directly coming out of the General Fund, but otherwise we have not considered that. **Chairman Burroughs** said the purpose of asking that question was budget stability moving forward. That's why I wanted to present that, but thank you for that comment.

Commissioner McKiernan asked, historically have we recalculated the increment every tax year and taken let's say 90% of that new calculation. It's been a fluctuating increment and now we're proposing that at the time that the NRA is executed, we will assess on that value and that's the rebate that will apply for the life of that particular NRA. **Ms. Carttar** said that's correct. **Commissioner McKiernan** said I like that.



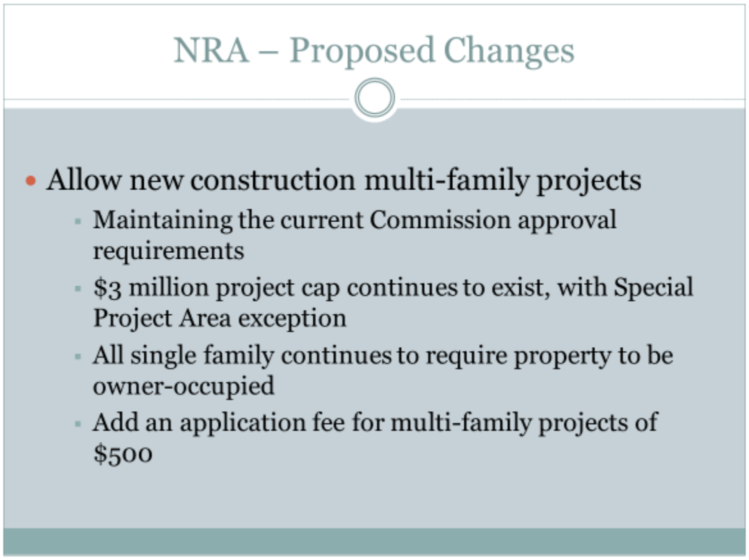
Ms. Moore as you recall from the map that Commissioner Townsend pointed out, Area 2 is quite complex and confusing. I don't know if you guys saw we have Area 2, areas east and west and it's in Turner and USD 500 in that area. We're proposing to simplify Area 2 and just make one Area 2, so getting rid of that 2 west and 2 east and just keeping and having it near everything so it's simpler to understand, easier to administer and less confusing. Even our Legislative Auditor noted the complexity of our program and suggested simplification. That's one of our other suggestions.

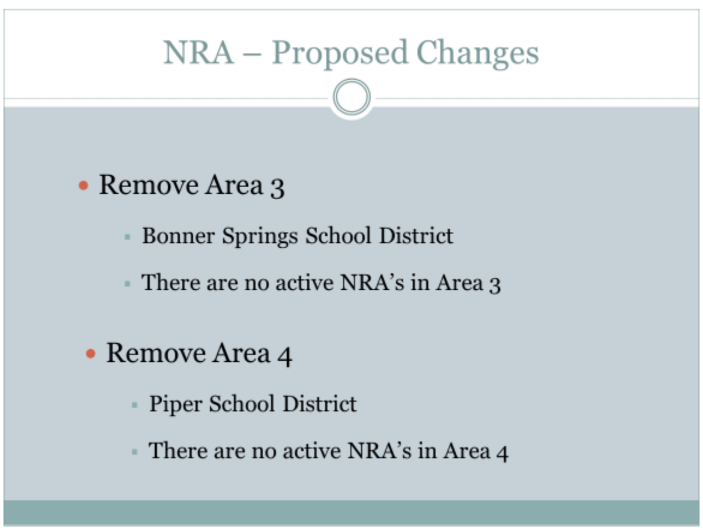
BPU Board Member Bryant said does that also mean we would kind of roll in the State Avenue corridors and Leavenworth Road corridors? **Ms. Moore** said those are considered special project areas within the plan and they're submerged in the plan. Those are to spurr commercial development along those corridors. **Ms. Carttar** said the thought would be to continue to have those be special areas so we're trying to get additional development, particularly commercial. **Ms. Moore** said it would be more of the pinkish purple to the left. Then Turner, it's not really designated on here, but Turner has their own stand-alone requirement so we're going to ask them to mirror the rest of Area 2. It would still be 5 years, 95%. Right now, Turner does not allow for rehab, so we're trying to allow for that and also remove that threshold. They had a minimum threshold, $175,000 for new construction. We'd like to get rid of that cost increase, decrease so we want to kind of make it user-friendly for them for the next 5 years.



Ms. Moore said this is one I have a lot experience with. People don't find out about our program until they're holding their application or right after they've started which makes them ineligible currently. We're trying to give them that 30-day leeway to give them some time to submit their application and increase participation in that way as well.

Chairman Burroughs said I truly appreciate that. I think it's part of the education transparent part of our programs we put forward. Anything that we can do to ensure that our public knows what offers are available to assist them in rehabbing or building or remodeling, I think is a very good point to start with. **Ms. Moore** said yeah. This is one that I have a lot of experience with, so I don't like telling people no, they can't participate. I really want them to get the application. **Chairman Burroughs** said I commend you for that. **Ms. Moore** said thank you.



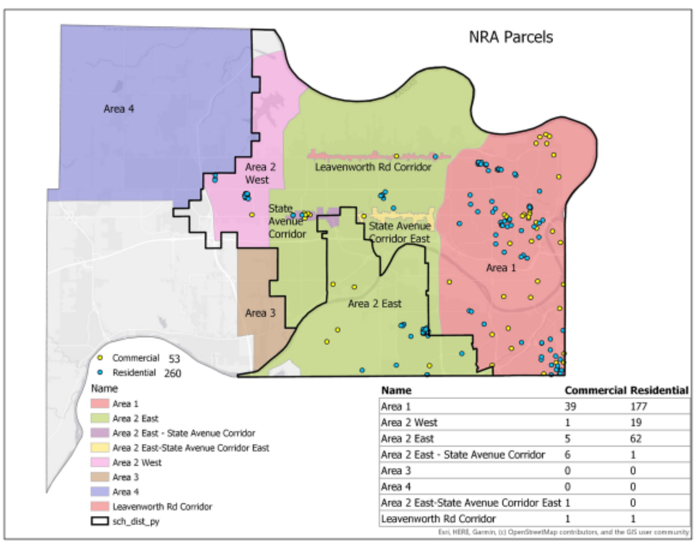


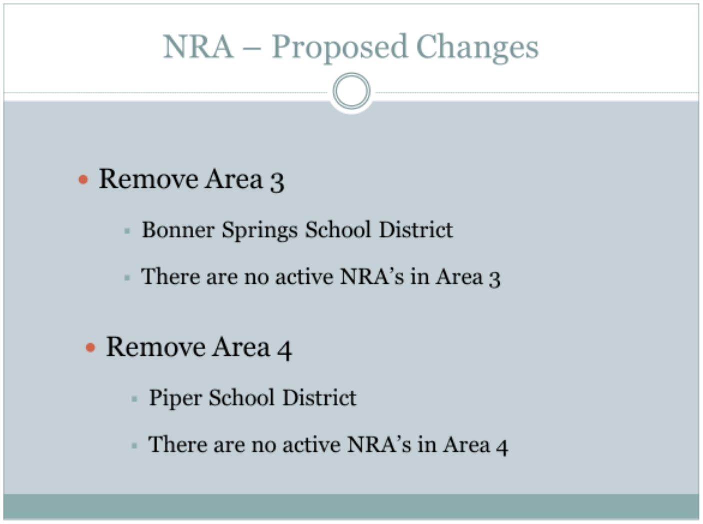
Ms. Carttar said the next one, I think could be one of the more controversial ones. At the moment the only multi-family that is eligible is rehabilitation multi-family. You can do new construction if it's a duplex, but that's the extent of multi-family new construction. The problem that we've run across is again, we're talking about small projects. This is not your behemoth of 100-plus units. We're talking about your six-plexes, your four-plexes, and when we are wanting to add additional density into our community, there are areas where it does make sense to have mixed-use as well as multi-family in these areas. At the moment there is nothing we can provide. We have basically zero tools that would help us encourage high-quality, multi-family of that kind of size. This is one that

I'm very interested to hear your thoughts on, but again, we're talking about kind of very community, kind of scale multi-family. This would be an area that is zoned correctly. They would have to go through that whole process. This does not allow them to get through that. Additionally, we are still keeping the single-family requirements that they have to be owner-occupied. Hopefully, we've reached kind of a balance where we can keep everyone happy and still allow for new quality development to increase density.

Chairman Burroughs asked, any questions. **Commissioner McKiernan** said no questions, but from my point of view, I think that this is appropriate given the total cap we still have on the price, given the fact that single-family is still supposed to be owner-occupied, but it would help us with, as you said, those 4 and 6 plexes, for example, that would fit underneath the $3M cap, but allow us to build some gradual density. I like it. **Ms. Carttar** said thank you.

Chairman Burroughs said anything else? **Ms. Carttar** said we have one more.





Ms. Moore stated circling back to the map from earlier and what we were talking about the Attorney General and the state statute not allowing the whole area to have the eligibility. We're suggesting to remove Areas 3 and 4 since there is no active NRAs in those areas. There's no participation at all. Those would be the western portions of the county. We're moving those so we can be in compliance and the Attorney General will like our plan this year.

BPU Board Member Bryant said over the life of this program, have there been any projects in Area 3 and 4? **Ms. Moore** said I would have to look back to see first when we added 3 and 4 into the mix and if we've had any. I can look back at the expired ones. I'd have to do some research on that. **Ms. Carttar** said my guess is, I don't know about Area 3, I'm not sure when that one was added, but Area 4 is a fairly recent, certainly within the last 10 years, addition. This map is showing what is active, which means the 10 years, so I think it is unlikely we've had any projects in that area. **BPU Board Member Bryant** said, Stephanie, don't waste your time on it then.

Commissioner Walters said I have a comment. We just added Area 3 very recently. It was at the request of city of Edwardsville so that the entire city of Edwardsville would have consistency. Area 3, as I understand it, expanded the NRA requirements or opportunities that Edwardsville has adopted for their city into what we're calling Area 3, which I think we just did that within the last 24 months. **Ms. Carttar** said it's possible that was, unlikely, that was an addition in that last plan. As you can see on this map, here's the Edwardsville line. **Commissioner Walters** said I think it was to do with the school districts boundaries versus the Edwardsville city limits. I think before we change that, somebody needs to do some research. **Ms. Carttar** said okay.

Ms. Mays said Commissioner Townsend has a question.

Commissioner Townsend said my only concern, I guess, and I just need a better understanding of it was the proposal to remove NRA eligibility in TIF districts. I'm thinking back to probably about 4 or 5 years ago when I toured some of the new houses in the Douglas/Sumner district off of 7th & Oakland around that area. I distinctly recalling that the real estate agent who was showing me the property made mention of the fact that those homes would qualify for this NRA tax advantage. I'm not sure if the TIF was developed there. Where I was going with this is, it's one less tool to make development attractive. I really want to understand why, again, you're proposing we not do this. I don't know—I think this was prior to Commissioner Johnson's time. I would certainly appreciate his chiming in if he's aware of the project that I'm talking about was TIF or any of the other Commissioner's. That was my only concern with the recommendation. **Ms. Carttar** said there is not a TIF in the Douglas/Sumner area. There is a TIF in new St. Peter's/Waterway. That might be another spot that I know they have utilized this. Our real concern is just the constant layering of tools. While it is helpful, so in Project Area 1, that's the only area that a TIF and an NRA can coexist. What the current plan says is that you would be eligible for 5 years. Our real concern is that comes directly out of the General Fund. It's been unclear if that's been a real catalyst to actually encourage development or revitalization putting additional work into your house. Because, again, you're looking a TIF and NRA, they're both feeding off of the same funding. It's both coming off of the property taxes. Technically, you can't have an NRA and a TIF, but for our agreement in previous years we've paid that out of the General Fund. **Commissioner Townsend** said we're talking about new builds as well as rehabs, correct? **Ms. Carttar** said, correct. **Commissioner Townsend** said, again, my only caveat or concern is that in that Area 1 for the NRA, it seems like we would want to use whatever we could to spur new development or improvement. That was my only concern. It seems like we want to keep whatever incentives we have instead of removing them.

Ms. Cobbins said Commissioner McKiernan has his hand raised.

Commissioner McKiernan said coming a little bit off of what Commissioner Townsend's comments and going to the whole TIF/NRA, I completely get it. It is the same inclement. Don't we run the risk, Katherine, that if we layer a TIF in an NRA, the NRA gets a 90% abatement, there's only 10% of that increment left. If you TIF that out, then we get zero increment into our General Fund for the provision of basic city and county services in that area. Isn't that a possibility? **Ms. Carttar** said I would go a step further and say we're basically paying them. The TIF is first. Most of these TIFs, most of the residential TIFs are 100%. These TIFs take the entire 100% of the increment and then to pay back, to do that rebate, that is 100% from the General Fund. We are actually spending money, which again, this is a policy decision, so we are just laying out the facts. I want to make sure that that's understood. This is money coming from the General Fund. **Commissioner McKiernan** said that's even more aggressive than what I thought, where the NRA rebate then comes on top of 100% abatement for the TIF. I would suggest that we not have NRA and TIF coexist. That would be my thought on this. I do think that even though we want to incent new development and want to encourage new development, we also need, as a Unified Government, to have every new development contribute at least a little something more to our General Funds so that we can provide the additional layer or level of city and county services that are going to be required to support that new development. Even if it's only 10%, if we have a 90% NRA for 10 years, at least that project is paying 10% more and it is contributing to a higher level of provision of city services. That's just my position on that.

Commissioner Townsend said, Mr. Chair, Commissioner McKiernan has made me think about this in a different way, so I appreciate that. Is it possible then that on maybe new development or rehab, one or the other, you don't do the layered, would that make sense?

Ms. Cobbins said, Mr. Chair, Patrick Waters has his hand raised.

Mr. Waters said I was just going to suggest if we do want to continue some type of incentive program for properties within a TIF, I think we should look at structuring a separate economic program. I just don't think it's really even accurate to say that falls within the NRA. As Katherine explained, we've already taken that increment. It's really almost a fiction to say that it's an NRA the same way that these other properties are. We could look at some type of separate incentive program, but I just think legally and factually to say—like Katherine said that money has already been taken. To dip into a General Fund, we're really kind of creating our own, a new incentive program. I think it would be better just to call it something different. **Commissioner Townsend** said I appreciate the information.

Ms. Cobbins said Commissioner Walters has his hand raised. **Commissioner Walters** said the more I think about this, I'm still struggling a little bit with Area 3. I understand Area 4 may not need incentives and it's been in existence for a long time and there haven't been any applications. Area 3 is completely different in my opinion. It is probably an area that could use incentives to foster development. As I said, it's fairly new so I don't know why there haven't been any applications. I would really recommend that we not remove Area 3. **Chairman Burroughs** said I don't disagree with the statement. I think what we're getting an opportunity to do this evening is to hear any proposal, to raise any questions we may have and advise staff to go back and review some of the recommendations and discussions that we've had.

I do have a point of clarity, be it Legal, or Katherine or Stephanie can respond, when we talk about the 90% that we abate, does that involve our school districts, our libraries, and our community college; all those other taxing entities, are they getting their portion from us on that 90% or are they getting monies from us, from our General Fund to make up for that different.

Ms. Carttar said no. This kind of approval process that we do every 3 or, hopefully, 5 years, is to talk to you all and get the Unified Government Commission's approval on that. That kind of approves your piece of the city/county piece of the puzzle. Stephanie and I are going to go on a road show here and go speak with USD 500, USD 202. As Commissioner Walters has suggested, we add that additional spout, we will go speak with USD 204 as well as KCK Community College and we get interlocal agreements for each of their pieces of the puzzle of that tax, so they're basically giving the UG authority, in these very specific situations, as outlined in this plan, to give away kind of their portion of their taxes. **Chairman Burroughs** said thank you. That community needs to hear about that. Those entities are—do have a vested interest in our community and the development of our community; however, they also have a vested interest in revenue that they're foregoing to ensure that development may occur. I think it's important that those entities be included and I appreciate you sharing that with us. Thank you.

Ms. Carttar said we encourage any of you who are interested to join us at any of these meetings. It should be some lively discussion, some maybe not, but it's always a good time to see what the other taxing jurisdictions are up to.

Chairman Burroughs asked are there any other questions. I know this is information only. I do want to ask, were there any questions from the public in reference to tonight's presentation on this item. **Ms. Cobbins** said the public did not submit any requests. **Chairman Burroughs** said thank you. **Chairman Burroughs** asked, ladies, anything else you want to say before we close. **Ms. Carttar** said that's it. We appreciate it. I mentioned we're going to go speak with the other taxing jurisdictions, get their approval, and then come back to you all probably in August or September. **Chairman Burroughs** asked, are there any other questions. Seeing none, this is for information only. I do offer my (inaudible). We're happy to (inaudible) any of you to hear the comments in our community.

Action: For information only.

Public Agenda:
No items

Adjourn
Chairman Burroughs adjourned the meeting at 8:21 p.m.
tk

Staff Request for Commission Action

Tracking No. 20321

Full Commission Meeting Date:

Committee: Economic Development & Finance

Date of Standing Committee Action: 8/31/20 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/18/2020	Andrea Parra, Rick Mikesic, Kathleen VonAchen	x8226, x8046, x5186	aparra@wycokck.org, rmikesic@wycokck.org, kvonachen@wycokck.org	Treasurer
Item Description: Quarter 2 2020 Unified Government Investment Report				
Action Requested:				
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):				
Attachments List: 2020 Q2 Invstmt Report Presentation, 2020 Q2 Invstmt Report Presentation				

Unified Government of WyCo/KCK
Quarterly Investment Report
Second Quarter 2020
April 1, 2020 – June 30, 2020

Presented by:

Richard Mikesic, County Treasurer

Andrea Parra, Deputy Treasurer

Key Metrics

- Avg Yield – 1.05
- DTM – 126 days, down from 164 in Q1-2020

Portfolio Components

- Cash – 63%
- Invested – 37%

Investment Summary - Aggregate Portfolio By Type of Investment

Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$6,092,993	$6,092,993	$6,092,993	na	see note 4	✓	1	0.25%
Cash Equivalents	$173,500,007	$173,500,007	$173,500,007	63%	100%	✓	1	0.25%
Total Liquidity	$173,500,007	$173,500,007	$173,500,007	63%			1	0.25%
Certificates of Deposit	$81,000,000	$81,000,000	$81,000,000	30%	100%	✓	362	2.35%
Federal Agency Securities	$18,937,035	$19,280,248	$18,949,746	7%	50%	✓	256	2.75%
Total Securities	$99,937,035	$100,280,248	$99,949,746	37%			618	5.10%
Total Portfolio	$273,437,042	$273,780,255	$273,449,753	100%			126	1.05%

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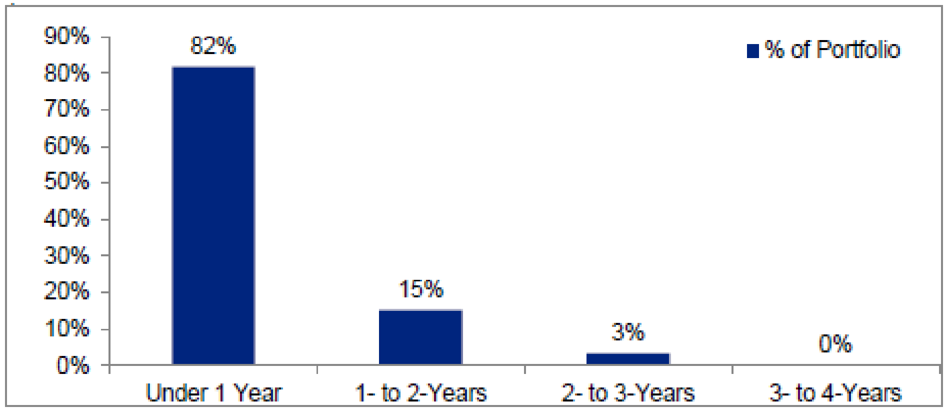
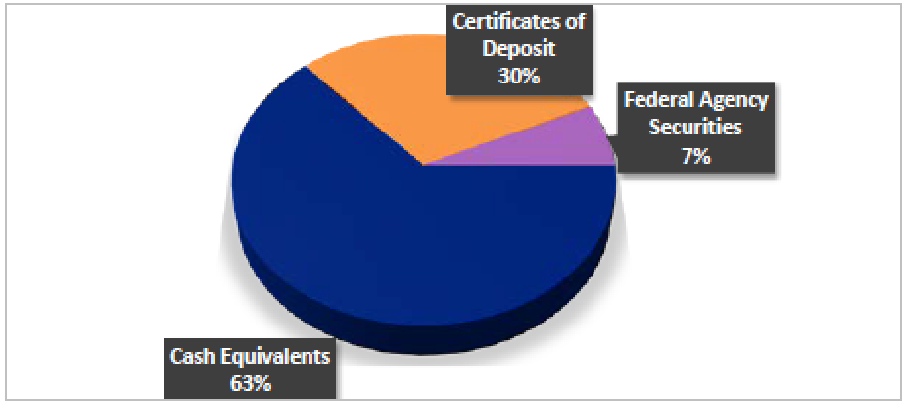
Maturity Distribution



Sector Distribution



Key Metrics

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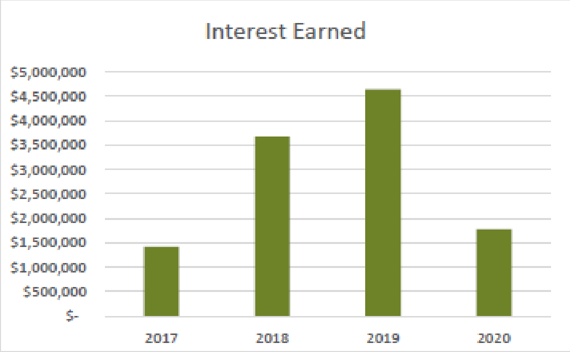
- Above our target T-Bill benchmark of .16% due to holding older investments purchased prior to the recent Fed rate decrease

Issuer Compliance

- Limits within single agency/institution has remained in compliance with the policy requirements for Q1 & Q2-2020

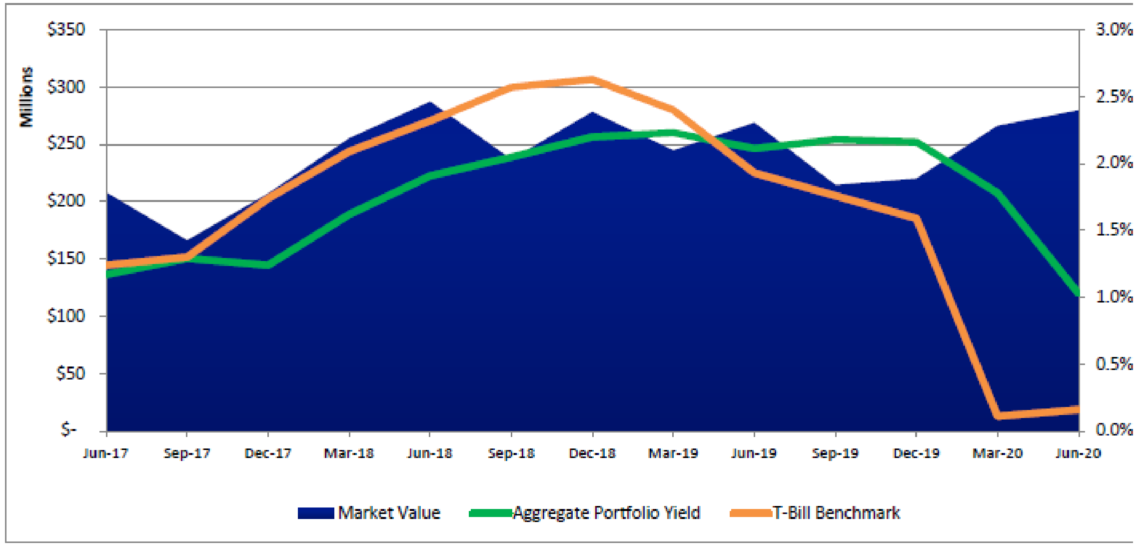
Compliance

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



Historic Portfolio Size

Aggregate Yield vs. US T-Bill Benchmark



Kathleen VonAchen

June 30, 2020

Kathleen VonAchen
Chief Financial Officer

Date

Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	**6,092,993**	**6,092,993**	**na**	**See note 3**	✓	**1**	**0.25%**
UMB, Wyandotte Operating	169,964,007	169,964,007	62%	25%	✓	1	0.24%
UMB, Wyandotte Health	3,536,000	3,536,000	1%	25%	✓	0	0.01%
Cash Equivalents	**173,500,007**	**173,500,007**	**63%**		✓	**1**	**0.25%**
Capitol Federal Bank	29,000,000	29,000,000	11%	25%	✓	86	0.68%
Commerce Bank	13,000,000	13,000,000	5%	25%	✓	42	0.32%
Security Bank of KC	39,000,000	39,000,000	14%	25%	✓	171	1.17%
Certificates of Deposit	**81,000,000**	**81,000,000**	**30%**		✓	**362**	**2.35%**
FFCB	8,951,940	9,265,500	3%	*50% of total portfolio*	✓	200	1.37%
FHLB	8,986,129	9,021,580	3%		✓	35	1.33%
FMCC	998,966	993,168	0.4%		✓	22	0.05%
Federal Agency Securities	**18,937,035**	**19,280,248**	**7%**		✓	**256**	**2.75%**
Grand Total	**273,437,042**	**273,780,255**	**100%**			**126**	**1.05%**

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

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

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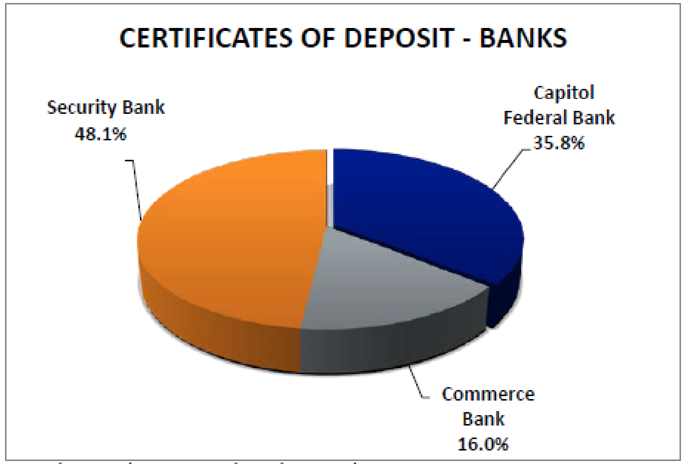
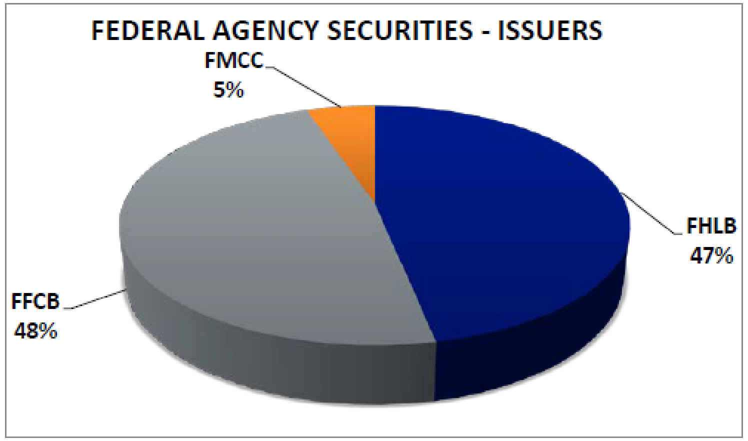
Types of securities in our investment portfolio?

Of the $273 M total, $81 M or 30% - CDs fully collateralized per investment policy and State Statute.

Of the $273 M total, $19 M or 7% - US Agencies Securities backed by the full faith and credit of the US Federal Government.





What transactions occurred in Q2 2020?

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q2	NA	UMB, Wyandotte Operating	0.250%	7/1/2020	20,127,000	20,127,000
Thru Q2	NA	UMB, Wyandotte Health Reserve	0.250%	7/1/2020	1,523,000	1,523,000
Cash Equivalents					**21,650,000**	**21,650,000**
Purchases						
5/15/2019	01-14017566-3	Argentine Federal Savings	2.900%	5/14/2020	(235,000)	(235,000)
5/15/2019	115003619	Security Bank of KC	2.450%	5/14/2020	(235,000)	(235,000)
5/16/2019	122079943	Bank of Labor	2.400%	5/14/2020	(235,000)	(235,000)
5/15/2019	23974631020	UMB	2.350%	5/15/2020	(235,000)	(235,000)
5/17/2019	65547	First State Bank & Trust	2.410%	5/18/2020	(235,000)	(235,000)
5/25/2017	70155745	Capitol Federal Bank	1.740%	5/26/2020	(5,000,000)	(5,000,000)
6/10/2016	32841	Liberty Bank	1.520%	6/10/2020	(1,000,000)	(1,000,000)
6/10/2016	7014409	Capitol Federal Bank	1.310%	6/10/2020	(1,000,000)	(1,000,000)
Calls/Maturities					**(8,175,000)**	**(8,175,000)**
Total					**13,475,000**	**13,475,000**

UG Fund Category Cash Balances

- Of the total cash balances:
  - 50% is restricted by bond documents and/or appropriated for Capital Projects
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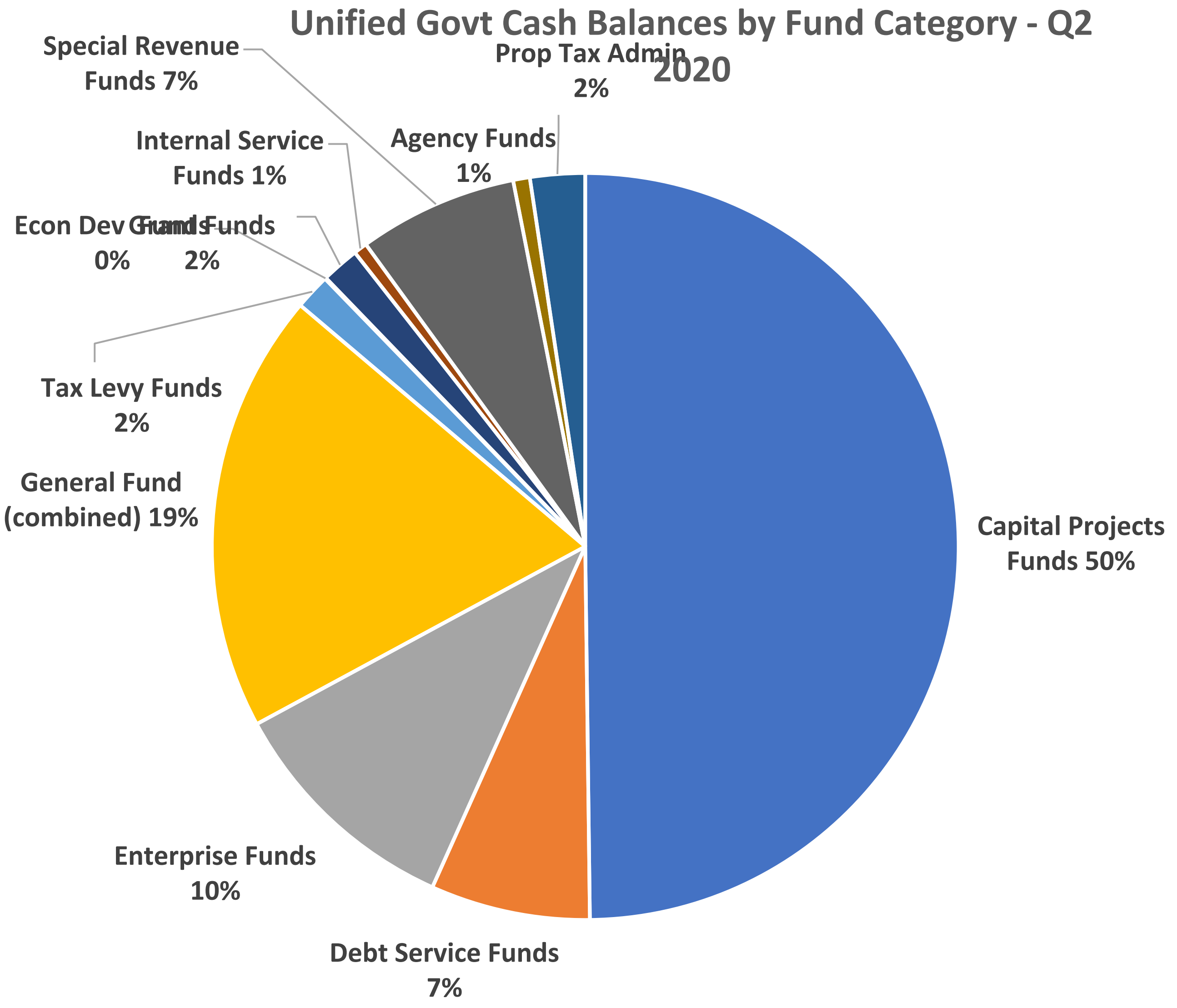

Unified Government of WyCo/KCK
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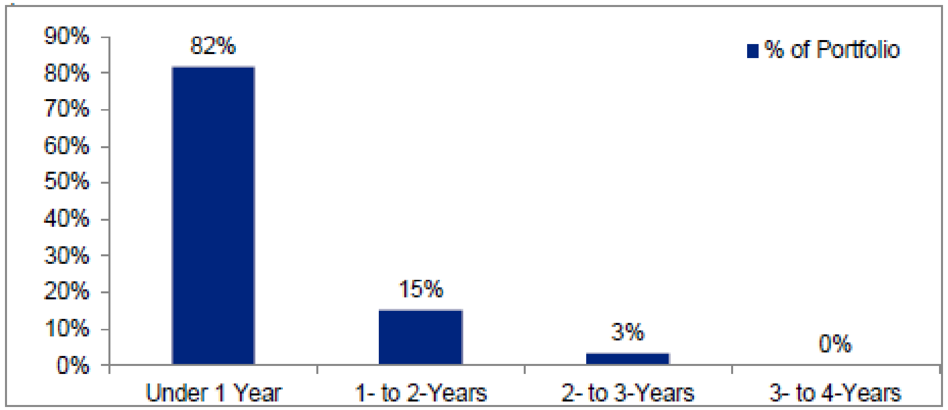

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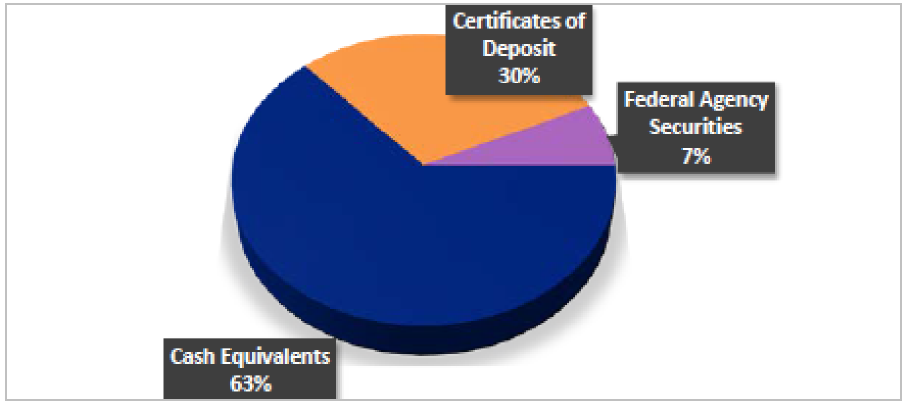

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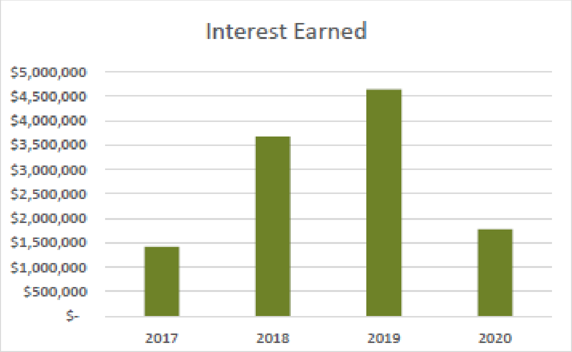

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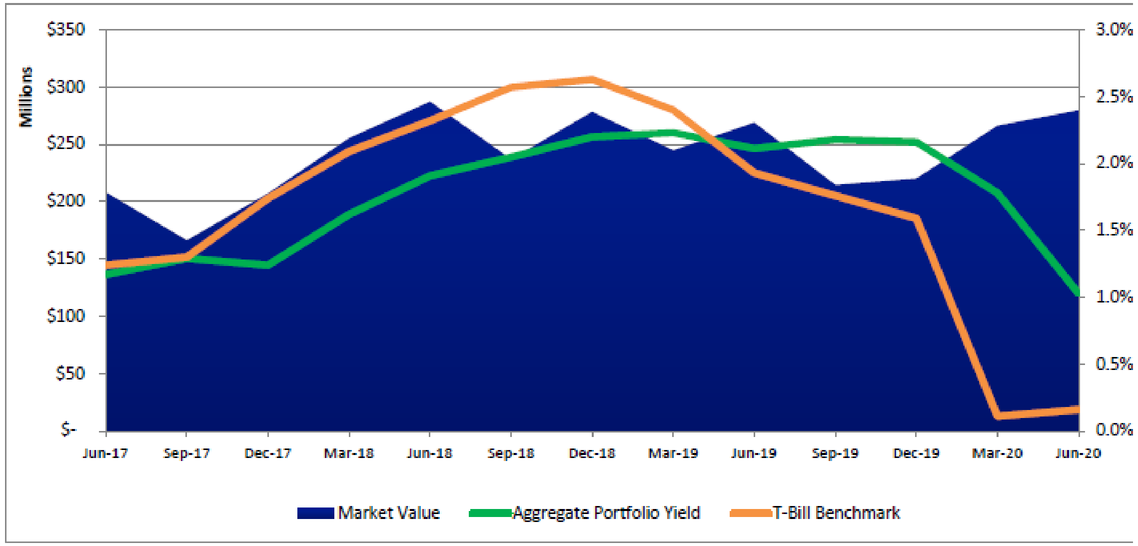

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Chief Financial Officer

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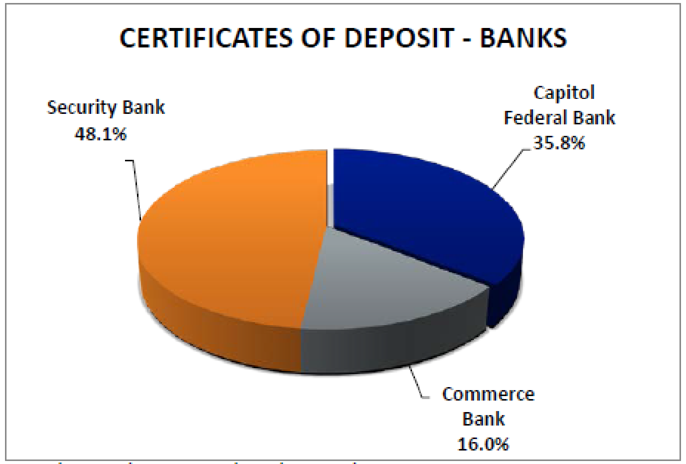

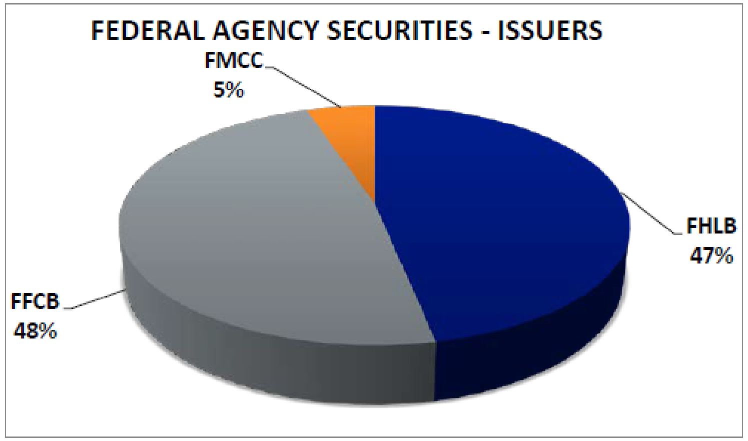

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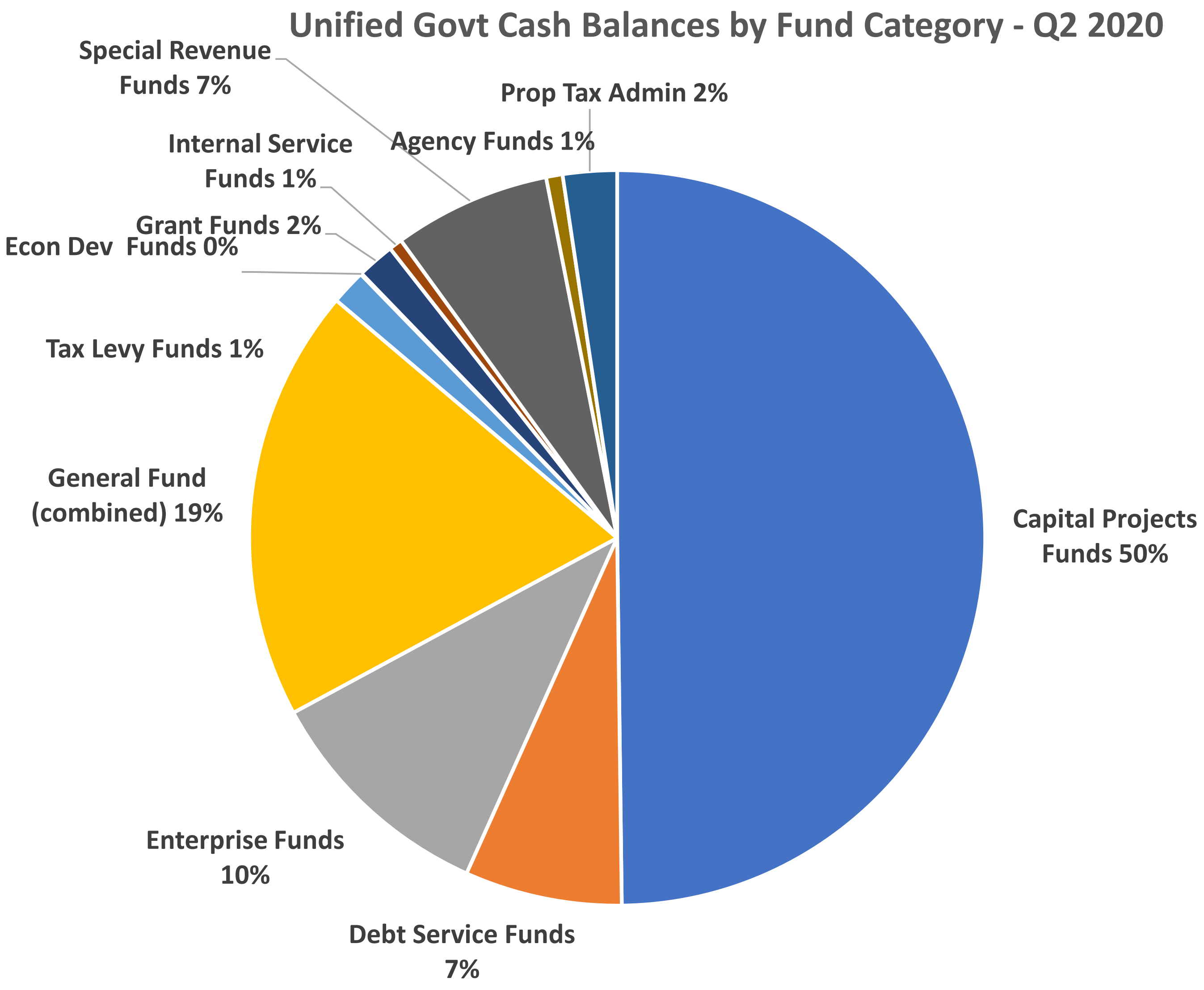

Staff Request for Commission Action

Tracking No. 20319

Full Commission Meeting Date: 9/17 to set public hearing, and 10/29 for public hearing and final approval
Committee: Economic Development & Finance

Date of Standing Committee Action: 8/31
(If none, please explain):

Publication Required: Yes

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/17/2020	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

A $403 million distribution/fulfillment center and office project for the company, URBN, at the corner of Speedway Blvd. and State Ave.

IRB Resolution of Intent

Cost-Benefit Analysis

Development Agreement

IRB Bond Ordinance

Bond Purchase Agreement

Note: Exhibits with bond documents are forthcoming

Ordinance releasing property form TIF/STAR bond district/project area

Action Requested:
Approval and request for pubic hearing on 10/29

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
Resolution of Intent (UG - Project URBN), CBA_URBN, Development Agreement (UG - Project URBN), Bond Ordinance (UG - Project URBN), BPA (UG - Project URBN), Ordinance to Remove Land for STAR District (UG - Project URBN)

RESOLUTION NO. R-____-20

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AGGREGATE AMOUNT OF NOT TO EXCEED $403,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A COMMERCIAL FACILITY FOR THE BENEFIT OF URBN US RETAIL LLC, AND ITS SUCCESSORS AND ASSIGNS

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), desires to promote, stimulate and develop the general welfare and economic prosperity of the Unified Government and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the Unified Government is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act and to lease such facilities to private persons, firms or corporations; and

WHEREAS, URBN US Retail LLC, a Pennsylvania limited liability company (the "Company"), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the Unified Government finance the cost of acquiring, constructing, improving and equipping a commercial facility, consisting of an approximately 880,254 square foot omni channel distribution and fulfillment center as more fully described in the Application, generally located on approximately 65 acres southeast of the intersection of State Avenue and Speedway Boulevard in Kansas City, Kansas (collectively, the "Project") through the issuance of its revenue bonds in the aggregate amount of not to exceed $403,000,000 (collectively, the "Bonds"), and to lease the Project to the Company or its successors and assigns in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the Unified Government and its inhabitants that the Unified Government finance the costs of the Project by the issuance of one or more series of Bonds in an aggregate principal amount of not to exceed $403,000,000, said Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company or its successors and assigns.

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

Section 1. Approval of Project. The Board of Commissioners of the Unified Government (the "Governing Body") hereby finds and determines that the acquiring, constructing, improving and equipping of the Project will promote the general welfare and economic prosperity of the Unified Government, and the issuance of the Unified Government's revenue bonds to pay such costs will be in furtherance of the public purposes set forth in the Act.

Section 2. Intent to Issue Bonds. The Governing Body hereby determines and declares the intent of the Unified Government to acquire, construct, improve and equip the Project out of the proceeds of the Bonds in an aggregate principal amount of not to exceed $403,000,000 to be issued pursuant to the Act.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the Unified Government hereby expresses its intent to (i) issue its Bonds in one or more series to pay the costs of acquiring, constructing, improving and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the Unified Government; (ii) provide for the lease (with an option to purchase) of each Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of each series of Bonds by the Unified Government and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. Conditions to Issuance. The issuance of each series of Bonds and the execution and delivery of any documents related to each series of Bonds are subject to (i) obtaining any necessary governmental approvals, including passage and publication of an ordinance authorizing each series of Bonds; (ii) agreement by the Unified Government, the Company and the purchaser of each series of Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the Unified Government's policies relating to the issuance of revenue bonds and ad valorem tax abatement; (iv) the receipt and approval by the Unified Government of appropriate applications for the issuance of each series of Bonds; and (v) the Company's payment of all of the costs of issuance related to the issuance of the Bonds.

Section 5. Sale of the Bonds. The sale of each series of Bonds shall be the responsibility of the Company; provided, however, arrangements for the sale of each series of Bonds shall be acceptable to the Unified Government.

Section 6. Limited Obligations of the Unified Government. Each series of Bonds and the interest thereon shall be special, limited obligations of the Unified Government payable solely out of the amounts derived by the Unified Government under a Lease Agreement and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of each series of Bonds, as provided in the respective Indenture. Each series of Bonds shall not constitute a general obligation of the Unified Government, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Unified Government, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the respective Indenture. The issuance of each series of Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 7. Ad Valorem Tax Abatement. Subject to the conditions in Section 4 and compliance with applicable State law, in consideration of the Company's decision to acquire, construct, and equip the Project, the Unified Government hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and taxes that may not be abated by the Unified Government under Kansas law) for all property (including real property, building improvements, machinery and equipment) financed with the proceeds of the Bonds.

In consideration of the Unified Government's agreement to request such 100% abatement, the Company will agree to make payments in lieu of tax as follows:

Year[1]	Approximate Percentage of Payments in Lieu
1	25%
2	25%
3	25%
4	25%
5	25%
6	25%
7	25%
8	25%
9	25%
10	25%

[1] Year refers to the first full calendar year following the issuance of a series of Bonds.

The Project shall be entitled to a 10-year tax abatement, with the first year of the abatement being the year beginning on the January 1 following the year the Bonds are issued, and the foregoing percentages are subject to adjustment in accordance with the Development Agreement (as defined below).

Section 8. Termination of Resolution. This Resolution shall terminate two (2) years from the date of the adoption of this Resolution unless (i) a series of Bonds have been issued to finance the vertical costs of the Project or (ii) a building permit has been issued by the Unified Government for the Project. The Unified Government, upon the written request of the Company, may extend this time period.

Section 9. Benefit of Resolution. This Resolution will inure to the benefit of the Unified Government and the Company. The Unified Government may, at the request of the Company, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 10. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of each series of Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

Section 11. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the Unified Government.

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ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 17TH DAY OF SEPTEMBER, 2020.

By: ______________________________________
Mayor/CEO

(Seal)

Attest:

By: ________________________________
Unified Government Clerk

A Tax Abatement Cost-Benefit Analysis of
URBN US Retail, LLC (With LMI)
for the Unified Government of Kansas City/Wyandotte County

Completed by

Municipal Consulting, LLC

8/17/2020

CONTENTS:

ABOUT THIS REPORT:

This report uses data that was collected from the firm involved and budget reports from each of the taxing entities where the project is to be located. This data is summarized on pages 4 and 5. In addition, various calculations were applied to the data using rates and information gathered from the current economic and financial conditions.

DEFINITIONS USED:

- **Rate of Return**: Incentives and tax abatements granted by the taxing entities are equivalent to a public investment in the firm. Comparing these investments to the various benefits received over the 10-year project period by the public entity produces an average annual rate of return for the period. Generally, a rate of return that exceeds the entity's cost of capital would be considered a favorable investment.

· **Net Present Value:** This is the amount that a future series of payments is worth today, given an assumed discount rate. The only way to accurately compare payments to be made or received in the future to the dollar value at present is with Net Present Value. Generally a positive net present value represents and acceptable investment opportunity.

· **Benefit - Cost Ratio**: Typically referred to as the "Cost-Benefit Ratio," this is the ratio of the public entity benefits received over the 10-year project life to the public costs incurred over the same period. If the ratio is above 1.0, then the benefits exceed the costs, and if it is less than 1.0, the costs exceed the benefits. Generally, a public entity would like to have a Benefit-to-Cost ratio of 1.3 or better in order to grant a tax abatement and/or other incentives. However, the governing body may take into account the other economic benefits of the project in making that decision.

DISCLAIMER:

This report is prepared using a variety of assumptions regarding discount rate, inflation rate, and other economic variables. It also uses information submitted by the firm based on its best estimates of what they expect to occur in the next decade. Future business results and economic factors are not and cannot be guaranteed. Therefore, we provide no guarantee on the future performance of the firm, or that conditions within the taxing entities will remain as they are today. The governing body should make its decision on the best information presented, while fully recognizing that future performance could be substantially different.

COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	2.10	11%
Wyandotte County	2.16	12%
Bonner Springs USD 204	5.71	47%
KC Community College	2.56	16%
State of Kansas	2.92	19%

Each of the taxing entities has a positive benefit-to-cost ratio in excess of the desired 1.3. This report assumes that the Unified Government will approve a 75% property tax abatement for 10 years. A PILOT payment has been considered in this analysis. This report assumes that the firm will obtain a sales tax exemption on construction materials and that the existing sales tax rates for the city, county and state will remain the same. The proposed average salary of the new jobs is below the county average wage and we reduced spending estimates accordingly.

The real property tax calculations in this report are based on a building appraisal of $40,888,000 and a land appraisal of $104,000 as provided by Unified Government officials.

If you have any questions or comments, you may reach me with the contact information below.

R. Steven Robb Digitally signed by R. Steven Robb
Date: 2020.08.17 14:44:25 -05'00'

R. Steven Robb
Sole Owner
Municipal Consulting, LLC
Cell: 620-704-6495 E-Mail: steverobb@ckt.net
www.municipalconsulting.biz
2207 N. Free King Hwy, Pittsburg, KS 66762-8418

Column1	Column2	Column3	Column4	Column5	Column6
COST-BENEFIT ANALYSIS PROJECT SUMMARY					
PROJECT NAME:		**URBN US Retail, LLC (With LMI)**			
DATE:			8/17/2020		
GOVERNMENTAL ENTITIES INVOLVED:					
CITY:			**City of Kansas City**		
COUNTY:			**Wyandotte County**		
SCHOOL DISTRICT:			**Bonner Springs USD 204**		
SPECIAL TAXING DISTRICT #1			**KC Community College**		
STATE:			**State of Kansas**		
INFLATION RATE:		1.50%	DISCOUNT RATE:		2.50%

URBN US Retail, LLC (With LMI)

Column1	Column2	Column3	Column4	Column6	Column11
Community Data Inputs:					
	City of Kansas City	Wyandotte County	Bonner Springs USD 204	KC Community College	State
Mill Levy	38.398337	39.263448	62.358968	27.559729	1.500
Market Value New Home	$136,000	$142,800	$270,300	$142,800	$239,700
Sales Tax	1.625%	1.000%	n/a	n/a	6.50%
Transient Guest Tax	8.00%	0.00%	n/a	n/a	n/a
Utility Revenue/HsHld	$0.93	n/a	n/a	n/a	n/a
Franchise Fees/HsHld	$512.25	n/a	n/a	n/a	n/a
Other Revenues/Res.	$71.20	$72.13	n/a	$250.15	$1,078.69
Marg. Cost/Res./Student	$103.74	$36.48	$1,511.94	$23.09	$555.12
Other Revenues/Worker	$75.01	$75.98	n/a	$263.52	$936.49
Marginal Cost/New Worker	$109.28	$38.43	n/a	$24.33	$481.94
State Funding/Pupil	n/a	n/a	$10,444.97	n/a	n/a
Federal Funding/Pupil	n/a	n/a	$2,285.08	n/a	n/a
Visitor Daily Spending	$50.00	$50.00			$75.00
Average Hotel Room Rate	$100	$100			n/a
Retail Pull Factor	0.95	0.96			n/a
Percent of County Share	90.90%	100.00%			n/a
Ann. Local Per Capita Sales Tax	$211	$158			n/a
Ann. State Per Capita Sales Tax	$835	$919			$952
Annual Per Capita Retail Sales	$12,840	$14,142			$14,654
Average Household Size	2.68	2.67			2.49
Avg. Wage-All Occupations	$50,200	$50,200			$45,277

URBN US Retail, LLC (With LMI)

Column	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
Firm Data Inputs:			First Expansion- Year 1											
			Land	Building	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Investment in Land & Building			$14,500,000	$112,500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$127,000,000
Investment in Fixtures, etc.				$276,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$276,000,000
Unified Government Incentives[1]			$6,000,000	State Incentives:[2]	$5,000,000									$5,000,000
		Growth	**Const. Per.**	**Yr. 1**	**Yr. 2**	**Yr. 3**	**Yr. 4**	**Yr. 5**	**Yr. 6**	**Yr. 7**	**Yr. 8**	**Yr. 9**	**Yr. 10**	**Total**
Sales		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchases		0.00%		$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$100,000,000
Net City Util. Revenue		3.00%	$0	$75	$113	$143	$145	$147	$149	$152	$154	$159	$163	$1,400
Franchise Fees		3.00%	$0	$20,746	$31,119	$39,418	$40,009	$40,609	$41,218	$41,836	$42,464	$43,738	$44,394	$385,551
PILOT- City			$0	$120,664	$122,103	$123,582	$125,082	$126,601	$128,160	$129,719	$131,319	$132,938	$134,577	$1,274,744
PILOT - County			$0	$123,382	$124,854	$126,367	$127,900	$129,453	$131,048	$132,642	$134,277	$135,933	$137,609	$1,303,464
PILOT - State			$0	$4,714	$4,770	$4,828	$4,886	$4,946	$5,006	$5,067	$5,130	$5,193	$5,257	$49,797
PILOT - School			$0	$195,958	$198,295	$200,698	$203,133	$205,600	$208,132	$210,664	$213,262	$215,891	$218,553	$2,070,186
PILOT - Comm. Coll.			$0	$86,604	$87,637	$88,699	$89,775	$90,865	$91,985	$93,104	$94,252	$95,414	$96,590	$914,925
PILOT- Library			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Employees				416.0	339.0	72.0	118.0	40.0	28.0	28.0	32.0	0.0	0.0	1,073
New to the City			50%	208.0	169.5	36.0	59.0	20.0	14.0	14.0	16.0	0.0	0.0	537
New to the County			100%	416.0	339.0	72.0	118.0	40.0	28.0	28.0	32.0	0.0	0.0	1,074
New to the State				1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
New students in K-12			85%	176.8	144.1	30.6	50.2	17.0	11.9	11.9	13.6	0.0	0.0	457
New employee average salary			1.50%	$35,984	$35,984	$37,066	$38,189	$39,333	$40,498	$41,725	$42,973	$44,261	$45,589	N/A
Tax Abatement-Land				75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	N/A
Tax Abatement-Bldg.				75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	N/A
Visitors		0.0%	0	0	0	0	0	0	0	0	0	0	0	0
				City	**County**	**State**								
Percentage of sales taxable in the				0%	0%	0%								
Percentage of purchases taxable in the				100%	100%	100%								
Assumed Inflation Rate				1.50%										

[1] UG incentive is formation of a CID with special assessment to fund a transit program to be paid $300,000 per year for 20 years. This is shown 1/2 from the city and 1/2 from the county.

[2] State incentives include a $5,000,000 Job Creation Fund. The company will pay $1,500,000 of this to the UG as the Transit Start-up Fund.

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
COST-BENEFIT ANALYSIS PROJECT SUMMARY								
PROJECT NAME:		**URBN US Retail, LLC (With LMI)**						
DATE:		8/17/2020						
Entity	**Total Benefits**	**Total Costs & Incentives**	**Net Benefits**	**Net Present Value of Net Benefits**	**NPV of Incentives & Taxes Abated**	**Ratio of NPV of Net Benefits to NPV of Incentives and Taxes Abated**	**Actual Benefit to Actual Cost Ratio**	**Avg. Annual Rate of Return**
City of Kansas City	$14,357,386	$6,836,839	$7,520,547	$6,563,270	$3,506,138	1.87	2.10	11%
Wyandotte County	$13,966,619	$6,469,530	$7,497,090	$6,621,338	$3,568,233	1.86	2.16	12%
Bonner Springs USD 204	$61,915,862	$10,848,488	$51,067,374	$44,020,746	$3,901,752	11.28	5.71	47%
KC Community College	$6,625,729	$2,585,018	$4,040,711	$3,491,156	$1,978,169	1.76	2.56	16%
State of Kansas	$33,670,213	$11,515,390	$22,154,823	$18,727,508	$5,107,666	3.67	2.92	19%

SUMMARY OF COSTS AND BENEFITS FOR: **City of Kansas City**

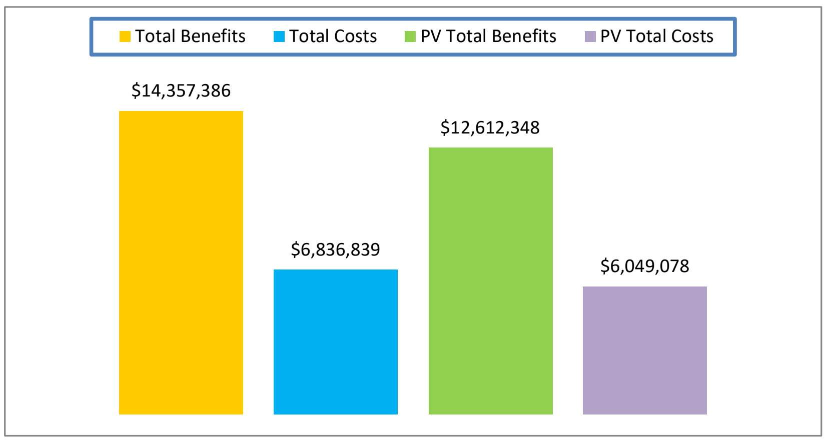
PROJECT: **URBN US Retail, LLC (With LMI)**

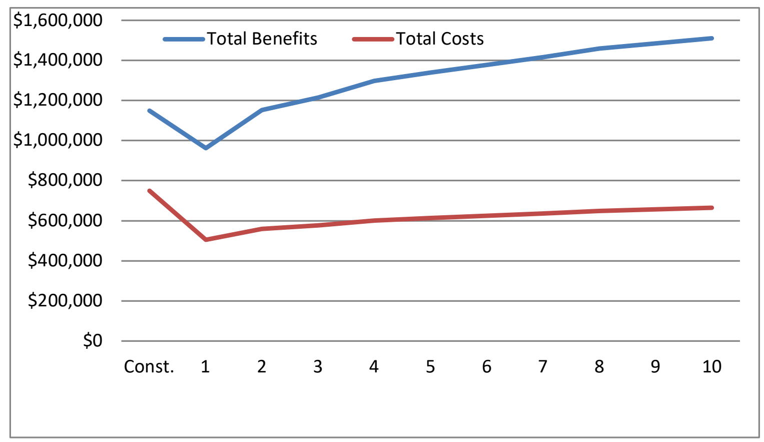
DATE: 8/17/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	**2.10**
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	**2.09**
(Typical desired ratio would be 1.3 to 1) **Average ROI**	**11.00%**

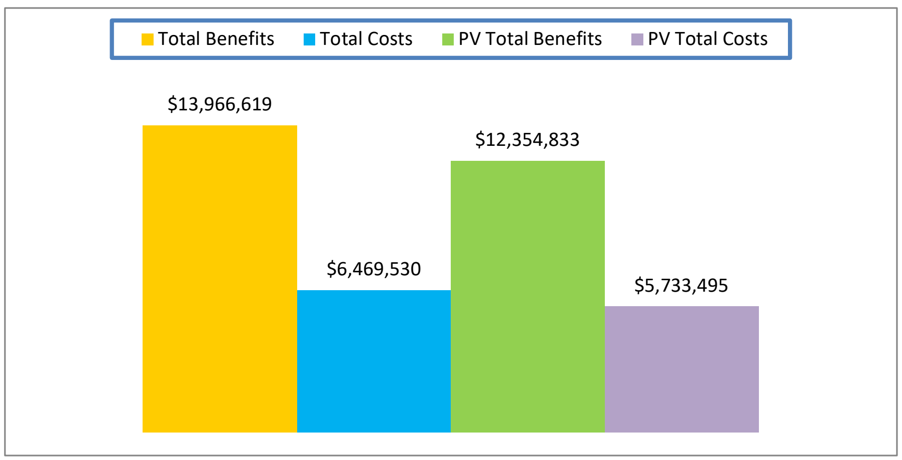
Year	Sales and Transient Guest Taxes	New Property Taxes	Utilities and Franchise Fees	Transit Program and PILOT Payment	Other City Revenues	Total Benefits	Net Present Value of Total Benefits	Transit Program & Cost of Various City Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	$398,824	$0	$0	$750,000	$0	$1,148,824	$1,148,824	$750,000	$0	$750,000	$750,000	$398,824	$398,824	$398,824	$750,000
1	$333,652	$295,130	$20,821	$270,664	$41,088	$961,355	$937,907	$209,866	$295,130	$504,996	$492,679	$456,359	$855,183	$445,228	$287,931
2	$473,125	$299,557	$31,232	$272,103	$75,690	$1,151,706	$1,096,210	$260,281	$299,557	$559,838	$532,862	$591,868	$1,447,050	$563,348	$285,122
3	$512,974	$304,050	$39,560	$273,582	$84,151	$1,214,318	$1,127,615	$272,610	$304,050	$576,660	$535,486	$637,658	$2,084,709	$592,129	$282,341
4	$575,117	$308,611	$40,154	$275,082	$97,601	$1,296,564	$1,174,623	$292,206	$308,611	$600,817	$544,311	$695,747	$2,780,456	$630,313	$279,586
5	$605,466	$313,240	$40,756	$276,601	$103,258	$1,339,321	$1,183,765	$300,449	$313,240	$613,689	$542,412	$725,632	$3,506,088	$641,353	$276,858
6	$631,549	$317,938	$41,368	$278,160	$107,786	$1,376,801	$1,187,212	$307,047	$317,938	$624,985	$538,923	$751,816	$4,257,904	$648,289	$274,157
7	$659,120	$322,707	$41,988	$279,719	$112,427	$1,415,962	$1,191,200	$313,808	$322,707	$636,516	$535,479	$779,446	$5,037,351	$655,721	$271,483
8	$689,697	$327,548	$42,618	$281,319	$117,621	$1,458,803	$1,197,307	$321,377	$327,548	$648,925	$532,603	$809,878	$5,847,229	$664,705	$268,834
9	$705,501	$332,461	$43,896	$282,938	$119,386	$1,484,182	$1,188,427	$323,947	$332,461	$656,409	$525,605	$827,774	$6,675,002	$662,822	$266,211
10	$721,791	$337,448	$44,557	$284,577	$121,176	$1,509,549	$1,179,258	$326,556	$337,448	$664,005	$518,719	$845,545	$7,520,547	$660,538	$263,614
Total	$6,306,816	$3,158,690	$386,951	$3,524,744	$980,185	$14,357,386	$12,612,348	$3,678,149	$3,158,690	$6,836,839	$6,049,078	$7,520,547	$7,520,547	$6,563,270	$3,506,138

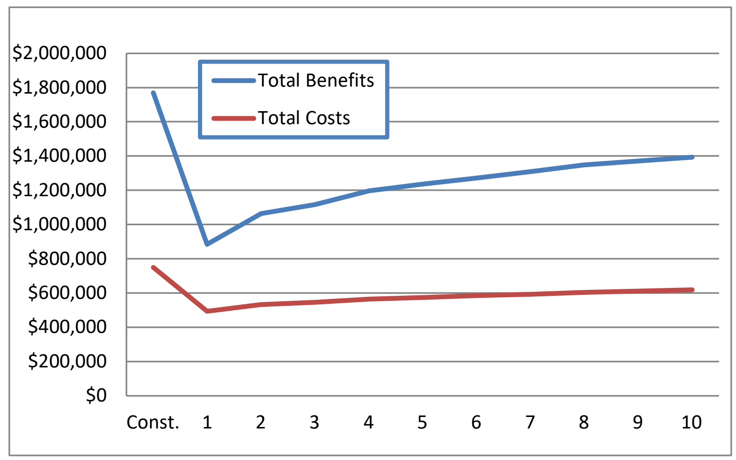




SUMMARY OF COSTS AND BENEFITS FOR:	**Wyandotte County**	**Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:**	**2.16**
PROJECT:	**URBN US Retail, LLC (With LMI)**	**Ratio of Present Value of Total Benefits to Present Value of Total Costs:**	**2.15**
DATE: 8/17/2020	**DISCOUNT RATE:** 2.50%	**Average ROI**	**11.59%**

Year	Sales and Transient Guest Taxes	New Property Taxes	Transit Program and PILOT Payment	Other County Revenues	Total Benefits	Net Present Value of Total Benefits	Transit Program & Cost of Various County Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
Const.	$270,000	$0	$750,000	$750,000	$1,770,000	$1,770,000	$750,000	$0	$750,000	$750,000	$1,020,000	$1,020,000	$1,020,000	$750,000
1	$228,146	$301,779	$273,382	$82,015	$885,322	$863,729	$191,486	$301,779	$493,265	$481,234	$392,057	$1,412,057	$382,495	$294,418
2	$332,572	$306,306	$274,854	$151,082	$1,064,814	$1,013,505	$226,422	$306,306	$532,728	$507,058	$532,086	$1,944,143	$506,447	$291,546
3	$362,408	$310,900	$276,367	$167,972	$1,117,648	$1,037,847	$234,966	$310,900	$545,866	$506,891	$571,781	$2,515,924	$530,956	$288,702
4	$408,936	$315,564	$277,900	$194,819	$1,197,218	$1,084,621	$248,546	$315,564	$564,109	$511,055	$633,109	$3,149,033	$573,565	$285,885
5	$431,659	$320,297	$279,453	$206,111	$1,237,520	$1,093,788	$254,258	$320,297	$574,555	$507,823	$662,966	$3,811,998	$585,965	$283,096
6	$451,188	$325,102	$281,048	$215,149	$1,272,487	$1,097,261	$258,830	$325,102	$583,931	$503,522	$688,555	$4,500,554	$593,739	$280,334
7	$471,832	$329,978	$282,642	$224,413	$1,308,864	$1,101,102	$263,516	$329,978	$593,494	$499,286	$715,371	$5,215,924	$601,817	$277,599
8	$494,725	$334,928	$284,277	$234,781	$1,348,711	$1,106,950	$268,760	$334,928	$603,688	$495,475	$745,023	$5,960,947	$611,475	$274,891
9	$506,558	$339,952	$285,933	$238,303	$1,370,745	$1,097,594	$270,541	$339,952	$610,493	$488,839	$760,252	$6,721,199	$608,755	$272,209
10	$518,754	$345,051	$287,609	$241,877	$1,393,291	$1,088,437	$272,350	$345,051	$617,400	$482,312	$775,891	$7,497,090	$606,125	$269,553
Total	$4,476,778	$3,229,855	$3,553,464	$2,706,522	$13,966,619	$12,354,833	$3,239,674	$3,229,855	$6,469,530	$5,733,495	$7,497,090	$7,497,090	$6,621,338	$3,568,233





SUMMARY OF COSTS AND BENEFITS FOR: Bonner Springs USD 204

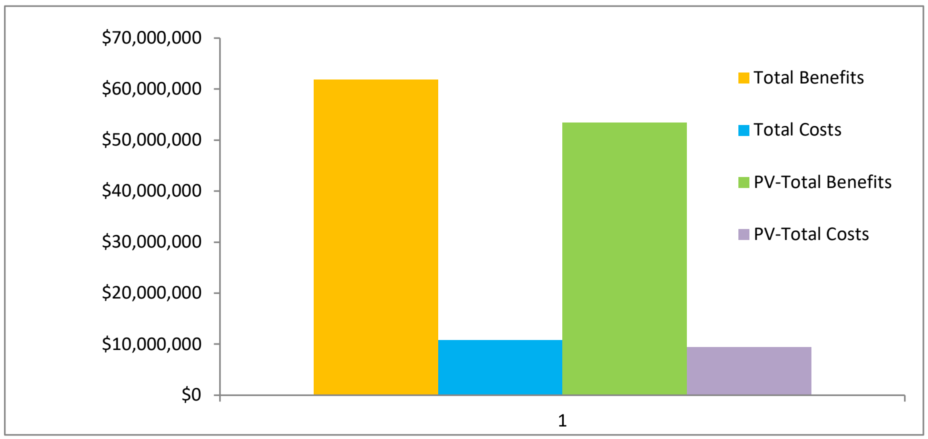
PROJECT: URBN US Retail, LLC (With LMI)

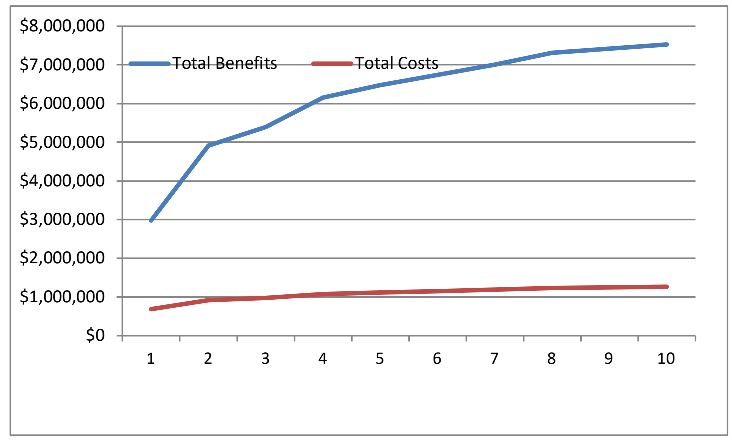
DATE: 8/17/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	5.71
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	5.69
(Typical desired ratio would be 1.3 to 1) Average ROI	47.07%

Year	New Property Taxes	PILOT Payment	District Capital Outlay Taxes	Additional State, Federal and Other Funding	Total Benefits	Net Present Value of Total Benefits	Additional Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$417,803	$195,958	$81,984	$2,284,434	$2,980,178	$2,907,491	$267,310	$417,803	$685,113	$668,403	$2,295,065	$2,295,065	$2,239,088	$407,613
2	$424,070	$198,295	$83,214	$4,208,218	$4,913,797	$4,677,022	$492,420	$424,070	$916,490	$872,328	$3,997,307	$6,292,372	$3,804,694	$403,636
3	$430,431	$200,698	$84,462	$4,678,674	$5,394,265	$5,009,111	$547,470	$430,431	$977,901	$908,078	$4,416,364	$10,708,736	$4,101,033	$399,698
4	$436,888	$203,133	$85,729	$5,426,442	$6,152,191	$5,573,581	$634,969	$436,888	$1,071,857	$971,049	$5,080,334	$15,789,070	$4,602,532	$395,799
5	$443,441	$205,600	$87,015	$5,740,974	$6,477,030	$5,724,751	$671,774	$443,441	$1,115,215	$985,687	$5,361,815	$21,150,885	$4,739,063	$391,937
6	$450,093	$208,132	$88,320	$5,992,732	$6,739,277	$5,811,257	$701,233	$450,093	$1,151,325	$992,784	$5,587,951	$26,738,836	$4,818,473	$388,113
7	$456,844	$210,664	$89,645	$6,250,751	$7,007,904	$5,895,506	$731,425	$456,844	$1,188,269	$999,649	$5,819,635	$32,558,471	$4,895,857	$384,327
8	$463,697	$213,262	$90,990	$6,539,540	$7,307,488	$5,997,596	$765,217	$463,697	$1,228,914	$1,008,627	$6,078,574	$38,637,046	$4,988,969	$380,577
9	$470,652	$215,891	$92,354	$6,637,633	$7,416,531	$5,938,627	$776,695	$470,652	$1,247,347	$998,786	$6,169,184	$44,806,229	$4,939,840	$376,864
10	$477,712	$218,553	$93,740	$6,737,198	$7,527,203	$5,880,239	$788,346	$477,712	$1,266,057	$989,042	$6,261,145	$51,067,374	$4,891,197	$373,188
Total	$4,471,630	$2,070,186	$877,452	$54,496,595	$61,915,862	$53,415,180	$6,376,858	$4,471,630	$10,848,488	$9,394,435	$51,067,374	$51,067,374	$44,020,746	$3,901,752





SUMMARY OF COSTS AND BENEFITS FOR: **KC Community College**

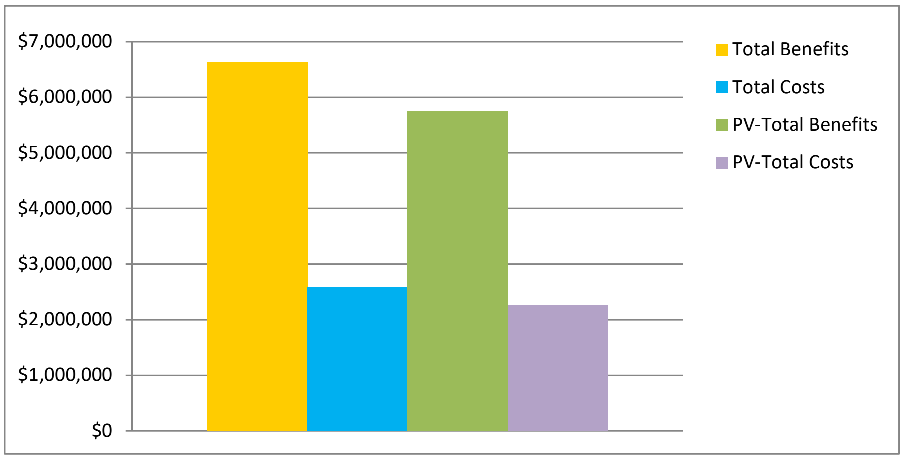
PROJECT: **URBN US Retail, LLC (With LMI)**

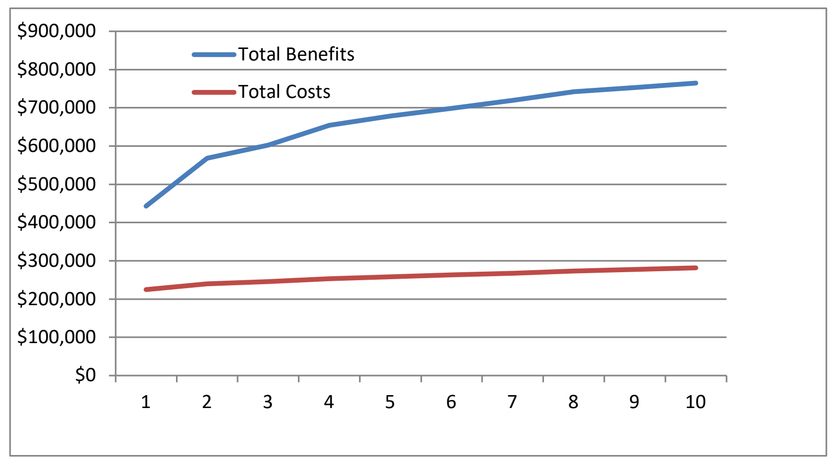
DATE: 8/17/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	**2.56**
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	**2.55**
(Typical desired ratio would be 1.3 to 1) **Average ROI**	**15.63%**

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$211,824	$86,604	$144,356	$442,785	$431,985	$13,327	$211,824	$225,151	$219,660	$217,633	$217,633	$212,325	$206,658
2	$215,001	$87,637	$265,923	$568,561	$541,165	$24,550	$215,001	$239,551	$228,009	$329,010	$546,643	$313,156	$204,641
3	$218,226	$88,699	$295,651	$602,577	$559,553	$27,295	$218,226	$245,521	$227,991	$357,056	$903,699	$331,562	$202,645
4	$221,500	$89,775	$342,904	$654,179	$592,654	$31,657	$221,500	$253,157	$229,348	$401,022	$1,304,721	$363,306	$200,668
5	$224,822	$90,865	$362,780	$678,467	$599,666	$33,492	$224,822	$258,314	$228,312	$420,153	$1,724,874	$371,354	$198,710
6	$228,195	$91,985	$378,688	$698,868	$602,632	$34,961	$228,195	$263,155	$226,918	$435,713	$2,160,587	$375,714	$196,772
7	$231,618	$93,104	$394,993	$719,714	$605,471	$36,466	$231,618	$268,083	$225,529	$451,631	$2,612,218	$379,941	$194,852
8	$235,092	$94,252	$413,242	$742,585	$609,474	$38,151	$235,092	$273,242	$224,263	$469,343	$3,081,561	$385,212	$192,951
9	$238,618	$95,414	$419,441	$753,473	$603,327	$38,723	$238,618	$277,341	$222,075	$476,132	$3,557,692	$381,252	$191,068
10	$242,198	$96,590	$425,732	$764,520	$597,242	$39,304	$242,198	$281,501	$219,908	$483,019	$4,040,711	$377,334	$189,204
Total	$2,267,094	$914,925	$3,443,710	$6,625,729	$5,743,168	$317,924	$2,267,094	$2,585,018	$2,252,012	$4,040,711	$4,040,711	$3,491,156	$1,978,169



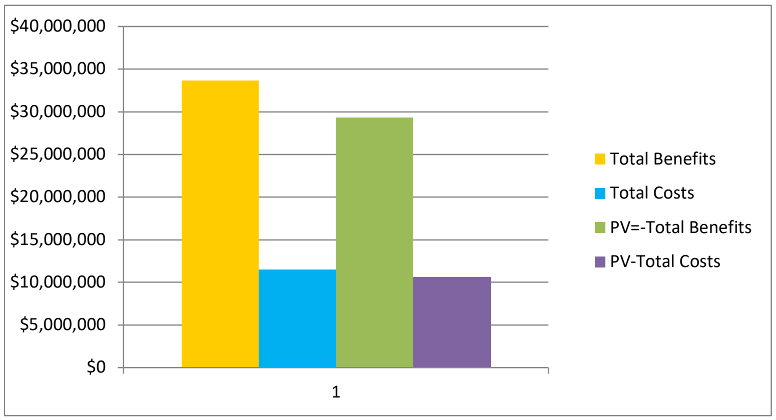


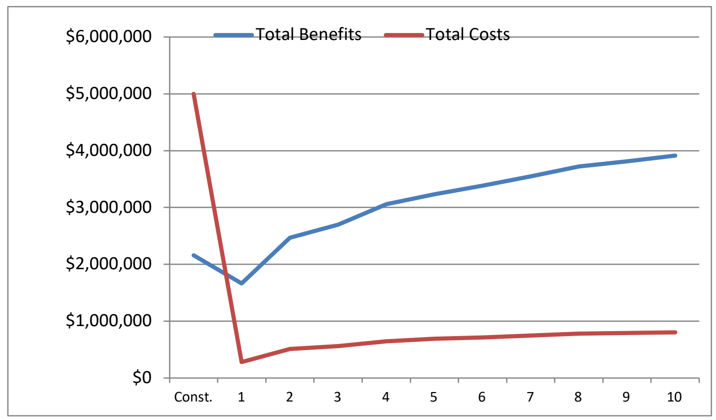
SUMMARY OF COSTS AND BENEFITS FOR: **State of Kansas**
PROJECT: **URBN US Retail, LLC (With LMI)**
DATE: 8/17/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: **2.92**
Ratio of Present Value of Total Benefits to Present Value of Total Costs: **2.76**
(Typical desired ratio would be 1.3 to 1) **Average ROI** **19.24%**

Year	Sales Taxes	New Property Taxes	Corporate and Personal Income Taxes	PILOT Payment	Other State Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various State Services	Cost of Educating New Students	Property Taxes Abated	Other Costs & Incentives (JCF Funds)	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Present Value of Taxes Abated and Incentives
Const.	$1,755,000	$0	$405,000	$0	$0	$2,160,000	$2,160,000	$0	$0	$0	$5,000,000	$5,000,000	$5,000,000	-$2,840,000	-$2,840,000	-$2,840,000	$5,000,000
1	$1,326,966	$11,529	$314,356	$4,714	$2,776	$1,660,341	$1,619,844	$1,415	$267,310	$11,529	$0	$280,254	$273,419	$1,380,087	-$1,459,913	$1,346,426	$11,248
2	$1,878,628	$11,702	$570,526	$4,770	$2,818	$2,468,444	$2,349,500	$1,436	$492,420	$11,702	$0	$505,558	$481,197	$1,962,886	$502,973	$1,868,303	$11,138
3	$2,036,247	$11,877	$643,718	$4,828	$2,860	$2,699,530	$2,506,782	$1,457	$547,470	$11,877	$0	$560,805	$520,763	$2,138,725	$2,641,698	$1,986,019	$11,029
4	$2,282,044	$12,056	$757,857	$4,886	$2,903	$3,059,745	$2,771,978	$1,479	$634,969	$12,056	$0	$648,504	$587,512	$2,411,241	$5,052,939	$2,184,466	$10,922
5	$2,402,085	$12,236	$813,599	$4,946	$2,946	$3,235,812	$2,859,986	$1,501	$671,774	$12,236	$0	$685,512	$605,892	$2,550,300	$7,603,240	$2,254,094	$10,815
6	$2,505,251	$12,420	$861,505	$5,006	$2,990	$3,387,174	$2,920,749	$1,524	$701,233	$12,420	$0	$715,177	$616,695	$2,671,997	$10,275,237	$2,304,055	$10,710
7	$2,614,305	$12,606	$912,146	$5,067	$3,035	$3,547,160	$2,984,103	$1,547	$731,425	$12,606	$0	$745,578	$627,229	$2,801,582	$13,076,819	$2,356,874	$10,605
8	$2,735,246	$12,795	$968,306	$5,130	$3,081	$3,724,559	$3,056,919	$1,570	$765,217	$12,795	$0	$779,582	$639,840	$2,944,976	$16,021,795	$2,417,079	$10,502
9	$2,797,756	$12,987	$997,333	$5,193	$3,127	$3,816,397	$3,055,897	$1,593	$776,695	$12,987	$0	$791,276	$633,597	$3,025,121	$19,046,916	$2,422,300	$10,399
10	$2,862,187	$13,182	$1,027,252	$5,257	$3,174	$3,911,053	$3,055,308	$1,617	$788,346	$13,182	$0	$803,145	$627,416	$3,107,908	$22,154,823	$2,427,893	$10,298
Total	$25,195,716	$123,392	$8,271,599	$49,797	$29,709	$33,670,213	$29,341,067	$15,140	$6,376,858	$123,392	$5,000,000	$11,515,390	$10,613,559	$22,154,823	$22,154,823	$18,727,508	$5,107,666





URBN US Retail, LLC (With LMI)
Other Economic Impacts of the Project

	In the First Year	Over 10 Years
Permanent jobs created	416	1073
Construction jobs created	744	0
Number of New Residents in the Community	557	1,438
Number of Additional Students in the Local School District	177	456
Increase in Local Personal Incomes	$14,969,344	$374,599,975
Increase in Local Retail Sales	$331,358,308	$671,569,842
Increase in the Community's Property Tax Base	$40,992,000	$40,992,000

		Property Taxes
Estimated new annual tax revenues after 10 years:	City	$456,680
	County	$466,969
	School	$741,649
	Comm. Coll.	$327,774
	State	$17,840
	Totals	**$2,010,912**

URBN US Retail, LLC (With LMI)

Overall Cost-Benefit Summary

	DIRECT REVENUES						TOTAL DIRECT REVENUES	ALL INDIRECT REVENUES	TOTAL ALL REVENUES	DIRECT COSTS		INDIRECT COSTS	TOTAL COSTS	NET BENEFITS
TAXING ENTITY	**Sales Taxes**	**Transit Program & PILOT Payment**	**New Property Taxes**	**School Federal & State Funding**	**Corporate & Personal Income Taxes**	**City Utilities & Franchise Fees**				**PROPERTY TAXES ABATED**	**Incentives (Transit Program)**	**ALL INDIRECT COSTS**		
City of Kansas City	$6,306,816	$3,524,744	$3,158,690			$386,951	$13,377,201	$980,185	**$14,357,386**	$3,158,690	$2,250,000	$1,428,149	**$6,836,839**	**$7,520,547**
Wyandotte County	$4,476,778	$3,553,464	$3,229,855				$11,260,097	$2,706,522	**$13,966,619**	$3,229,855	$2,250,000	$989,674	**$6,469,530**	**$7,497,090**
Bonner Springs USD 204		$2,070,186	$5,349,081	$54,496,595			$61,915,862		**$61,915,862**	$4,471,630		$6,376,858	**$10,848,488**	**$51,067,374**
KC Community College		$914,925	$2,267,094				$3,182,019	$3,443,710	**$6,625,729**	$2,267,094		$317,924	**$2,585,018**	**$4,040,711**
State of Kansas	$25,195,716	$49,797	$123,392		$8,271,599		$33,640,504	$29,709	**$33,670,213**	$123,392	$5,000,000	$6,391,998	**$11,515,390**	**$22,154,823**
TOTALS	$35,979,310	$10,113,116	$14,128,113	$54,496,595	$8,271,599	$386,951	$123,375,683	$7,160,127	**$130,535,811**	$13,250,661	$9,500,000	$15,504,604	**$38,255,264**	**$92,280,546**

DRAFT: August 19, 2020

DEVELOPMENT AGREEMENT

Dated as of September 17, 2020

BETWEEN THE

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

AND

URBN US RETAIL LLC

Prepared By:

Gilmore & Bell, P.C.
Kansas City, Missouri

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT, dated as of September 17, 2020 (the **"Agreement"**), between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,** a municipal corporation organized and existing under the laws of the State of Kansas (the **"Issuer"**), and **URBN US RETAIL LLC**, a Pennsylvania limited liability company (the **"Company"**);

WITNESSETH:

WHEREAS, the Issuer is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the **"Act"**), to acquire, construct and improve certain facilities for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for said projects, and to issue revenue bonds for the purpose of paying the cost of any such facilities; and

WHEREAS, pursuant to such authorization, the governing body of the Issuer has passed and approved an Ordinance authorizing the issuance of its industrial revenue bonds in the principal amount of not to exceed $403,000,000 (the **"Bonds"**), for the purpose of acquiring, constructing, improving, installing, furnishing and equipping a commercial facility at an estimated total cost to the Company of $403,000,000, consisting of an approximately 880,254 square foot omni channel distribution and fulfillment center, containing approximately 60,000 square feet of office space, and including land, buildings, structures, improvements and fixtures (the **"Project"**, which is more fully described in the Application for Issuance of Industrial Revenue Bonds submitted to the Issuer by the Company and attached hereto as **Exhibit A**), and authorizing the Issuer to enter into this Agreement; and

WHEREAS, in connection with the issuance of the Bonds, the Issuer will enter into a Base Lease Agreement with the Company (the **"Base Lease"**) and lease the Project to the Company pursuant to a Lease Agreement (the **"Lease Agreement"**) to be entered into by and between the Issuer, as lessor, and the Company, as lessee, at the time the Bonds are issued; and

WHEREAS, the Issuer is authorized and empowered under the Act and K.S.A. 79-201a, as amended (the **"Abatement Statute"**) to exempt from ad valorem taxation all or any portion of the Project financed with the proceeds of the Bonds, subject to the limitations set forth in the Abatement Statute and this Agreement; and

WHEREAS, in consideration of the Company's decision to acquire, construct and equip the Project, the Issuer hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and property taxes that the Issuer may not abate under Kansas law) for all property (including real property, building improvements, and fixtures) financed with the proceeds of the Bonds, however, said percentage of abatement approved by the Kansas Board of Tax Appeals may be adjusted as provided for in this Agreement; and

WHEREAS, in order to finance certain CID Costs of the Transit Program, the Company agrees to submit a petition for creation of the CID to provide for the imposition of CID special assessments on the Project Site, all as set forth in said petition and herein; and

WHEREAS, pursuant to the foregoing, the Issuer desires to enter into this Agreement with the Company in consideration of the Company's desire to acquire, construct, improve, install, furnish and equip the Project as more fully described in the hereinafter defined Application upon the terms and conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the Issuer and the Company hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. The following words and terms as used herein shall have the following meanings:

"Abatement Statute" means K.S.A. 79-201a, as amended.

"Ad valorem taxes" or **"ad valorem taxation"** means all property taxes imposed on real or personal property (including fixtures) and eligible for exemption pursuant to the Abatement Statute.

"Agreement" means this Development Agreement dated as of September 17, 2020, between the Issuer and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

"Application" means the Application for Issuance of Industrial Revenue Bonds filed with the Issuer by the Company in connection with the request for the issuance of the Bonds, a copy of which is attached hereto as **Exhibit A**.

"Board of Tax Appeals" means the State of Kansas Board of Tax Appeals.

"Bond Financed Portion of the Project" means that portion of the Project financed from the proceeds of the Bonds as evidenced by the requisitions submitted by the Company to the bond trustee in accordance with **Section 2.7** hereof.

"Bonds" means the Issuer's industrial revenue bonds to be issued to finance the Project in the maximum aggregate principal amount of $403,000,000.

"CID" shall mean the community improvement district to be created as set forth in **Section 3.12** hereof.

"CID Act" shall mean the Kansas Community Improvement District Act, K.S.A. 12-6a26 *et seq.*, as amended and supplemented from time to time.

"CID Costs" means those costs eligible to be paid from CID revenues in accordance with K.S.A. 12-6a26 *et seq.*

"Company" means URBN US Retail LLC, a Pennsylvania limited liability company and its successors and assigns.

"Contractor" means the Contractor as defined in **Section 3.10** hereof.

"Event of Default" means any Event of Default as described in **Section 5.1** hereof.

"Exempt Period" means the ten (10) calendar years after issuance of the Bonds, beginning with the calendar year immediately following issuance of the Bonds.

"Exempt Property" means all Property that is exempt from taxation pursuant to K.S.A. 79-201(a) *Second* and/or *Twenty-Fourth* by reason that such property was constructed or purchased with the proceeds of the Bonds authorized by and in accordance with the Abatement Statute.

"Force Majeure" means acts of God, strikes, lockouts, unavailability of sufficient trade laborers or materials due to global pandemic such as COVID-19, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate government authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, war, terrorism or other reason beyond the reasonable control of and not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement.

"Issuer" means the Unified Government of Wyandotte County/Kansas City, Kansas.

"Property" means all real and personal property subject to taxation pursuant to K.S.A. 79-101.

"Project" means acquiring and constructing a commercial facility, consisting of an approximately 880,254 square foot omni channel distribution and fulfillment center, containing approximately 60,000 square feet of office space, and including land, buildings, structures, improvements and fixtures, all generally located on approximately 65 acres southeast of the intersection of State Avenue and Speedway Boulevard within the municipal boundaries of the Issuer. Estimated costs of the Project are $403,000,000, consisting of $14,500,000 for land acquisition, $112,500,000 for facility construction costs, and $276,000,000 for machinery and equipment.

"Project Costs" means all costs and expenses of every nature paid after September 17, 2020, from proceeds of the Bonds and relating to the acquisition, construction, improvement, installation, furnishing and equipping of the Project.

"Project Site" means all of the real property described in **Exhibit B** attached hereto and by this reference made a part hereof.

"State" means the State of Kansas.

"Tax Payment" means a payment-in-lieu of taxes in an amount equal to the amount set forth in **Section 2.3** hereof.

ARTICLE II

EXEMPTION; PAYMENTS IN LIEU OF TAX

Section 2.1. Exempt Property. During the Exempt Period, and so long as the Bonds are outstanding, the Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be and remain Exempt Property.

Section 2.2 Agreement to Make Tax Payments. The Company covenants and agrees that, for each calendar year during the Exempt Period that the Bond Financed Portion of the Project is Exempt Property, the Company will make a Tax Payment in lieu of ad valorem taxes to the Issuer.

Section 2.3. Amount of Tax Payment. Each Tax Payment shall be equal to the following amount for each year of the Exempt Period:

Year[(a)]	**Tax Payment Per Square Foot of Physical Footprint of Facility at Project Site**[(b)]
1	$0.6036
2	0.6108
3	0.6182
4	0.6257
5	0.6333
6	0.6411
7	0.6489
8	0.6569
9	0.6650
10	0.6732

(a) Refers to calendar years after the Bonds are issued. Year 1 is the calendar year immediately after issuance of the bonds.

(b) In addition to the Tax Payment, special assessments and certain property taxes may not be abated and shall be paid in addition to the Tax Payments. See **Section 2.5** herein. Square footage of physical footprint of facility estimated at 880,258 square feet

For each such calendar year, one-half of the Tax Payment with respect to such calendar year shall be due and payable on or before the date that the first installment of ad valorem taxes for real property are due (and in any event, not later than December 20th), and the balance of such Tax Payment with respect to such calendar year shall be due and payable on or before the date that the second installment of ad valorem taxes for real property are due (and in any event, not later than May 10th of the immediately succeeding calendar year).

At expiration or termination of the Exempt Period, the Project will be placed on the tax rolls and the Company will pay ad valorem taxes in accordance with State law. At such time as the Project is placed upon the tax rolls, Company shall have all rights to appeal or context the tax rate and/or assessed or market value of the Project as provided by applicable law.

Section 2.4. Term of Agreement. This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article V** hereof), shall terminate upon the later of (i) the expiration of the Exempt Period, (ii) the date of the final Tax Payment, (iii) expiration or termination of Company's obligation to make Annual Transit Payments pursuant to **Section 3.11**, or (iv) expiration or termination of the CID.

Section 2.5. No Abatement of Special Assessments and Certain Property Taxes. The Issuer and the Company hereby agree that the Abatement Statute and any tax abatement with respect to the Project shall not apply to special assessments and property taxes that the Issuer may not abate under State law. Company acknowledges that the school district capital outlay levy (currently 8.000 mills) may not be abated by the Issuer under State law. Company shall timely pay, when due, all special assessments and property taxes levied with respect to the Project. [This Issuer hereby agrees it will not, without the written consent of the Company, levy any special assessments on the Project Site during the term of this Agreement (other than the special assessment established under the CID in accordance with the terms of this Agreement).]

Section 2.6. Obligation of Issuer to Effect Tax Abatement. The Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be Exempt Property during the Exempt Period and agrees to make all filings required by the Wyandotte County Board of Commissioners or the Board of Tax Appeals; provided, however, the Issuer shall not be liable for any failure of the Board of Tax Appeals to effect the exemption permitted by the Abatement Statute so long as Issuer undertakes and completes all necessary actions legally required to be taken by the Issuer to effect the Tax Abatement. Additionally, upon submission by the Company of the appropriate request form required by the State Department of Revenue, the Issuer agrees to apply for and use its best efforts to cause the State Department or Revenue to issue a sales tax exemption certificate for purchase of materials, furniture, fixtures, and equipment for the Project and financed by the Bonds as provided by applicable State law.

The Issuer covenants that it will not knowingly take any action that the Issuer has knowledge may cause the Bond Financed Portion of the Project to no longer be Exempt Property. In the event the Bond Financed Portion of the Project is determined to no longer be Exempt Property, the Issuer shall, at the Company's request, cooperate with the Company in all reasonable ways to cause the Bond Financed Portion of the Project to be Exempt Property, including cooperating with the Company in any related litigation. The Company agrees to pay to the Issuer the reasonable costs that the Issuer incurs (including legal fees and expenses) in cooperating with the Company in the manner required by this Section.

Section 2.7. Value of the Project Not Determined by Bonds. The Issuer and the Company acknowledge that it is not the intent of the parties that the principal amount of the Bonds be used for the purpose of determining the appraised value of the Project or any portion thereof for tax purposes.

Section 2.8. Classification; Limitation on Company's Right to Protest. If the Project Site is not currently classified as commercial, the Company acknowledges that the county appraiser may reclassify the Project Site to commercial as a result of the issuance of the Bonds. During the term of this Agreement, the Company agrees that it will not, without the written consent of the Issuer, (i) seek to change the classification of all or any portion of the Project Site from commercial to another classification, or (ii) contest the reclassification of all or any portion of the Project Site to commercial. Notwithstanding the foregoing, Issuer and Company agree that the amount of the Tax Payment during the Exempt Period is not intended to be affected by any change in the classification of the Project Site, and if as a result of any reclassification of the Project Site any additional taxes or special assessments beyond those payable pursuant to **Section 2.5** are imposed or become due and payable with respect to the Project Site, then the amount of the Tax Payment shall be adjusted so that the total amount payable with respect to the Project Site does not exceed the sum of the Tax Payment for the particular year plus any amounts that would be payable pursuant to **Section 2.5** if the Project Site was not reclassified to commercial.

Except as set forth in the preceding paragraph, nothing in this Agreement shall be construed to limit or in any way restrict the ability of the Company to utilize any provision of State law to appeal, protest or otherwise contest any property tax valuation, assessment or similar action with respect to the Project Site or any portion thereof, at any time during the term of this Agreement.

Section 2.9. Credits for Tax Payments; No Duplicate Tax Liability. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive as a credit against its obligations to pay the Issuer Tax Payments**,** the amount of any ad valorem taxes (other than special assessments and property taxes that the Issuer may not abate under State law and otherwise as provided in **Section 2.5**) paid by the Company to the County to the extent that the amounts paid to the County include any taxes due with respect to the Exempt Property.

Section 2.10. Tax Abatement Order; Adjustment of Tax Payment. The Issuer and the Company acknowledge that, prior to the Bond Financed Portion of the Project being determined to be Exempt Property, an order from the Board of Tax Appeals approving tax abatement on the Bond Financed Portion of the Project for the Exempt Period must be obtained. In the event the Board of Tax Appeals issues an order stating that less than 100% of the Bond Financed Portion of the Project is Exempt Property, the parties agree that the Tax Payment shall be decreased by an amount necessary to result in the sum of the new Tax Payment plus the payment of ad valorem taxes by the Company with respect to the Bond Financed Portion of the Project is equal to the original Tax Payment. In the event the Board of Tax Appeals issues an order stating that none of the Bond Financed Portion of the Project is Exempt Property, then the Tax Payment shall be reduced to 0. Issuer hereby agrees to use best faith efforts to obtain the issuance of an order from the Board of Tax Appeals approving tax abatement on the Bond Financed Portion of the Project for the Exempt Period such that 100% of the Bond Financed Portion of the Project is Exempt Property.

Notwithstanding the foregoing, if (i) the entire Bond Financed Portion of the Project is not determined to be Exempt Property, or (ii) the Board of Tax Appeals issues an order that less than 100% of the Bond Financed Portion of the Project is Exempt Property, and such determination or order is a result of the Company's failure to comply with the terms and provisions of this Agreement (after any applicable notice and cure period), the Issuer shall be under no obligation to decrease the Tax Payment as provided in this Section. If the Board of Tax Appeals determines that less than 100% of the Bond Financed Portion of the Project is Exempt Property for any reason other than Company's failure to comply with the terms and provisions of this Agreement (after any applicable notice and cure period) and the then current provisions of State law, then the amount of the Tax Payment shall be reduced so that the total of the ad valorem taxes payable with respect to the Project, plus the amount of the Tax Payment, equals the amount that would be payable hereunder if it was determined that 100% of the Bond Financed Portion of the Project is Exempt Property. Notwithstanding any provisions herein to the contrary, in no event shall the Company be liable for the payment of any amounts, including the Tax Payments, which are in the aggregate greater than the amount of ad valorem taxes on the Project in the event there is no abatement of the same.

Section 2.11. Determination of Appraised Value and Assessments. The Company acknowledges that the county appraiser independently determines the appraised value of Property. The Company further acknowledges that the Issuer does not have input in or in any way control the determination of the appraised value of Property or the assessment of Property, and that the Issuer cannot and is not attempting to bind the county appraiser or any other governmental authority with respect to a determination of the appraised value of the Bond Financed Portion of the Project.

ARTICLE III

COVENANTS

Section 3.1. Acquisition and Construction of Project. The Company agrees to acquire the Project Site and the Company shall be responsible for the construction, equipping and operation of the Project as an approximately 880,254 square foot omni channel distribution and fulfillment center, containing approximately 60,000 square feet of office space, and including land, buildings, structures, improvements and fixtures, all generally located on approximately 65 acres southeast of the intersection of State Avenue and Speedway Boulevard, as generally set forth on **Exhibit C** hereto, at an estimated total cost to the Company of $403,000,000. Any material modifications to the construction or operation of the Project, including decreasing the size of the facility to less than 792,000 square feet or affecting the general use of the Project as described herein, shall require the prior written consent of the governing body of the Issuer, and the Issuer reserves the right to declare an Event of Default pursuant to **Section 5.1** hereof if such modifications are made by the Company without such prior written consent. The Company will not be deemed to be in default of this Agreement if the actual costs of the Project deviate from the figures listed above.

Company and Issuer acknowledge that, before the Project Site may be acquired by Company, the Issuer must approve a subdivision to create the Project Site as a legally separate parcel that may be conveyed by Kansas International Speedway Corporation (**"Seller"**) to Company (the **"Subdivision Approval"**). If the ordinance approving the Subdivision Approval is not adopted by Issuer not later than [November 30, 2020] (the **"Outside Approval Date"**), Company shall have the right to terminate this Agreement by written notice to Issuer given to Issuer after the Outside Approval Date.

Section 3.2 Release of Mortgage. The parties acknowledge that the Project Site is currently subject to that certain Kansas Mortgage, Assignment of Rents and Security Agreement dated as of January 15, 1999, executed by Kansas International Speedway Corporation and recorded in the Office of the Register of Deeds of Wyandotte County, Kansas on January 15, 1999 in Book 4064, Page 457, as modified by that certain Amended and Restated Mortgage recorded on March 1, 1999 as Document No. 1293339 in Book 4064 at Page 891 (collectively, the **"Mortgage"**). Upon execution of this Agreement, Issuer will cooperate with the Company and other appropriate parties to seek the release of the Project Site from the Mortgage and deliver a partial release of the Mortgage in substantially the form of **Exhibit D** hereto (the **"Release of Mortgage"**) with evidence of recording such document in the real estate records. Company acknowledges that the Issuer's delivery of the Release of Mortgage requires the consent of MBIA Insurance Company and Security Bank of Kansas City and that the Issuer cannot compel either to consent to the Release of Mortgage. The parties agree that time is of the essence with regard to obtaining the Release of Mortgage. If all necessary approvals for the execution and delivery of the Release of Mortgage are not obtained by [November 30, 2020] (the **"Outside Release Date"**), Company shall have the right to terminate this Agreement by written notice to Issuer given to Issuer after the Outside Release Date.

Section 3.3. Commencement and Completion Dates. The Company expects to commence and complete construction of the Project in accordance with the schedule set forth on **Exhibit E**, subject to Force Majeure, material delay in obtaining the Release of Mortgage, and extension granted by a resolution adopted by the governing body of the Issuer at the Company's written request.

Section 3.4. Inspection. The Company agrees that the Issuer and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least 48 hours advance notice and to the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site to examine and inspect the Project and the records of the Company which demonstrate compliance with this Agreement.

Section 3.5. Compliance with Laws. The Project will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and regulations and all other applicable laws, rules and regulations. Company agrees that: (a) in the design, construction, completion, use or operation of the Project Site and Project, Company or the Contractor (as defined herein) shall procure and pay for any and all permits, licenses or other forms of authorizations that may be required by applicable law, and (b) nothing herein shall be construed as any release by the Issuer of the responsibility of Company to comply with and satisfy such requirements.

Section 3.6. Payment of Fees and Reimbursement or Payment of Costs.

(a) The Company agrees to pay to the Issuer the standard fees charged by the Issuer in connection with tax abatement projects, the issuance of industrial revenue bonds, and the formation of community improvement districts. These Issuer fees include a bond issuance fee in the amount of $[472,500.00] that is due at the Pre-Closing (as defined in the Bond Purchase Agreement between the Company and the Issuer) and an annual administrative fee in the amount of $1,000.00. Notwithstanding the foregoing, it is acknowledged by Company and Issuer that Issuer has waived the initial application fee typically charged under the Issuer's tax abatement policy.

(b) The Company agrees to promptly reimburse the Issuer, upon receipt by the Company of an invoice from the Issuer, for any amounts that the Issuer pays to any other party as a result of the Issuer reasonably pursuing, obtaining or maintaining the tax abatement granted to the Company pursuant to this Agreement. These costs shall include, but shall not be limited to, all fees and expenses for filings with the Board of Tax Appeals (including the application fee and annual administration fee), legal notice publication expenses, and the costs and expenses of the Issuer's legal counsel. Such costs shall first be deducted from the funds deposited by the Company with the Issuer pursuant to the UG Cost Funding Agreement between the Issuer and Company dated as of [__________], 2020. The Company agrees that the Issuer may, in lieu of seeking reimbursement from the Company, forward any invoice received by the Issuer to the Company, which invoice is for a cost which the Issuer could seek reimbursement from the Company pursuant to this paragraph, and the Company agrees to promptly pay such invoice and to promptly provide the Issuer with evidence of such payment. Any amounts incurred by Issuer in pursuing, obtaining or maintaining the CID shall be paid from the CID Funds and shall not be payable by Company.

Section 3.7. Abatement of Property. The Abatement Statute provides that, with certain exceptions, any property constructed or purchased in part with the proceeds of revenue bonds issued under the authority of the Act is exempt from taxation for a period of up to ten years to the extent of the value of that portion of the property financed by the revenue bonds. The tax abatement commences in the year following the year in which the Bonds are issued.

Company understands that property will be exempt under the Abatement Statute only if such property is purchased with the proceeds of the Bonds. In order to be purchased with Bond proceeds, the trustee for the Bonds must receive a requisition request from the Company and must make a draw on the Bonds and use the money to either (a) pay, or (b) reimburse the Company for the payment of, the cost of the property.

The Abatement Statute also provides that if property purchased with proceeds of the Bonds is used in any retail enterprise identified under the NAICS sectors 44 and 45 (**"Prohibited NAICS"**), the property will not be exempt from taxation, unless the property is a facility used exclusively to house the headquarters or back office operations of a prohibited retail enterprise.

The Abatement Statute further provides that property purchased with bond proceeds is not exempt from taxation if the property is (i) a swine production facility (as described in K.S.A. 12-1749b), (ii) property located in a redevelopment project area established under the authority of K.S.A. 12-1770 or (iii) a poultry or rabbit confinement facility (as described in K.S.A. 17-5903).

Company hereby represents that the NAICS code for the Project is not included within the list of Prohibited NAICS and agrees that during the term of the tax abatement, the property purchased with the proceeds of the Bonds will not be used in any of the Prohibited NAICS. Company understands that if any property purchased with the proceeds of the Bonds is used in a Prohibited NAICS, that property will not be subject to property tax abatement under State law. Issuer hereby agrees and acknowledges the parent company of Company operates retail facilities that would be under a Prohibited NAICS, but that that the proposed use of the Project as an omni channel distribution and fulfillment center constitutes the use of the Project as back office operations that is, to the best knowledge and belief of Issuer, eligible for exemption from taxation under the Abatement Statute.

Company represents that the Project is not, and will not become, a swine production facility, a poultry or rabbit confinement facility or inventory, and that the Project Site is currently located in a redevelopment project area as defined in K.S.A. 12-1770 *et seq*., and the parties will coordinate in good faith to remove the Project Site from such redevelopment project area prior to issuance of the Bonds.

Section 3.8. Solid Waste Services. Until termination of this Agreement, the Company agrees that it and all of its tenants, subtenants, operators and licensees shall exclusively use the solid waste services of the Issuer for the Project so long as Issuer shall, at all times during the term of this Agreement, maintain and provide such services at a commercially reasonable quality of service and cost-competitive with other service options available to Company from time to time.

Section 3.9. Workforce Program. The Issuer has created a group consisting of the Wyandotte County Economic Development Council, Kansas City Kansas Community College, Workforce Partnership, the Kansas Department of Commerce and Kansas Manufacturing Solutions and members of the Wyandotte County Church Community (collectively the **"Workforce Solutions Group"**) to promote employment of residents of Wyandotte County at the Project. Company agrees to work with Issuer and the Workforce Solutions Group to create a (the **"Workforce Program"**) that will have as a goal that thirty-five percent (35%) of the total employment of the Project will be residents of Wyandotte County; the terms and provisions of the Workforce Program will be subject to the approval of the Company. Following the creation of the Workforce Program and approval of the Workforce Program by Company, Company hereby agrees to use best efforts to implement the Workforce Program. The Issuer and Company agree that failure to achieve the thirty-five percent (35%) goal stated above will not result in an Event of Default hereunder or an adjustment to the Tax Payments set forth herein.

Section 3.10. Community Participation. Company hereby states its intent and commitment to achieve significant participation by locally-, minority- and women-owned enterprises (**"Targeted Enterprises"**) in the construction of the Project (the **"Community Participation Commitment"**). As part of its activities to carry out and successfully achieve the Community Participation Commitment, the Company hereby agrees that, promptly following its selection of the general contractor or design/builder (or the other party having responsibility for construction of the Project, depending upon the construction method selected) (collectively, the **"Contractor"**) Company will coordinate a meeting of the Company, the Contractor and representatives of the Issuer to (a) provide an overall line item budget for the construction of the Project, (b) identify scopes of work for the construction of the Project that would be appropriate to be carried out by Targeted Enterprises, (c) identify specific Targeted Enterprises that have the capacity (both in terms of skillset and staffing/financial capability) to successfully perform such scopes of work, and (d) work with Contractor and the Issuer to develop and implement a plan to offer Targeted Enterprises the opportunity to bid for scopes of work for the construction of the Project in order to achieve the Community Participation Commitment. Company hereby agrees to use good faith efforts to achieve the Community Participation Commitment, and to obligate Contractor to use good faith efforts to achieve the Community Participation Commitment; provided, however, that nothing here in shall obligate Company or Contractor to pay any additional costs higher than the lowest qualified bid for the construction of the Project, or to delay any construction activities or accept any bid that will result in the slowdown of any construction activities, in order to achieve the Community Participation Commitment.

Section 3.11. Transit Operation and Funding. Issuer has agreed to develop and operate a transit program (the **"Transit Program"**) providing express bus service to enable employees of the Company to obtain adequate transportation access to the Project. Issuer agrees to develop, and submit to Company for approval, a plan (the **"Transit Plan"**) setting forth the components of the Transit Program, which Transit Plan shall include a schedule for transit operations mutually approved by Company and Issuer. Following such approval by Company, Issuer shall proceed to implement the Transit Program in accordance with the Transit Plan. Following approval of the Transit Plan by Company and Issuer, the Transit Plan shall not be subject to change except with the approval of such change by Company and Issuer.

Company and Issuer acknowledge that the State has agreed to provide, pursuant to the Job Creation Fund program, funds in support of the Project in the aggregate amount of $5,000,000 (the **"JCF Funds"**), and Company has agreed to pay to Issuer $1,500,000 of the JCF Funds (the **"Transit Startup Funds"**) to enable the Issuer to fund initial transit startup, including capital expenses. Issuer agrees to develop, and submit to Company, a budget setting forth the use of the Transit Startup Funds and the timing of the expenditure of the Transit Startup Funds, and Company agrees to seek to have the State provide the Transit Startup Funds in accordance with, and at the times provided for in the budget created by Issuer. Except for the Transit Startup Funds, Issuer agrees and acknowledges that all capital costs of the Transit Program will be funded by Issuer.

Company agrees to make an annual payment to the Issuer in the amount of $300,000 for a term of twenty (20) years (the **"Annual Transit Payments"**) to provide operating funds to finance the Issuer's operation of or contracting for the Transit Program for the benefit of the Project. Such Annual Transit Payments will be payable on each June 1 beginning in 2024 and continue for a term of not to exceed twenty (20) years. Provided, such Annual Transit Payments will be deemed paid and satisfied by the Issuer to the extent the Company timely pays the annual special assessments described in **Section 3.12** hereof.

Section 3.12. Community Improvement District. In order to provide operating funds for the Transit Program, Company agrees to submit to Issuer no later than 30 days after Company's acquisition of fee title to the Project Site a petition in substantially the form attached as **Exhibit F** hereto seeking approval by Issuer for the creation of a community improvement district (the **"CID"**) and a waiver of assessment proceedings in substantially the form attached as **Exhibit G** hereto, and Company further agrees that the CID shall impose an annual special assessment in the amount of $300,000 for a term of twenty (20) years to provide operating funds for the Transit Program (the **"CID Funds"**). The CID shall be subject to renewal with the approval of Company and Issuer, as provided by State law. The Company agrees to timely pay all CID special assessments in the manner set forth in the CID Act. The Issuer will deposit the CID Funds into a segregated fund held with the Issuer and use such CID Funds solely for payment of CID Costs of the Transit Program. Except for the CID Funds, all funds for the operation of the Transit Program shall be provided by Issuer. During the term of the CID, the Issuer and Company agree to take no action that would terminate or impair the CID or the collection of the CID special assessments.

Notwithstanding anything to the contrary herein, if Company shall properly file a petition seeking the approval by Issuer of (a) the creation of the CID, and (b) the imposition of an annual special assessment, for a term of twenty (20) years, in the annual amount of $300,000, and following the completion of such activities by Company, the Issuer shall for any reason fail, not later than the later of December 31, 2023 or the issuance of a certificate of occupancy for the Project, to pass ordinance(s) approving the creation of the CID and the imposition of an annual special assessment, for a term of twenty (20) years, in the annual amount of $300,000, then in that event the terms and provisions of this **Section 3.12** shall terminate and be null and void and of no further force and effect.

ARTICLE IV

SALE AND ASSIGNMENT

The benefits granted by the Issuer to the Company pursuant to this Agreement shall belong solely to the Company and such benefits shall not be transferred (other than to an affiliate of the Company), assigned, pledged or in any other manner hypothecated without the express written consent of the Issuer; provided, nothing herein shall preclude the Company from (i) merging, consolidating, altering its form of entity, or having a change in control, or (ii) delegating its obligations and duties hereunder, provided Company remains fully liable therefor, or (iii) assigning or pledging its interest in the Project, so long as the Company or its operator or manager continues to occupy the Project and otherwise remains responsible for its undertakings herein.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an **"Event of Default"** hereunder:

(a) the Company shall fail to perform any of its obligations hereunder;

(b) the Company shall breach any covenant contained herein or any representation of the Company contained herein shall prove to be materially false or erroneous; or

(c) the Company shall be in default under the Lease Agreement.

Section 5.2. Remedies on Default. Upon the occurrence of an Event of Default hereunder, the Company shall be given 60 days (or such longer period as the Issuer and the Company may agree), following written notice by the Issuer to the Company of the occurrence of such Event of Default, to cure such Event of Default. If such Event of Default is not cured within such time, this Agreement may be terminated by written notice to the Company from the Issuer. Such termination shall be effective immediately following delivery of such written notice. Upon the termination of this Agreement, the Company shall make a payment to the Issuer (or as the Issuer may otherwise direct) in an amount equal to the sum of (i) all due but unpaid Tax Payments attributed to prior calendar years, (ii) the pro rata total Tax Payments that would be due with respect to the current calendar year, (iii) the pro rata amount of any taxes that would be due for the remaining portion of the current calendar year assuming the Bond Financed Portion of the Project were not Exempt Property, and (iv) the amount of any costs and attorneys' fees incurred by the Issuer as a result of such Event of Default and in enforcing this Agreement. Following the termination of this Agreement under this Section 5.2, Issuer shall deliver to Company an invoice setting forth the amounts due under this Section 5.2 under items (i), (ii), (iii) and (iv) as a result of the occurrence of the Event of Default and Company's failure to cure such Event of Default, and such amounts shall be due and payable thirty (30) days following delivery of such invoice to Company. Company shall have the right to challenge accuracy and correctness of the amounts set forth on the invoice, and Company shall notify Issuer of any amounts it wishes to challenge by written notice to Issuer given within thirty (30) days after the receipt of the invoice from Issuer.

Company shall not be deemed to be in Default under this Agreement until after the occurrence of an Event of Default under **Section 5.1** and the failure of Company to cure such Event of Default within the time period set forth in this **Section 5.2**.

Section 5.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by State law on overdue ad valorem taxes from the date such payment was first due. In addition, amounts payable hereunder in lieu of ad valorem taxes that are not paid when due shall be subject to the same penalties imposed by State law on overdue ad valorem taxes.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Notice and Waiver of Company. The Issuer reserves the right to grant tax abatement for projects that are located adjacent to or in the proximity of the Project or for projects that are located elsewhere within the Issuer but are similar to the Project in amounts that are above or below the amounts set forth herein. The Company acknowledges and agrees that the Tax Payment, the Exempt Period and the other terms of the tax abatement granted by the Issuer with respect to such other projects may be more favorable than the terms provided for in this Agreement. As a condition to the Issuer entering into this Agreement, the Company waives any claim it may have against the Issuer as a result of the Issuer granting tax abatement to other projects with terms that are more favorable than the terms provided for in this Agreement. Additionally, the Company agrees that it will not request that the Issuer modify this Agreement because the Issuer plans to grant or has granted tax abatement to another project or projects on terms that are more favorable than the terms provided for in this Agreement.

Section 6.2. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 6.3. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Kansas.

Section 6.4. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.5. Waiver. The Issuer and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the Issuer under the Lease Agreement. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 6.6. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be given to or filed with the Issuer or Company as set for the below:

(a) To the Issuer:

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 323
Kansas City, Kansas 66101

Email: bcobbins@wycokck.org

And a copy to:

Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 961
Kansas City, Kansas 66101
Email: kjmoore@wycokck.org

And a copy to:

Douglas G. Bach
County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, 9th Floor
Kansas City, Kansas 66101
Email: dbach@wycokck.org

And a copy to:

Gina Riekhof
Kevin Wempe
Gilmore & Bell, P.C.
2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108
Email: griekhof@gilmorebell.com
kwempe@gilmorebell.com

(b) To the Company:

5000 South Broad Street
Philadelphia, PA 19112
Attn: Zachary Belair
Email: zbelair@urbn.com

And a copy to:

David W. Frantze
Stinson LLP
1201 Walnut Street, Suite 2900
Kansas City, Missouri 64106
Email: david.frantze@stinson.com

Section 6.7. Further Assurances. The parties each agree to do, execute, acknowledge and deliver any and all other documents and instruments and to take all such further action as shall be reasonably necessary or reasonably required in order to fully carry out this Agreement and to fully consummate and effect the transactions contemplated hereby.

Section 6.8. Authority, etc. Each party to this Agreement represents and warrants to each other party as follows: (i) that such party has the requisite power and authority to enter into and perform this Agreement; (ii) that this Agreement has been duly authorized by all necessary action on the part of such party; (iii) that the execution and deliver and performance by each party of this Agreement will not conflict with or result in a violation of such party's organizational documents or any judgment, order or decree of any court or arbiter to which such party is bound; and (iv) that this Agreement constitutes the valid and binding obligation of such party, and is enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, creditor's rights and other similar laws.

Section 6.9. Electronic Storage and Transactions. The parties agree that the transactions described herein may be conducted and related documents may be stored by electronic means. All closing documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the date first above written.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:______________________________________
Mayor/CEO

ATTEST:

By: ___________________________
Unified Government Clerk

URBN US RETAIL LLC
a Pennsylvania limited liability company

By:_________________________________
Name:
Title:

EXHIBIT A

APPLICATION FOR THE ISSUANCE OF INDUSTRIAL REVENUE BONDS

EXHIBIT B

PROJECT SITE

[LEGAL DESCRIPTION]

EXHIBIT C

PRELIMINARY SITE PLAN

EXHIBIT D

FORM OF PARTIAL RELEASE OF MORTGAGE

PARTIAL RELEASE OF MORTGAGE

THIS PARTIAL RELEASE OF MORTGAGE WITNESSETH, that the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") and Security Bank of Kansas City (the "Bank"), the owner and holder of that certain Kansas Mortgage, Assignment of Rents and Security Agreement dated as of January 15, 1999 (the "Mortgage"), executed by Kansas International Speedway Corp. and recorded in the Office of the Register of Deeds of Wyandotte County, Kansas ("Register's Office") on January 22, 1999 as Document No. 1290488 in Book 4064, Page 457, as modified by that certain Amended and Restated Mortgage recorded on March 1, 1999 as Document No. 1293339 in Book 4064 at Page 891 (collectively, the "Mortgage"), for value received, does hereby release from the lien and effect of said Mortgage, that portion of the property legally described on **Exhibit A** attached hereto, situated in Wyandotte County, Kansas.

Provided, however, that this Partial Release of Mortgage shall not prejudice the lien of said Mortgage on the remaining property therein described and the terms of the Mortgage shall continue in full force and effect with respect to such property.

[Balance of page intentionally left blank]

Witness its hand this ____ day of ____________, 2020.

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ____________________________________
Printed Name: _____________________________
Title: _____________________________________

STATE OF KANSAS)
) ss.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ________________, 2020, by _____________________, the ____________________ of the UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS.

Print Name:
Notary Public in and for said County and State

My Appointment Expires:

____

Witness its hand this ____ day of _______________, 2020.

SECURITY BANK OF KANSAS CITY

By: ____________________________________
Printed Name:______________________________
Title: __________________________________

STATE OF KANSAS)
) ss.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ________________, 2020, by _____________________, the ____________________ of SECURITY BANK OF KANSAS CITY.

Print Name:
Notary Public in and for said County and State

My Appointment Expires:

____

EXHIBIT A

Legal Description of Released Property

EXHIBIT E

ESTIMATED CONSTRUCTION SCHEDULE

Event	**Projected Date**
Acquisition of Project Site	December 31, 2020
Substantial Completion of Construction	October 31, 2023
Full Operation of Project	December 31, 2023

EXHIBIT F

FORM OF CID PETITION

PETITION FOR THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT

TO: The Governing Body,
Unified Government of Wyandotte County/Kansas City, Kansas

The undersigned, being the owners of record of 100% of the land area contained within the hereinafter described community improvement district, hereby petition the Unified Government of Wyandotte County/Kansas City, Kansas (the "**UG**") to create a community improvement district (the **"CID"**) and authorize the proposed projects hereinafter set forth, all in the manner provided by K.S.A 12-6a26 *et seq.* (the "**Act**"). In furtherance of such request, the petitioners state as follows:

1. GENERAL NATURE

The general nature of the proposed projects (the "**Projects**") is as follows:

Acquiring and constructing a commercial facility, consisting of an approximately 880,254 square foot omni channel distribution and fulfillment center, containing approximately 60,000 square feet of office space, and including land, buildings, structures, improvements and fixtures, all generally located on approximately 65 acres southeast of the intersection of State Avenue and Speedway Boulevard within the municipal boundaries of the UG, and including particularly operating and/or contracting for the provision of certain transportation services related to and substantially for the benefit of the community improvement district.

2. ESTIMATED COST

The estimated or probable cost of the Projects is $403,000,000.

3. PROPOSED METHOD OF FINANCING

It is proposed that the Projects be financed through a combination of private equity, private debt and CID special assessment financing.

4. PROPOSED METHOD AND AMOUNT OF ASSESSMENT

It is proposed that a portion of the Projects be financed through the levy of special assessments on the property within the boundaries of the CID to pay certain costs of the Projects ("**Special Assessments**"). The total proposed amount of Special Assessments on property within the boundaries of the CID to pay the costs of the Projects will equal $6,000,000, payable in equal annual installments of $300,000, and the method of assessment will be equally per lot within the CID for a term of 20 years, commencing with the tax bill to be distributed December 2023.

5. PROPOSED AMOUNT OF SALES TAX

No CID sales tax is proposed within the CID.

6. **MAP AND LEGAL DESCRIPTION OF THE PROPOSED DISTRICT**

A map of the proposed community improvement district (the "**District**") is attached hereto as **EXHIBIT A**.

The legal description of the District is attached hereto as **EXHIBIT B**.

7. **LIMITATION ON USE OF REVENUE**

Revenue produced from the Special Assessments shall be limited to the reimbursement of costs associated with the operation of or contracting for the Transit Plan (as defined in the Development Agreement between the petitioner and the UG dated as of September [__], 2020.

8. **NOTICE TO PETITION SIGNERS**

NAMES MAY NOT BE WITHDRAWN FROM THIS PETITION BY THE SIGNERS HEREOF AFTER THE UG COMMENCES CONSIDERATION OF THIS PETITION, OR LATER THAN SEVEN (7) DAYS AFTER THE FILING HEREOF WITH THE UG CLERK, WHICHEVER OCCURS FIRST.

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

URBN US RETAIL LLC
a Pennsylvania limited liability company

By: ____

Title: ______________________________________
(Type or print)

Date: ______________________________________

ACKNOWLEDGMENT

STATE OF __________________)
) ss.
COUNTY OF ________________)

BE IT REMEMBERED, that on this______day of ____________, 2020 before me, the undersigned, a Notary Public in and for said County and State, came ________________________as ____________ of ___________________________, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

____
Notary Public in and for said
County and State

My Commission Expires:

____

EXHIBIT G

FORM OF WAIVER OF ASSESSMENT PROCEEDINGS

TO THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

The undersigned, (the "Owner"), is the record titled owner of 100% of the real estate situated in the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") legally described as follows (the "Property"):

[LEGAL DESCRIPTION]

Pursuant to a petition filed with the UG Clerk on _____________, 2020 (the "Petition"), the Owner has requested that special assessment be levied on the Property in the amount of $6,000,000 over a term of 20 years for the costs of constructing certain of the following described improvements:

> Acquiring and constructing a commercial facility, consisting of an approximately 880,254 square foot omni channel distribution and fulfillment center, containing approximately 60,000 square feet of office space, and including land, buildings, structures, improvements and fixtures, all generally located on approximately 65 acres southeast of the intersection of State Avenue and Speedway Boulevard within the municipal boundaries of the UG, and including particularly operating and/or contracting for the provision of certain transportation services related to and substantially for the benefit of the community improvement district.

(collectively, the "Project").

After being advised of the Owner's right to a public hearing and other matters related to special assessments related to the Project, the Owner hereby agrees to the following:

1. Waiver of formal notice of and the holding of a public hearing by the governing body of the UG for the purpose of considering levying special assessments against the Property;
2. Consent to the levy of special assessments against the Property to be assessed equally per lot within the district payable annually over a period of 20 years, beginning with the tax bill to be distributed December 2023, with each annual installment to be a maximum amount of $300,000 (the "Special Assessment");
3. Waiver of the thirty (30) day period after publication of the assessment ordinance of the UG to contest the levy of the Special Assessment; and

[Balance of page intentionally left blank]

URBN US RETAIL LLC
a Pennsylvania limited liability company

By: ____

Title: ______________________________________
(Type or print)

Date: ______________________________________

ACKNOWLEDGMENT

STATE OF __________________)
) ss.
COUNTY OF ________________)

BE IT REMEMBERED, that on this______day of ____________, 2020 before me, the undersigned, a Notary Public in and for said County and State, came ________________________as ____________ of ___________________________, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

____
Notary Public in and for said
County and State

My Commission Expires:

____

ORDINANCE NO. O-[___]-20

AN ORDINANCE AUTHORIZING THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE TAXABLE INDUSTRIAL REVENUE BONDS (URBN US RETAIL LLC), SERIES A, IN A PRINCIPAL AMOUNT NOT TO EXCEED $403,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A COMMERCIAL FACILITY, INCLUDING LAND, BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES, MACHINERY AND EQUIPMENT; AUTHORIZING THE ISSUER TO ENTER INTO CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Issuer"), is authorized pursuant to the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "Act"), to acquire, purchase, construct, install and equip certain commercial and industrial facilities, and to issue industrial revenue bonds for the purpose of paying the cost of such facilities, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, the governing body of the Issuer has heretofore and does now find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its Taxable Industrial Revenue Bonds (URBN US Retail LLC), Series A (the "Bonds"), in a principal amount not to exceed $403,000,000, for the purpose of acquiring, constructing, improving, installing, furnishing and equipping a commercial facility consisting of an approximately 880,254 square foot omni channel distribution and fulfillment center, containing approximately 60,000 square feet of office space for URBN US Retail LLC, a Pennsylvania limited liability company (the "Company"), including land, buildings, structures, improvements, fixtures, machinery and equipment (the "Project"); and

WHEREAS, the Bonds will be issued under a Bond Trust Indenture dated as of the date set forth therein (the "Indenture"), by and between the Issuer and the bond trustee named therein (the "Trustee"); and

WHEREAS, the Company will lease the Project to the Issuer pursuant to the Base Lease Agreement dated as of the date set forth therein (the "Base Lease Agreement") between the Company and the Issuer; and

WHEREAS, simultaneously with the execution and delivery of the Indenture, the Issuer will enter into a Lease Agreement dated as of the date set forth therein (the "Lease Agreement"), by and between the Issuer, as lessor, and the Company, as lessee, pursuant to which the Project will be acquired, constructed, furnished, and equipped, and pursuant to which the Issuer will lease the Project to the Company, and the Company will agree to pay the rental payments due under the Lease Agreement sufficient to pay the principal of and premium, if any, and interest on, the Bonds; and

WHEREAS, the governing body of the Issuer further finds and determines that it is necessary and desirable in connection with the issuance of these bonds that the Issuer enter into certain agreements, and that the Issuer take certain other actions and approve the execution of certain other documents as herein provided;

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

Section 1. Authorization for the Acquisition, Purchase, Construction, Installation and Equipping of the Project. The Issuer is hereby authorized to provide for the acquisition, purchase, construction, installation, furnishing, and equipping of the Project, all in the manner and as more particularly described in the Bond Documents hereinafter authorized and defined.

Section 2. Authorization of and Security for the Bonds. The Issuer is hereby authorized to issue and sell the Bonds in a principal amount not to exceed $403,000,000 (the "Bonds") under the terms set forth in the Bond Purchase Agreement (defined below), for the purpose of providing funds to pay the cost of acquiring, purchasing, constructing, installing, furnishing, and equipping the Project. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rates, shall be in such form, shall be subject to redemption and other terms and conditions, and shall be issued in such manner, subject to such provisions, covenants and agreements, as are set forth in the Bond Purchase Agreement and the Indenture. The Bonds shall be payable solely out of the rents, revenues and receipts derived by the Issuer from the Project, and the Project and the net earnings derived by the Issuer from the Project shall be pledged and assigned to the Trustee as security for payment of the Bonds as provided in the Indenture.

Section 3. Authorization of Documents. The Issuer is hereby authorized to enter into the following documents, in substantially the forms presented to and reviewed by the governing body of the Issuer (copies of which documents, upon execution thereof, shall be filed in the office of the Clerk of the Issuer), with such changes therein as shall be approved by the officers of the Issuer executing such documents (the "Bond Documents"), such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture, between the Issuer and the Trustee;

(b) Base Lease Agreement, between the Company and the Issuer.

(c) Lease Agreement, between the Issuer and the Company;

(d) Bond Purchase Agreement (the "Bond Purchase Agreement") dated the date set forth therein, among the Issuer, the Company and the Company, as Purchaser, wherein the parties agree to closing and delivery of the Bonds on November 1, 2023 or such earlier date as shall be mutually agreed upon by the Issuer and the Purchaser, subject to certain conditions stated therein; and

(e) Development Agreement between the Issuer and the Company.

Section 4. Execution of Bond and Documents. The Mayor/CEO of the Issuer is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Issuer in the manner provided in the Indenture. The Mayor/CEO (or, in the Mayor/CEO's absence, the acting Mayor/CEO) of the Issuer is hereby authorized and directed to execute the Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the Issuer. The Clerk of the Issuer is hereby authorized and directed to attest to and affix the seal of the Issuer to the Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary.

Section 5. Pledge of the Project and Net Lease Rentals. The Issuer hereby pledges the Project and the net rentals generated under the Lease Agreement to the payment of the Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Bonds are paid or deemed to have been paid under the Indenture.

Section 6. **Further Authority.** The Issuer shall, and the officers, employees and agents of the Issuer and the Issuer's Bond Counsel, Gilmore & Bell, P.C. are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the Issuer with respect to the Bonds and the Bond Documents.

Section 7. **Effective Date.** This Ordinance shall take effect and be in force from and after its passage by the governing body, approval by the Mayor/CEO and publication of the Ordinance or a summary thereof in the official Issuer newspaper.

PASSED by the governing body of the Unified Government of Wyandotte County/Kansas City, Kansas on September 17, 2020 and **APPROVED AND SIGNED** by the Mayor/CEO.

Mayor/CEO

[SEAL]

ATTEST:

Unified Government Clerk

(Published in ***The Wyandotte Echo*** on September __, 2020)

SUMMARY OF ORDINANCE NO. O-[___]-20

On September 17, 2020, the governing body of the Unified Government of Wyandotte County/Kansas City, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE TAXABLE INDUSTRIAL REVENUE BONDS (URBN US RETAIL LLC), SERIES A, IN A PRINCIPAL AMOUNT NOT TO EXCEED $403,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A COMMERCIAL FACILITY, INCLUDING LAND, BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES, MACHINERY AND EQUIPMENT; AUTHORIZING THE ISSUER TO ENTER INTO CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

The Bonds approved by the Ordinance are being issued in the maximum principal amount of $403,000,000, for the purpose of acquiring, constructing, furnishing, and equipping a commercial facility for URBN US Retail LLC, a Pennsylvania limited liability company, and constitute limited obligations of the Unified Government payable solely from the sources and in the manner as provided in the Indenture, and shall be secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Indenture) to the Trustee and in favor of the owners of the Series A Bonds, as provided in the Indenture. In connection with the issuance of the Bonds, the Issuer approves a 10-year exemption from ad valorem property taxes for the Project, subject to certain payments in lieu of taxes. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the Unified Government Clerk, 701 North 7th Street, Kansas City, Kansas. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at www.wycokck.org.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: September 17, 2020.

____

Kenneth J. Moore, Chief Counsel

DRAFT: August 19, 2020

BOND PURCHASE AGREEMENT

$403,000,000
Maximum Principal Amount

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
TAXABLE INDUSTRIAL REVENUE BONDS
(URBN US RETAIL LLC PROJECT)
SERIES A

Dated September [__], 2020

Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street
Kansas City, Kansas 66101

On the basis of the representations, and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, URBN US Retail LLC, a Pennsylvania limited liability company (the **"Purchaser"**) offers to purchase from the Unified Government of Wyandotte County/Kansas City, Kansas (the **"Issuer"**), the above-referenced bonds on the Closing Date (hereinafter defined) in the maximum aggregate principal amount of $403,000,000 (the **"Bonds"**), to be issued by the Issuer, under and pursuant to Ordinance No. O-[__]-20 passed by the governing body of the Issuer on September 17, 2020 (the **"Ordinance"**) and a Trust Indenture (the **"Indenture"**) to be entered into between the Issuer and the bond trustee named therein (the **"Trustee"**) in substantially the form as attached hereto as **Exhibit A** with such changes as may be acceptable to the parties thereto, the Company, and the Purchaser.

SECTION 1. REPRESENTATIONS AND AGREEMENTS

(a) By the Issuer's acceptance hereof, the Issuer hereby represents to the Purchaser that:

(1) The Issuer is a municipal corporation duly organized and validly existing under the laws of the State of Kansas. The Issuer is authorized pursuant to the Constitution and laws of the State of Kansas, to authorize, issue and deliver the Bonds and to consummate all transactions contemplated by this Bond Purchase Agreement, the Ordinance, the Indenture, the Base Lease Agreement dated as of November 1, 2023 (the **"Base Lease Agreement"**), to be entered into between the Issuer and URBN US Retail LLC, a Pennsylvania limited liability company (the **"Company"**) in substantially the form as attached hereto as **Exhibit B** with such changes as may be acceptable to the parties thereto, the Purchaser, and Trustee; the Lease Agreement dated as of November 1, 2023 (the **"Lease Agreement"**), to be entered into between the Issuer and the Company in substantially the form as attached hereto as **Exhibit C** with such changes as may be acceptable to the parties thereto, the Purchaser, and Trustee; and any and all other agreements relating thereto. The

proceeds of the Bonds shall be used to finance the Project as defined in the Indenture and to pay for the costs incurred in connection with the issuance of the Bonds.

(2) There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act leading up to the issuance of the Bonds or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds, this Bond Purchase Agreement, the Base Lease Agreement, the Lease Agreement, the Indenture, or the Development Agreement (the **"Development Agreement"**) dated as of the date hereof between the Issuer and the Company (collectively, the **"Bond Documents"**).

(b) By the Purchaser's acceptance hereof, the Purchaser represents to the Issuer that:

(1) The Purchaser understands that the Bonds will be issued under and pursuant to the Indenture, and the Bonds are payable solely out of the rents, revenues and receipts to be derived under the Lease Agreement, which rents, revenues and receipts will be pledged and assigned by the Issuer to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

(2) The Purchaser understands that the Bonds are transferable only in the manner provided for in the Indenture and warrants that it is acquiring the Bonds for its own account with the intent of holding the Bonds as an investment, and the acquisition of the Bonds are not made with a view toward their distribution or for the purpose of offering, selling or otherwise participating in a distribution of the Bonds.

(3) Purchaser agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of an opinion of counsel acceptable to the Issuer and the Purchaser that all registration and disclosure requirements of the U.S. Securities and Exchange Commission and all other appropriate federal and Kansas securities laws and the securities laws of any other applicable state are complied with; provided, that the collateral assignment of the Bonds to the holder of a Mortgage (as defined in the Lease Agreement) shall be permitted.

(4) The Purchaser is familiar with the operations of the Company, has been furnished such information from the Company as requested by the Purchaser and is fully aware of the terms and risks associated with purchasing the Bonds in order for the Purchaser to make an informed investment decision with respect to the purchase of the Bonds.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

On the basis of the representations and covenants contained herein and in the other agreements referred to herein, the Purchaser agrees to purchase from the Issuer and the Issuer agrees to sell to the Purchaser the Bonds on the terms and conditions set forth herein.

The interest rate on the Bonds shall be 2.00% per annum.

The maturity date of the Bonds shall be December 1, 2033.

The maximum principal amount of the Bonds is $403,000,000.

The Bonds shall be sold to the Purchaser by the Issuer on the Closing Date (hereinafter defined) upon payment of an amount equal to the Closing Price (hereinafter defined), which amount shall be deposited in the Project Fund as provided in the Indenture and shall thereafter on the Closing Date immediately be applied to the payment of Project Costs as provided in the Lease Agreement. From time to time after the Closing Date, the Purchaser may make additional payments with respect to the Bonds (**"Additional Payments"**) to the Trustee under the Indenture, which Additional Payments shall be deposited in the Project Fund and applied to the payment of Project Costs; provided that the sum of the Closing Price and all such Additional Payments shall not, in the aggregate, exceed $403,000,000.

As used herein, the term **"Closing Date"** shall mean November 1, 2023, or such earlier date as shall be mutually agreed upon by the Issuer and the Purchaser; provided the Purchaser and Company must provide written notice of the Closing Date to the Issuer no fewer than 90 days prior to such Closing Date. As used herein, the term **"Closing Price"** shall mean the closing price of the bonds, consisting of the Kansas Board of Tax Appeals exemption application fee in the amount of $1,000, any project fund requisitions to be made at such time, and any fees or expenses payable to the Trustee and/or Issuer at such time.

The Bonds shall be issued under and secured as provided in the Ordinance and in the Bond Documents authorized thereby and the Bonds shall be subject to redemption as set forth therein. The Bonds shall be transferable only in the manner provided for in the Indenture. The delivery of the Bonds shall be made in definitive form as a fully registered bond in the maximum aggregate principal denomination of $403,000,000; provided, that the principal amount of the Bonds outstanding at any time shall be that amount recorded in the official bond registration records of the Trustee and further provided that interest shall be payable on the Bonds only on the outstanding principal amount of the Bonds, as more fully provided in the Indenture.

The Company agrees to indemnify and hold harmless the Issuer and the Trustee, including any member, officer, official or employee of the Issuer or of the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively, the **"Indemnified Parties"**), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any violation or failure to comply with any federal or state securities laws in connection with the Bonds; provided, however, the indemnification contained in this paragraph shall not extend to such Indemnified Party if such loss, claim, damage, liability or expense is (a) the result of the Indemnified Party's negligence or willful misconduct, or (b) the result of the Indemnified Party's breach of any representation or warranty hereunder, or (c) the Indemnified Party is not following the written instructions of the Company or the Owner of the Bonds.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all reasonable expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless employment of such counsel has been specifically authorized in writing by the Company. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the

Company, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

SECTION 3. PRE-CLOSING

As used herein, the term **"Pre-Closing Date"** shall mean 11:00 a.m. Central Time on September 24, 2020, or such other date as shall be mutually agreed upon by the Issuer, Purchaser, and Company. On the Pre-Closing Date, all representations and warranties of the parties herein shall be true and accurate in all material respects as if made on the Pre-Closing Date. On or before the Pre-Closing Date, the Issuer shall deliver the following:

(a) Electronic copies of the following documents duly executed by the Issuer: the Ordinance, this Bond Purchase Agreement, and the Development Agreement.

(b) A certificate of the Issuer in substantially the form of **Exhibit D** hereto.

(c) An opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, with respect to the authorization of the Bonds and the validity of the Ordinance substantially in the form of **Exhibit E** hereto.

(d) The sales tax exemption certificate relating to the Bonds, subject to the Company submitting a completing revenue bond agreement form and Kansas Department of Revenue's delivery of such certificate prior to the Pre-Closing Date. The parties will use their best efforts to obtain said certificate prior to the Pre-Closing Date, but a failure to do so will not be considered a default under this Bond Purchase Agreement, the Development Agreement, or any Bond Documents.

On or before the Pre-Closing Date, the Company and/or Purchaser shall deliver the following:

(w) Payment of the Issuer's origination fee for issuance of the Bonds pursuant to the Issuer's Tax Abatement Policy.

(x) Payment of all Bond Counsel fees and expenses.

(y) Electronic copies of the following documents duly executed by the Company and/or Purchaser, as applicable: the Development Agreement and this Bond Purchase Agreement.

(z) An opinion of counsel to the Company with respect to the execution and validity of the documents listed in subparagraph (y) above.

Delivery of all items listed above shall be referred to as the "**Pre-Closing"** and shall be a condition precedent to Closing.

SECTION 4. CONDITIONS TO THE PURCHASER'S OBLIGATIONS

The Purchaser's obligations as of the Closing Date shall be subject to the due performance by the Issuer of the Issuer's obligations and agreements to be performed hereunder on or prior to the Closing Date and to the accuracy of and compliance with the Issuer's representations contained herein, as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) The Pre-Closing shall have occurred as set forth herein.

(b) There shall be delivered to the Purchaser on or prior to the Closing Date duly executed copies of the Bond Documents and any other instrument contemplated thereby shall be in full force and effect and shall not have been modified or changed except as may have been agreed to in writing by the Purchaser.

(c) The Issuer shall confirm on the Closing Date by a certificate that at and as of the Closing Date the Issuer has taken all action necessary to issue the Bonds and that there is no controversy, suit or other proceeding of any kind pending or threatened wherein any question is raised affecting in any way the legal organization of the Issuer or the legality of any official act shown to have been done in the transcript of proceedings leading up to the issuance of the Bonds, or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds or any proceedings in relation to the issuance or sale thereof. The form and substance of such certificate shall be satisfactory to the Purchaser and the Company.

(d) Receipt by the Purchaser and the Company of an approving opinion from Gilmore & Bell, P.C. as bond counsel to the Issuer (the **"Bond Counsel"**), in substantially the form of **Exhibit F** attached hereto.

(e) Receipt by the Purchaser, the Company, and Bond Counsel of an opinion from the Issuer's counsel in substantially the form of **Exhibit G** attached hereto.

(f) No "Event of Default" (as defined in the Development Agreement) beyond any applicable cure period shall exist, nor any condition that, with the passage of time, would result in an Event of Default.

(g) The Issuer shall have removed, in accordance with Kansas law, the Project Site (as defined in the Development Agreement) from the redevelopment project area (as defined in K.S.A. 12-1770 *et seq.*) currently encompassing the Project Site.

(h) The Issuer, with the cooperation of the Company, shall have submitted to the Kansas Board of Tax Appeals the Industrial Revenue Bond Informational Statement in substantially the form as **Exhibit H** hereto (or such other form as may be required by then-current Kansas law, referred to collectively as the **"BOTA Informational Statement"**).

(i) No change in law prohibits the issuance of the Bonds for their intended purpose.

SECTION 5. THE PURCHASER'S RIGHT TO CANCEL

The Purchaser shall have the right to cancel its obligation hereunder to purchase the Bonds by notifying the Issuer in writing sent by first class mail, facsimile or reputable overnight delivery service, of its election to make such cancellation at any time prior to the Closing Date.

SECTION 6. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to: the Company's delivery, on or prior to the Closing Date, of duly executed copies of the Bond Documents and any other instrument contemplated thereby to be delivered by the Company; the receipt of the approving opinion of Gilmore & Bell, P.C., Bond Counsel, with respect to the validity of the authorization and issuance of the Bonds; and receipt of the opinion of counsel to the Company with respect to the organization and existence of the Company, the authority of the Company to enter into the Base Lease Agreement and Lease Agreement as valid and binding obligations of the Company, and any other industry standard provisions reasonably required by the Issuer.

SECTION 7. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All of the representations and agreements by either party shall remain operative and in full force and effect and shall survive delivery of the Bonds to the Purchaser.

SECTION 8. PAYMENT OF EXPENSES

The Company shall pay all reasonable expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds from Bond proceeds or otherwise, including, but not limited to any fees of the Issuer, Bond Counsel, Trustee and the Board of Tax Appeals.

SECTION 9. NOTICE

Any notice or other communication to be given to the Issuer under this Agreement may be given by mailing or delivering the same in writing to the Issuer at the notice address contained in the Development Agreement; and any notice or other communication to be given to the Purchaser under this Agreement may be given by delivering the same in writing to Purchaser and/or Company at 5000 South Broad Street, Philadelphia, PA 19112, Attn: Zachary Belair, with a copy to Stinson LLP, 1201 Walnut, Suite 2900, Kansas City, Missouri 64106, Attn: Richard Cook.

SECTION 10. APPLICABLE LAW; ASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Kansas and may be assigned by the Purchaser with the written consent of the Issuer, which consent shall not be unreasonably withheld, conditioned or delayed; provided that the consent of the Issuer for the assignment of this Bond Purchase Agreement shall not be required if the consent of the Issuer is not required for such person's assumption of the Lease Agreement and Development Agreement under the provisions of the Lease Agreement and Development Agreement.

SECTION 11. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

SECTION 12. ELECTRONIC STORAGE.

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

SECTION 13. FURTHER ASSURANCES.

The Issuer shall, and the officers, employees and agents of the Issuer and Bond Counsel, shall take such actions, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Bond Purchase Agreement and to effectuate exemption from ad valorem taxes of the Project (as defined in the Indenture) pursuant to K.S.A. 79-201a *Second* and/or *Twenty-Fourth*, including without limitation, all actions as may be necessary to satisfy any requirements or requests of the Board of Tax Appeals with respect to such exemption from ad valorem taxes.

[Remainder of page intentionally blank.]

Very truly yours,

Dated as of the date set forth above.

URBN US RETAIL LLC
a Pennsylvania limited liability company

as Purchaser

By:_________________________________
Name:
Title:

URBN US RETAIL LLC
a Pennsylvania limited liability company

as Company

By:_________________________________
Name:
Title:

Dated as of the date set forth above.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ________________________________
Mayor/CEO

(Seal)

ATTEST:

By: ________________________________
Unified Government Clerk

EXHIBIT A

FORM OF INDENTURE

EXHIBIT B

FORM OF BASE LEASE AGREEMENT

EXHIBIT C

FORM OF LEASE AGREEMENT

EXHIBIT D

FORM OF ISSUER'S PRE-CLOSING CERTIFICATE

We, the undersigned, hereby certify that we are the duly appointed, qualified and acting Mayor/CEO and Clerk, respectively, of the Unified Government of Wyandotte County/Kansas City, Kansas (the **"Issuer"**), and as such officers we are familiar with the official books and records of the Issuer. In connection with the authorization by the Issuer of $403,000,000 maximum principal amount of Taxable Industrial Revenue Bonds (URBN US Retail LLC Project), Series A (the **"Bonds"**), we hereby further certify as follows as of September [__], 2020:

1. Due Organization. The Issuer is a legally constituted political subdivision organized and existing under the laws of the State of Kansas as a consolidated city-county, having all the powers, functions and duties of a county and a city of the first class.

2. Public Hearing, Resolution of Intent, and Ordinance. Resolution No. R-[__]-20 (the **"Resolution"**) and Ordinance No. O-[__]-20 (the **"Ordinance"**) of the Issuer relating to the Bonds were adopted following a public hearing held at a regular meeting of the Issuer. The Resolution and Ordinance have not been modified, amended or repealed and are in full force and effect as of the date hereof, and said Resolution and Ordinance have been duly filed in the official records of the Issuer.

3. Official City Newspaper. *The Wyandotte Echo* is the official newspaper of the Issuer and was the official newspaper on the date of the passage and the date of the publication of the Ordinance (or summary thereof).

4. Execution of Documents. The following documents have been duly executed and delivered in the name and on behalf of the Issuer by its duly authorized officers, pursuant to and in full compliance with the Ordinance; the copies of said documents provided to URBN US Retail LLC on this date are true, complete and correct copies or counterparts of said documents as executed and delivered by the Issuer, and are in substantially the same form and text as the copies of such documents which were before the governing body and approved by the Ordinance; said documents have not been amended, modified or rescinded and remain in full force and effect as of the date hereof:

(a) Bond Purchase Agreement dated September [__], 2020, among the Issuer, the Company, as lessee, and the Company, as purchaser.

(b) Development Agreement dated as of September [__], 2020, between the Issuer and the Company.

[Balance of page intentionally left blank]

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

[SEAL]

By: ________________________________
Mayor/CEO

ATTEST:

By: ________________________________
Clerk

EXHIBIT E

FORM OF BOND COUNSEL PRE-CLOSING OPINION

September [__], 2020

Unified Government of Wyandotte County/Kansas City, Kansas Kansas City, Kansas	[________________], as Trustee ___________, __________

URBN US Retail LLC
Philadelphia, Pennsylvania

Re: Unified Government of Wyandotte County/Kansas City, Kansas $403,000,000 Taxable Industrial Revenue Bonds (URBN US Retail LLC Project), Series A

We have acted as Bond Counsel in connection with the authorization by the Unified Government of Wyandotte County/Kansas City, Kansas (the **"Issuer"**), of the above-referenced bonds (the **"Bonds"**). The Bonds have been authorized pursuant to K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the **"Act"**), and Ordinance No. O-[__]-20 passed by the Issuer on [September 17, 2020] (the **"Bond Ordinance"**), which approved the execution of that certain Development Agreement dated as of [____________], 2020, between the Issuer and URBN US Retail LLC, a Pennsylvania limited liability company (the **"Development Agreement"**).

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized by the Issuer.

2. The Bond Ordinance has been duly passed by the Issuer and is a valid and legally binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

3. The Development Agreement has been duly authorized, executed, and delivered by the Issuer and is a valid and legally binding agreement of the Issuer, enforceable against the Issuer in accordance with its terms.

The enforceability of the Bond Ordinance and Development Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Gilmore & Bell, P.C.

EXHIBIT F

FORM OF BOND COUNSEL OPINION

November 1, 2023

Unified Government of Wyandotte County/Kansas City, Kansas Kansas City, Kansas	[_________________], as Trustee ____________, __________

URBN US Retail LLC
Philadelphia, Pennsylvania

Re: Unified Government of Wyandotte County/Kansas City, Kansas $403,000,000 Taxable Industrial Revenue Bonds (URBN US Retail LLC Project), Series A

We have acted as Bond Counsel in connection with the issuance by the Unified Government of Wyandotte County/Kansas City, Kansas (the **"Issuer"**), of the above-referenced bonds (the **"Bonds"**). The Bonds have been authorized and issued under and pursuant to K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the **"Act"**), and the Bond Trust Indenture dated as of November 1, 2023 (the **"Bond Indenture"**), between the Issuer and [___________], as trustee (the **"Trustee"**). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Indenture.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the Company contained in the Base Lease Agreement and the Lease Agreement, both between the Issuer and the Company, and the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Reference is made to the opinion of [Stinson LLP, Kansas City, Missouri], counsel to the Company, of even date herewith with respect to, among other matters, (a) the status and due organization of the Company, (b) the good standing and qualification to do business of the Company, (c) the power of the Company to enter into and perform its obligations under the Base Lease Agreement, the Lease Agreement and the other documents relating to the issuance of the Bonds to which it is a party, and (d) the due authorization, execution and delivery of the Base Lease Agreement, the Lease Agreement and the other documents relating to the issuance of the Bonds to which it is a party by the Company and the binding effect and enforceability thereof against the Company.

Based upon such examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly executed and delivered by the Issuer and are valid and legally binding special obligations of the Issuer, payable solely from payments made by the Company under the Lease

Agreement and from other funds held by the Trustee and pledged under the Bond Indenture. The Bonds do not constitute a general obligation of the Issuer, the State of Kansas or any other political subdivision of the State of Kansas and do not constitute a debt or liability of the Issuer, the State of Kansas or any other political subdivision of the State of Kansas within the meaning of any constitutional or statutory provision or limitation and do not constitute a pledge of the full faith and credit of the Issuer, the State of Kansas or of any other political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

2. The Bond Indenture, the Base Lease Agreement and the Lease Agreement have each been duly authorized, executed and delivered by the Issuer and are valid and legally binding agreements of the Issuer, enforceable against the Issuer in accordance with their terms and all of the Issuer's right, title and interest in the Lease Agreement (except certain rights to indemnification and reimbursement) have been duly assigned by the Issuer to the Bond Trustee under the Bond Indenture for the benefit and security of the Owners of the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Bond Indenture, the Base Lease Agreement and the Lease Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Gilmore & Bell, P.C.

EXHIBIT G

FORM OF ISSUER'S COUNSEL OPINION

November 1, 2023

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

[_________________], as Trustee
____________, __________

URBN US Retail LLC
Philadelphia, Pennsylvania

Gilmore & Bell, P.C.
Kansas City, Missouri

Re: Unified Government of Wyandotte County/Kansas City, Kansas $403,000,000 Taxable Industrial Revenue Bonds (URBN US Retail LLC Project), Series A

I am the Chief Counsel for the Unified Government of Wyandotte County/Kansas City, Kansas (the **"Issuer"**), and I have acted as such in connection with the issuance and sale of the above-referenced bonds (the **"Bonds"**), pursuant the following documents (collectively, the **"Bond Documents"**):

(a) Resolution No. R-[__]-20 (the **"Resolution"**) adopted by the Issuer on [September 17, 2020];

(b) Ordinance No. O-[__]-20 (the **"Ordinance"**) passed by the Issuer on [September 17, 2020];

(c) Trust Indenture dated as of November 1, 2023 (the **"Indenture"**), between the Issuer and [______________], as Trustee;

(d) Base Lease Agreement dated as of November 1, 2023 (the **"Base Lease Agreement"**), between URBN US Retail LLC (the **"Company"**), as Lessor, and the Issuer, as Lessee;

(e) Lease Agreement dated as of November 1, 2023 (the **"Lease Agreement"**), between the Company, as Lessee, and the Issuer, as Lessor;

(f) Bond Purchase Agreement dated September [__], 2020 (the **"Purchase Agreement"**), among the Issuer, the Company, and the Company, as purchaser;

(g) Development Agreement dated as of September [__], 2020 (the **"Development Agreement"**), between the Issuer and the Company; and

(h) such other records and instruments of the Issuer, together with applicable certificates of public officials and such other documents as we deem relevant in rendering this opinion.

I have examined the law and such proceedings of the Issuer and such other documents, certificates, instruments and matters as I deem necessary to render this opinion.

Based upon the foregoing, I am of the opinion, under existing law, as follows:

1. The Issuer is a political subdivision duly organized and existing under the laws of the State of Kansas with lawful power and authority to issue the Bonds and to enter into and perform its obligations under the Bond Documents.

2. The Resolution has been duly adopted by the Issuer and the Ordinance has been duly passed by the Issuer at a meeting of the governing body of the Issuer which was called and held pursuant to law, with all public notice required by law, and at which meeting a quorum was present and acting throughout, and the Resolution and the Ordinance are in full force and effect and have not been repealed by the Issuer.

3. The Bond Documents have been duly and validly authorized, executed and delivered by the Issuer and are valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as enforceability may be limited by bankruptcy, reorganization, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally.

Chief Counsel of the Unified Government

EXHIBIT H

FORM OF INDUSTRIAL REVENUE BOND INFORMATIONAL STATEMENT

(Published in *The Wyandotte Echo* on September ___, 2020)

ORDINANCE NO. O-____-20

AN ORDINANCE MAKING FINDINGS AND REMOVING CERTAIN PROPERTY FROM THE STAR BOND PROJECT DISTRICT WITHIN THE CITY OF KANSAS CITY, KANSAS (PRAIRIE-DELAWARE REDEVELOPMENT PROJECT AREA A) CONTINGENT UPON CERTAIN EVENTS.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") desires to promote, stimulate and develop the general and economic welfare of Kansas City, Kansas and the state of Kansas (the "State") and to assist in the development and redevelopment of eligible areas within Kansas City, Kansas, thereby promoting the general welfare of the citizens of the State and the Unified Government, by acquiring property and providing for the development and redevelopment thereof and the financing relating thereto; and

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 *et seq.*, as amended (the "Act"), the Unified Government is authorized to adopt redevelopment project plans within established redevelopment districts, as said terms are defined in the Act, and to finance all or a portion of redevelopment project costs from tax increment revenues and various fees collected within such redevelopment district, revenues derived from redevelopment projects, revenues derived from local sales taxes, other revenues described in the Act, or a combination thereof or from the proceeds of full faith and credit tax increment bonds of the Unified Government or special obligation tax increment bonds of the Unified Government payable from such described revenues; and

WHEREAS, the Unified Government on March 19, 1998, passed Ordinance No. O-11-98, which created a redevelopment district within Kansas City, Kansas, the boundaries of which were defined in said Ordinance (as amended from time to time, the "Redevelopment District") and containing three redevelopment project areas, including Project Area A (as amended from time to time, "Project Area A"); and

WHEREAS, the Unified Government passed an ordinance on June 25, 1998, adopting a redevelopment plan for Project Area A (the "Redevelopment Plan") for the Kansas Speedway project; and

WHEREAS, the Unified Government previously issued its Taxable Special Obligation Revenue Bonds (Kansas International Speedway Corporation Project), Series 1999 (the "Bonds") to finance certain improvements within Project Area A; and

WHEREAS, the Bonds are secured in part by that certain Kansas Mortgage, Assignment of Rents and Security Agreement dated as of January 15, 1999 (as modified and amended, the "Mortgage"), executed by Kansas International Speedway Corp. and delivered to the Unified Government and Security Bank of Kansas City, as mortgagees; and

WHEREAS, MBIA Insurance Corporation (and any successors or assigns, the "Bond Insurer") issued its Financial Guaranty Insurance Policy relating to the Bonds and is deemed holder of the Bonds under the indenture relating to the Bonds; and

WHEREAS, the owner of certain property within the Redevelopment District has requested that the Property (as defined herein) be removed from the Redevelopment District.

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

Section 1. Findings. The governing body of the Unified Government hereby finds:

(a) the property legally described on **Exhibit A** and depicted on **Exhibit B** attached hereto (the "Property") constitutes less than a *de minimis* amount (15%) of the land area within the Redevelopment District.

(b) the actions contemplated by this Ordinance will not cause a "substantial change" (as defined in the Act) to the Redevelopment District or the Redevelopment Plan.

(c) because the Property currently produces no sales tax or property tax revenue, the removal of the Property from the Redevelopment District will not affect any feasibility studies prepared for the Bonds and any other bonds issued that are expected to be repaid from revenues generated within the Redevelopment District.

Section 2. Removal of Property from the Redevelopment District. Upon satisfaction of the contingencies set forth in **Section 3** hereof, the Property shall be automatically and without further action be removed from the Redevelopment District, and the County Administrator and other appropriate officials are authorized to take all necessary action release the Mortgage from the Property, including executing and recording any necessary documents to effect such release.

Section 3. Contingencies. The effectiveness of **Section 2** hereof shall be contingent upon the Unified Government's receipt of the Bond Insurer's consent to release the Mortgage from the Property.

Section 4. Further Action. The Mayor/CEO, County Administrator, Unified Government Clerk and other officials and employees of the Unified Government, including the Chief Counsel to the Unified Government, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 5. Effective Date. This Ordinance shall become effective upon its passage by the governing body of the Unified Government and publication as provided by law in the official newspaper of the Unified Government.

[Balance of page intentionally left blank]

PASSED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 17TH DAY OF SEPTEMBER, 2020.

[SEAL]

____
Mayor/CEO

Attest:

____
Unified Government Clerk

Approved as to form:

____
Chief Counsel of the
Unified Government

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

[INSERT LEGAL DESCRIPTION]

EXHIBIT B
MAP OF PROPERTY

[INSERT MAP]

Staff Request for Commission Action

Tracking No. 20318

Full Commission Meeting Date: na

Committee: Economic Development & Finance

Date of Standing Committee Action: (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/17/2020	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description: A multi-phase attraction and retail STAR bond project centered on a major multi-sport athletic complex, performance center, and youth baseball complex known as Homefield. The term sheet lays out the project points for Committee agreement.
Action Requested: For information only
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: Term Sheet - Homefield WyCo (7-20-20)

TERM SHEET

Executive Summary

On behalf of Homefield, LLC (or affiliates, "Developer"), we are pleased to present this term sheet for the financing and development of a first class sporting and entertainment destination (the "Project") in the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG"). The Project will generate significant economic activity and job creation in the midst of the COVID-19 pandemic, remove blight and the political stigma from the tragic events at the former and now defunct Schlitterbahn water park, and result in the substantial activation of visitation and tax revenue generation east of I-435.

The Project will include attractions in the form of a major multi-sport athletic complex and performance center known as Homefield and Homefield Outdoor, along with a Homefield youth baseball complex. The $60M Homefield building will be located in Project Area 1 and be approximately 150,000 square feet and designed as a multi-sport venue, including food and beverage, medical services, fitness, retail, office and entertainment spaces. The $15M Homefield Outdoor will be located in Project Area 1 and provide facilities for training and entertainment programs for water and outdoor sports such as paddleboarding, dragon boat racing, kayaking, swimming, sand volleyball, basketball, obstacle training, climbing, ropes and zip-lining, football, lacrosse and soccer. Both Homefield and the Homefield Outdoor will be comparable in scope and quality to the Woodward facilities in Pennsylvania and California which serve regional and national markets due to their unique adventure sports training programs. The $15M Homefield youth baseball complex will be located in Project Areas 1 and 4 and will include approximately 8 lighted fields, a scouting view tower, batting and pitching tunnels, concessions and restrooms, and Homefield Academy club offices. The youth baseball complex will be designed to be the premier showcase baseball complex in the Midwest and will cater to a regional and national market area.

In addition, the Project will include Developer's acquisition of the following real property from the UG, for a total combined purchase price of $3 million: (i) the Speer Property; and (ii) the portion of the property at or about 9548 State Avenue in the UG that the parties reasonably determine is not needed for the long-term operation of the KCK Fire Station located thereon (collectively, the "UG Sale Property"). Closing of the UG Sale Property will occur on a mutually agreeable date in calendar 2020 or 2021.

The balance of this Term Sheet will focus on the STAR Bond financing for the Project, though other issues will need to be incorporated into the Development Agreement for this Project, including without limitation IRB financing and community participation.

Funding Tranche 1

- State & UG to retain all of 2020, and a portion of 2021, sales tax from Menards[1]:
    - 100% of the 2020 sales tax, and 100% of the 2021 sales tax through 6/30/21, from Menards will flow to the State and the UG.
    - Commencing 7/1/2021, 25% of the State sales tax from Menards, and 100% of the UG sales tax from Menards, will be committed to the project.
    - Commencing 7/1/2021, the remaining 75% of the State sales tax from Menards (the "Uncaptured Menards Revenues") will be pledged to repayment of the Waterpark 2015B STAR Bonds, which will continue to be secured by the revenues from Project Areas 1 and 2A, including the revenues

[1] For purposes of this Term Sheet, we're talking about the Menard's revenues. There may be issues about how to treat Menard's sales taxes differently from that of other retailers in Project Area 3 both from a STAR Bond Act perspective and from a confidentiality/sales tax disclosure perspective. We'll need to work through that.

that will come from the Homefield, Homefield Outdoor and Homefield youth baseball complex assets to be located therein.

  - Commencing on the later of 7/1/2022, or the opening of the last of Homefield, Homefield Outdoor and Homefield youth baseball, then (a) 50% of the Uncaptured Menards Revenues will be committed to the Project (for a total of 75% of the total State sales tax from Menards), and (b) the remaining 25% of the Uncaptured Menards Revenues will continue to be pledged to the repayment of the Waterpark 2015B STAR Bonds, in addition to the revenues from Project Areas 1 and 2A.

  - Following the opening of Homefield, Homefield Outdoor and Homefield youth baseball, and the new auto dealership (or such other new use which generates at least $20M of new annual sales in Project Area 2A),[2] then at such time as new development within Project Areas 1, 2A and 4 creates new aggregate annual sales[3] of at least $40,000,000 (currently projected to occur in 2024), then (a) 5% of the Uncaptured Menards Revenues (for a total of 80% of the total State sales tax from Menards) will be committed to the Project, and (b) 10% of the remaining Uncaptured Menards Revenues will remain pledged to repayment of the Waterpark 2015B STAR Bonds, in addition to the revenues from Project Areas 1 and 2A until the 2015B STAR Bonds are fully amortized (currently projected to occur on September 1, 2031).

- At least $75 million will be committed and delivered through private capital to the main Homefield attractions and other significant Developer-driven users.

- Following approval of the Project Plans for Project Areas 2B, 3 and 5, the UG will issue $75 million of privately-placed, “draw-down” STAR bonds to fund Homefield, Homefield Outdoor, and Youth Baseball developed within Project Areas 1 and 4, along with associated site work.[4] All of the sales tax revenues from Project Areas 2B, 3 and 5 will be pledged to support these STAR Bonds (with the exception of the sales tax revenues from Menards, which will be pledged and committed as set forth above).

- In order to create certainty of execution and further demonstrate its commitment to the Project, Developer will risk its private capital to purchase the STAR bonds, and receive the proceeds via “draw down” structure. This will create the best and most flexible capital provision structure possible, and avoid the need for a large debt service coverage ratio, up-front funding of large debt service reserves, years of inefficient capitalized interest, and the involvement of a public lender including substantial restrictions with respect to lock-outs, refunding, coverage, and parity bonds, etc.

- At least 50/50 public to private cost sharing ratio.

- Sources & Uses:

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[2] The parties agree to further discuss the requirement for an auto dealership/$20M new sales in Project Area 2A following further feasibility analysis and a more detailed evaluation of the impacts on the Series 2015A and 2015B bonds.

[3] “New” for these purposes shall mean not yet open and operating as of the date of this term sheet, but shall not mean “net” new sales over and above any particular base figure.

[4] There are legal/mechanics issues re: how and when we approve Project Plans and issue bonds to preserve the business deal re: the UG and State keeping Menard's revenues until June 1, 2021. Need to work through these issues.

CORE/0501343.0175/158388310.8

Sources		Uses	
STAR Bonds	$ 75,000,000	Homefield	$ 55,000,000
		Homefield Outdoor	$ 10,000,000
		Youth Baseball	$ 10,000,000
Private Capital	$ 75,000,000	Fire Station Land	$ 3,000,000
		Soft Costs	$ 3,800,000
		Homefield Private Capital	$ 5,000,000
		Additional Development with Private Capital	$ 46,700,000
		50% of Unreimbursed, to be utilized Infrastructure	$16,500,000
Total Sources:	$ 150,000,000	Total Uses:	$ 150,000,000

- Developer believes that inclusion of Soft Costs and the Land Costs for purposes of computing the public-to-private cost sharing ratio is reasonable given the size and scope of the Project, and the substantial public benefit to be realized from the same. But Developer recognizes and agrees that no portion of the Land shall be reimbursed with STAR Bonds until Tranche #2 below.

- If Developer has less than $75M in Private Capital, the STAR Bond issue may be downsized in Tranche 1 to a number less than $75M in order to achieve at least a 50/50 public to private cost sharing ratio, provided that Developer remains committed to build all of the components of Homefield as described above.

Interim Public Issuance

Between Funding Tranches 1 & 2, the Developer, the bond owner(s), the State and the UG will consider a public sale to take-out the private draw-downs upon mutually agreeable terms. In the event that a public sale cannot occur due to market conditions or otherwise, Developer stands ready and willing to purchase additional privately-placed, draw-down STAR bonds (or have a public sale and funding as permitted by market conditions and underwriting).

Funding Tranche 2

- Following expenditure of the initial $75 million of STAR bonds, before the next tranche of STAR bonds can be issued, construction must be underway on enough additional private development to achieve a public-to-private sharing ratio of 1:2.15 or better. In order to issue $1.00 of STAR Bonds for Tranche 2, Developer needs to prove $2.15 of Private Capital. Accordingly, to issue the $55,000,000 of STAR Bonds identified below, Developer will need to show at least $118.25M of private capital being invested. All of the sales tax revenues from Project Areas 2B, 3 and 5 will be pledged to support these STAR Bonds (subject to the provisions above regarding the sales tax revenues from Menards).

- Notwithstanding the foregoing, for every $1.00 of STAR Bonds used to reimburse any cost that Developer received Private Capital credit for in Funding Tranche 1 (e.g., Homefield Private), Developer needs to prove $3.50 of Private Capital. Accordingly, to reimburse the $5,000,000 Homefield Private with STAR Bonds, Developer would need to show at least $17,500,000 of private capital being invested.

- <u>Sources & Uses</u>:

Sources		Uses	
STAR Bonds	$55,000,000	Homefield Outdoor	$ 5,000,000
		Youth Baseball	$ 5,000,000
		Reimburse Homefield Private	$ 5,000,000
		Reimburse Land	$ 16,200,000[5]
		Site Work & Other STAR Eligible	$ 23,800,000
Private Capital	$125,000,000		
		Additional Development with Private Capital	$ 108,500,000
		50% of Unreimbursed, to be utilized Infrastructure	$ 16,500,000
Total Sources:	$ 180,000,000	Total Uses:	$ 180,000,000

- In the event that a lesser amount of additional private capital is invested in the district following expenditure of the initial $75 million of STAR bonds: (i) the amount of STAR bonds that can be issued in Funding Tranche 2 will be reduced accordingly, to achieve a public-to-private cost sharing ratio of 1:2.15 (and 1:3.50 with respect to each $1.00 of STAR Bonds used to reimburse Homefield Private) in Funding Tranche 2; and (ii) an additional one (or more) sub-funding tranche(s) for the remaining STAR bonds that would have been issued in Funding Tranche 2 will be executed at such time as additional private capital is invested in the district in order to maintain a public-to-private cost sharing ratio of 1:2.15 (and 1:3.50 with respect to each $1.00 of STAR bonds used to reimburse Homefield Private).

- Developer understands from its research and experience with past STAR bond deals in the district that there was a significant amount ($100+ million) of privately-funded infrastructure improvements associated with the former Schlitterbahn water park that were never reimbursed. Developer will be taking an assignment of this right to reimbursement as part of its deal with the landowner, and, given the nature of the Project as a youth sports and entertainment venue, will be able to re-utilize much of the underlying infrastructure. Between surface parking, the moat and waterways, grading improvements, utility infrastructure, and other similar costs, Developer has calculated that the Project will take advantage of an estimated $33 million of these privately-funded, unreimbursed infrastructure improvements. These are real private costs that are an integral part of the Project, and as such, the State and the UG agree that this $33 million will be included for purposes of computing the public-to-private cost sharing ratios. However, the parties specifically agree that no STAR Bond proceeds will be used to pay Developer for these costs.

Additional Tranches for New Attractions

- Additional STAR Bond funding could potentially be available if new attractions (unrelated to Homefield) are later included in the Project. The UG and the State are open to talk about that in the future when we know what those additional attractions might be.

Summary

	Public	Gross Private	Private Reimbursement	Net Private
Funding Tranche 1	$ 75,000,000	$ 75,000,000	$ 0	$ 75,000,000
Funding Tranche 2	$ 55,000,000	$ 125,000,000	$ (5,000,000)	$ 120,000,000
Totals	$ 130,000,000	$ 200,000,000	$ (5,000,000)	195,000,000
Public/Private Ratio	40%			60%

[5] If Developer receives a discount on the Land and the purchase price is less than $16,200,000, this number shall be reduced accordingly.

No Property Tax Incentives or Excluded Sales Taxes

- The incentive package for the Project as described above specifically excludes: (a) ad valorem property tax abatements or a pledge of ad valorem property tax increment generated by the Project; and (b) the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax. The UG will retain the benefits of these taxes from the Project.

Staff Request for Commission Action

Tracking No. 20320

Full Commission Meeting Date: 9/17/20
Committee: Economic Development & Finance

Date of Standing Committee Action: 8/31/20 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/17/2020	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:
Consideration of the 2021 - 2025 Bonner Springs Neighborhood Revitalization Plan. The NRP is a property tax rebate program meant to encourage rehabilitation or new construction in eligible areas.

Action Requested:
Approve and advance to September 17th Full Commission.

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
Bonner Springs Interlocal NRP #6, Resolution adopting Bonner Springs NRP 6 Interlocal Agreement

City of Bonner Springs
KANSAS

RECEIVED
AUG 1 1 [illegible]
BY: ....

July 28, 2020

Unified Government of Wyandotte County/Kansas City, Kansas
Attn: David Alvey, Mayor/CEO
701 North 7th Street
Kansas City, KS 66101

RE: Interlocal Agreement for City of Bonner Springs Neighborhood Revitalization Plan No. 6 (NRP 6)

Dear Mayor Alvey,

On behalf of the City of Bonner Springs, I would like to request to appear before the Board of County Commissioners in either August or September to make a presentation to seek their approval of an Interlocal Agreement for the City's Neighborhood Revitalization Property Tax Rebate Plan No. 6.

On July 27, 2020, the Bonner Springs City Council adopted the new NRP 6, which becomes effective January 1, 2021. I have enclosed copy of the ordinance which created the plan and a copy of the resolution that authorized the execution of an Interlocal Agreement with the Kansas City Kansas Community College Board of Trustees. The college is a taxing jurisdiction affected by the tax rebate plan, and it is necessary to obtain the Board's approval for the Interlocal Agreement.

The City currently has NRP No. 5 in place which expires December 31, 2020. As the plans have been so successful to meet the City's needs, we desire to continue the program with minor modifications for another five years. Information is enclosed on Table 1 which provides a comparison between the existing NRP No. 5 and the new NRP No. 6.

Upon approval, please date, sign, and return three copies of the Interlocal Agreement to Amber McCullough, Assistant City Manager, City of Bonner Springs, P.O. Box 38, Bonner Springs, KS 66012. After final approval by the Attorney General, an approval original will be mailed to you.

I look forward to presenting the City's request to the Board of Trustees. Please contact Amber McCullough at 913-667-1719 or amccullough@bonnersprings.org, to confirm the date, time, and location.

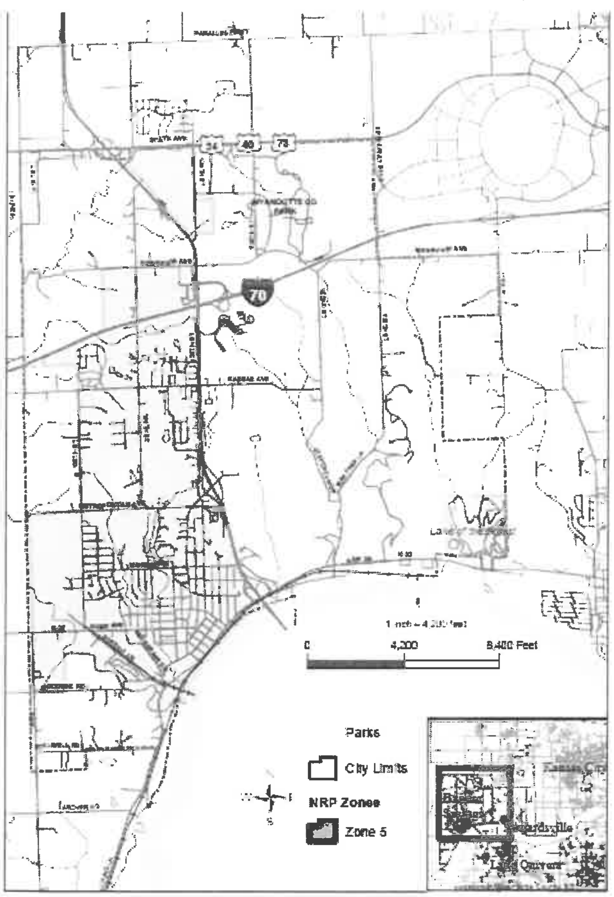
Sincerely,

Jeff Harrington
Mayor

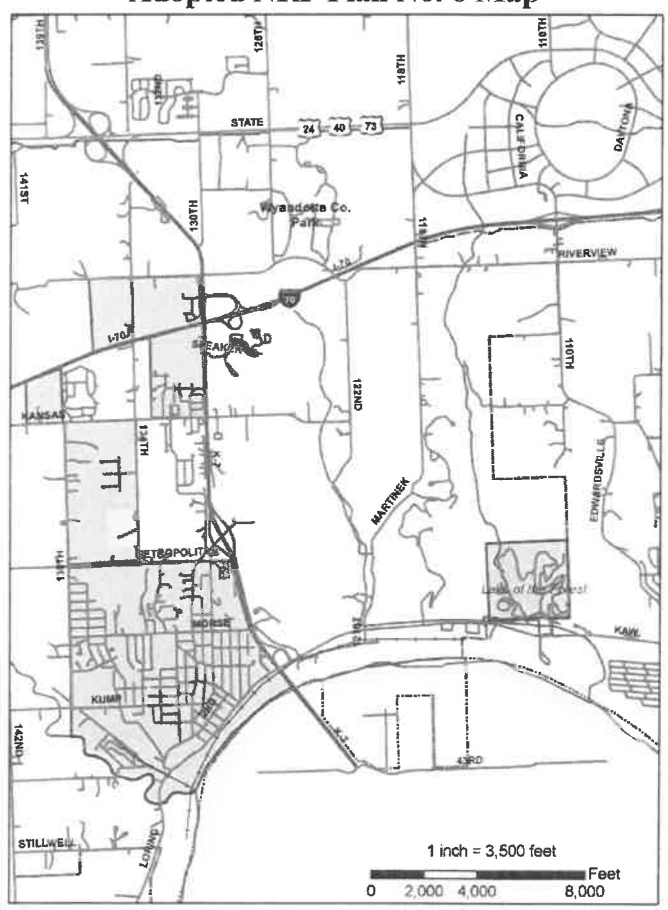
Enclosures

Table 1. NRP Comparison Summary				
Items	**Plan 3**	**Plan 4**	**Plan 5**	**Proposed Plan 6**
Rebate Amount - All categories except senior housing tax credit projects	75% - 2 years 50% - 3 years	75% - 2 years 50% - 3 years	75% - 5 years	No changes from Plan 5 other than areas of eligibility.
Rebate Amount – Senior housing tax credit projects	None	None	50% - 10 years	
Minimum Investment – New construction for single family, commercial, industrial	$140,000	140,000	$170,000	
Minimum Investment – New construction for multifamily and duplex	$140,000 No duplex allowed	$140,000 No duplex allowed	$200,000 Duplex allowed – rental or owner occupied	
Minimum Investment – Rehab for single family and multi family	None	5% of appraised value	5% of appraised value	
Minimum Investment – Rehab for commercial and industrial	None	15% of appraised value	15% of appraised value	

Current NRP Plan No. 5 Map



Adopted NRP Plan No. 6 Map



RESOLUTION NO. 2020-09

A Resolution of the City of Bonner Springs, Kansas Authorizing the Execution of Interlocal Agreements with the Unified School District No. 204, Kansas City Kansas Community College and the Unified Government of Wyandotte County and Kansas City, Kansas Relating to Neighborhood Revitalization Plan No. 6

WHEREAS, the City of Bonner Springs, Kansas, adopted Neighborhood Revitalization Plan No. 6 pursuant to Ordinance No. 2494.

WHEREAS, the Governing Body seeks to enter into Interlocal Agreements with the above parties in order to provide for their consent to Neighborhood Revitalization Plan No. 6.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BONNER SPRINGS:

1. AUTHORIZATION. The Mayor and City Clerk are hereby authorized to execute, on behalf of the City of Bonner Springs, Interlocal Agreements between the City and Unified School District No. 204, Kansas City Kansas Community College, and the Unified Government of Wyandotte County/Kansas City, Kansas, signifying said parties consent to and adoption of the Neighborhood Revitalization Plan No. 6 as set forth in Ordinance No. 2494.

Approved by the City Council and Signed by the Mayor on Monday, July 27, 2020.

Jeff Harrington, Mayor

ATTEST:

Christina Brake, City Clerk

[SEAL]

Bonner Springs Kansas

ORDINANCE NO. 2494

An Ordinance of the City of Bonner Springs Adopting Neighborhood Revitalization Plan No. 6 and Designating Neighborhood Revitalization Areas all as Provided by the Neighborhood Revitalization Act, K.S.A. 12-17,114 et seq.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BONNER SPRINGS, KANSAS:

Section 1: The City Council of the City of Bonner Springs conducted a public hearing on Monday, July 27, 2020, at 7:30 p.m. to hear and consider public comment on the Neighborhood Revitalization Plan No. 6 as required by K.S.A. 12-17,117(c).

Section 2: Neighborhood Revitalization Plan No. 6 - The City Council of the City of Bonner Springs does hereby adopt the Neighborhood Revitalization Plan No. 6 prepared by the City of Bonner Springs by reference as if fully set forth herein as provided for by K.S.A. 12-17,117(a).

Section 3: Designation of Neighborhood Revitalization Areas – Pursuant to K.S.A. 12-17,116, the City Council of the City of Bonner Springs hereby designates the following described property as the neighborhood revitalization areas which by reason of the presence of a substantial number of one or more of the following conditions: deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, or a combination of such factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations or constitutes an economic liability and finds that in said areas redevelopment is necessary to protect the public health, safety or welfare of the residents of the City of Bonner Springs.

The Neighborhood Revitalization Areas are described as follows: A perimeter legal description of the area in Plan No. 6, a revitalization area in Bonner Springs, Kansas:

All that part of "The Resurvey of The Lake of The Forest Club" subdivision located in the NE 1/4 Section 27, Township 11 South, Range 23 East, recorded in Wyandotte County, Kansas Plat book 20, Page 29, in Bonner Springs, Wyandotte County, Kansas.

Also: All of Section 29, Township 11 South, Range 23 East lying West of the present location of Kansas State Route 7 (K-7), all in Bonner Springs, Wyandotte County, Kansas.

Also: The North 1/2 of Section 32, Township 11 South, Range 23 East, lying Northwesterly of the present location of the Kansas River and the SW 1/4 of said Section lying North of the present location of Wolf Creek and West of the present location of the Kansas River, all in Bonner Springs, Wyandotte County, Kansas.

Also: That part of the Northeast 1/4 of Section 31, Township 11 South, Range 23 East, lying North and East of the present location of Wolf Creek, located in Bonner Springs, Wyandotte County, Kansas.

Also: All of the NE 1/4 and the SE 1/4 of Section 30, Township 11 South, Range 23 East, all in Bonner Springs, Wyandotte County, Kansas.

Also: All of the NE 1/4 and the SE 1/4 of Section 19, Township 11 South, Range 23 East, all in Bonner Springs, Wyandotte County, Kansas.

Also: All of that portion of the SW 1/4 of Section 18, Township 11 South, Range 23 East, lying South of Interstate 70 (I-70), and that portion of SW 1/4 of said Section noted as Parcel #105-044-18-0-30-02-002.01-0, and part of Parcel #105-044-18-0-30-02-002.00-0, all in Bonner Springs, Wyandotte County, Kansas.

Also: All of the NW 1/4 Section 17, Township 11 South, Range 23 East, all in Bonner Springs, Wyandotte County, Kansas.

Also: All of the SW 1/4 Section 17, Township 11 South, Range 23 East, EXCEPT the W 1/2 of the W 1/2 of said SW 1/4, all in Bonner Springs, Wyandotte County, Kansas.

Also: All of that portion of the East 1/2 of the NE 1/4 of Section 18, Township 11 South, Range 23 East, lying West of North 134th Street and South of the present location of Riverview Avenue and North of Interstate 70 (I-70).

Section 4: This ordinance shall be in full force and effect from and after its passage and publication in the official city newspaper and on January 1, 2021 following the expiration of Plan No. 5 on December 31, 2020.

Approved by the City Council and Signed by the Mayor on July 27, 2020.

Jeff Harrington, Mayor

Attest:

Christina Brake, City Clerk

(Seal)

CITY OF BONNER SPRINGS INTERLOCAL AGREEMENT
Neighborhood Revitalization Plan No. 6
Unified Government of Wyandotte County/Kansas City, Kansas

THIS INTERLOCAL AGREEMENT (hereinafter referred to as "Agreement") entered into this _____ day of ____________, 2020, by and between the City of Bonner Springs, a duly organized municipal corporation hereinafter referred to as "City" and Unified Government of Wyandotte County/Kansas City, Kansas hereinafter referred to as "Unified Government".

WHEREAS, K.S.A. 12-2904 allows public agencies to enter into interlocal agreements to jointly perform certain functions including economic development; and

WHEREAS, all parties are pursuant to K.S.A. 12-2903 public agencies, capable of entering into interlocal agreements; and

WHEREAS, K.S.A. 12-17,114 et seq. provides a program for neighborhood revitalization and further allows for the use of interlocal agreements between municipalities to further neighborhood revitalization; and

WHEREAS, the City of Bonner Springs did adopt Ordinance No. 2494 on July 27, 2020, whereby the City adopted the Neighborhood Revitalization Plan No. 6 pursuant to the provisions of K.S.A. 12-17,114 et seq.; and

WHEREAS, it is the desire and intent of the parties hereto to provide the maximum economic development incentive as provided for in K.S.A. 12-17,119 by acting jointly.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN THE PARTIES AGREE AS FOLLOWS:

1. Adoption of Plan. The Unified Government hereby adopts and consents to the Neighborhood Revitalization Plan No. 6 as adopted by the City of Bonner Springs. The parties further agree the Neighborhood Revitalization Plan No. 6 as adopted will not be amended without approval of the parties except as may be necessary to comply with applicable state law or regulation.

2. Administration. The parties further agree that the Unified Government of Wyandotte County/Kansas City, Kansas, "Unified Government" shall administer the Neighborhood Revitalization Plan No. 6 as adopted by each party on behalf of the signatory parties. The Unified Government shall create a Neighborhood Revitalization Fund pursuant to K.S.A. 12-17,118 for the purpose of providing rebates as outlined in the Plan. Any increment in property taxes received by the Unified Government resulting from qualified improvements to property pursuant to the Neighborhood Revitalization Plan No. 6 shall be credited to the Unified Government's Neighborhood Revitalization Fund. The Unified Government is authorized to retain an administration fee of 5% of said increment and to distribute rebates in accordance with the Plan following the adoption of this Agreement, including any tax increment received for the 2025 tax year but not received or payable until 2026.

3. Expiration & Modification. This Agreement shall expire December 31, 2025. The parties agree to undertake a periodic review of the Neighborhood Plan No. 6 to determine any needed modifications. The parties agree that any party may terminate this Agreement prior to December 31, 2025, by providing thirty (30) days advance written notice, provided however; any applications for tax rebate submitted prior to termination shall, if approved, be considered eligible for the duration of the rebate period.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the date and year first above written.

Jeff Harrington, Mayor

Christina Brake, City Clerk

Unified Government of Wyandotte County/Kansas City, Kansas

David Alvey, Mayor/CEO

Attest:

Bridgette Cobbins, Unified Government Clerk

Approved this ________ day of ________________, 2020, by the Attorney General of the State of Kansas.

Kansas Attorney General

CITY OF BONNER SPRINGS INTERLOCAL AGREEMENT
Neighborhood Revitalization Plan No. 6
Unified Government of Wyandotte County/Kansas City, Kansas

THIS INTERLOCAL AGREEMENT (hereinafter referred to as "Agreement") entered into this _____ day of ____________, 2020, by and between the City of Bonner Springs, a duly organized municipal corporation hereinafter referred to as "City" and Unified Government of Wyandotte County/Kansas City, Kansas hereinafter referred to as "Unified Government".

WHEREAS, K.S.A. 12-2904 allows public agencies to enter into interlocal agreements to jointly perform certain functions including economic development; and

WHEREAS, all parties are pursuant to K.S.A. 12-2903 public agencies, capable of entering into interlocal agreements; and

WHEREAS, K.S.A. 12-17,114 et seq. provides a program for neighborhood revitalization and further allows for the use of interlocal agreements between municipalities to further neighborhood revitalization; and

WHEREAS, the City of Bonner Springs did adopt Ordinance No. 2494 on July 27, 2020, whereby the City adopted the Neighborhood Revitalization Plan No. 6 pursuant to the provisions of K.S.A. 12-17,114 et seq.; and

WHEREAS, it is the desire and intent of the parties hereto to provide the maximum economic development incentive as provided for in K.S.A. 12-17,119 by acting jointly.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN THE PARTIES AGREE AS FOLLOWS:

1. Adoption of Plan. The Unified Government hereby adopts and consents to the Neighborhood Revitalization Plan No. 6 as adopted by the City of Bonner Springs. The parties further agree the Neighborhood Revitalization Plan No. 6 as adopted will not be amended without approval of the parties except as may be necessary to comply with applicable state law or regulation.

2. Administration. The parties further agree that the Unified Government of Wyandotte County/Kansas City, Kansas, "Unified Government" shall administer the Neighborhood Revitalization Plan No. 6 as adopted by each party on behalf of the signatory parties. The Unified Government shall create a Neighborhood Revitalization Fund pursuant to K.S.A. 12-17,118 for the purpose of providing rebates as outlined in the Plan. Any increment in property taxes received by the Unified Government resulting from qualified improvements to property pursuant to the Neighborhood Revitalization Plan No. 6 shall be credited to the Unified Government's Neighborhood Revitalization Fund. The Unified Government is authorized to retain an administration fee of 5% of said increment and to distribute rebates in accordance with the Plan following the adoption of this Agreement, including any tax increment received for the 2025 tax year but not received or payable until 2026.

3. Expiration & Modification. This Agreement shall expire December 31, 2025. The parties agree to undertake a periodic review of the Neighborhood Plan No. 6 to determine any needed modifications. The parties agree that any party may terminate this Agreement prior to December 31, 2025, by providing thirty (30) days advance written notice, provided however; any applications for tax rebate submitted prior to termination shall, if approved, be considered eligible for the duration of the rebate period.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the date and year first above written.

Jeff Harrington, Mayor

Christina Brake, City Clerk

Unified Government of Wyandotte County/Kansas City, Kansas

David Alvey, Mayor/CEO

Attest:

Bridgette Cobbins, Unified Government Clerk

Approved this ________ day of ________________, 2020, by the Attorney General of the State of Kansas.

Kansas Attorney General

CITY OF BONNER SPRINGS INTERLOCAL AGREEMENT
Neighborhood Revitalization Plan No. 6
Unified Government of Wyandotte County/Kansas City, Kansas

THIS INTERLOCAL AGREEMENT (hereinafter referred to as "Agreement") entered into this _____ day of ____________, 2020, by and between the City of Bonner Springs, a duly organized municipal corporation hereinafter referred to as "City" and Unified Government of Wyandotte County/Kansas City, Kansas hereinafter referred to as "Unified Government".

WHEREAS, K.S.A. 12-2904 allows public agencies to enter into interlocal agreements to jointly perform certain functions including economic development; and

WHEREAS, all parties are pursuant to K.S.A. 12-2903 public agencies, capable of entering into interlocal agreements; and

WHEREAS, K.S.A. 12-17,114 et seq. provides a program for neighborhood revitalization and further allows for the use of interlocal agreements between municipalities to further neighborhood revitalization; and

WHEREAS, the City of Bonner Springs did adopt Ordinance No. 2494 on July 27, 2020, whereby the City adopted the Neighborhood Revitalization Plan No. 6 pursuant to the provisions of K.S.A. 12-17,114 et seq.; and

WHEREAS, it is the desire and intent of the parties hereto to provide the maximum economic development incentive as provided for in K.S.A. 12-17,119 by acting jointly.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN THE PARTIES AGREE AS FOLLOWS:

1. Adoption of Plan. The Unified Government hereby adopts and consents to the Neighborhood Revitalization Plan No. 6 as adopted by the City of Bonner Springs. The parties further agree the Neighborhood Revitalization Plan No. 6 as adopted will not be amended without approval of the parties except as may be necessary to comply with applicable state law or regulation.

2. Administration. The parties further agree that the Unified Government of Wyandotte County/Kansas City, Kansas, "Unified Government" shall administer the Neighborhood Revitalization Plan No. 6 as adopted by each party on behalf of the signatory parties. The Unified Government shall create a Neighborhood Revitalization Fund pursuant to K.S.A. 12-17,118 for the purpose of providing rebates as outlined in the Plan. Any increment in property taxes received by the Unified Government resulting from qualified improvements to property pursuant to the Neighborhood Revitalization Plan No. 6 shall be credited to the Unified Government's Neighborhood Revitalization Fund. The Unified Government is authorized to retain an administration fee of 5% of said increment and to distribute rebates in accordance with the Plan following the adoption of this Agreement, including any tax increment received for the 2025 tax year but not received or payable until 2026.

3. Expiration & Modification. This Agreement shall expire December 31, 2025. The parties agree to undertake a periodic review of the Neighborhood Plan No. 6 to determine any needed modifications. The parties agree that any party may terminate this Agreement prior to December 31, 2025, by providing thirty (30) days advance written notice, provided however; any applications for tax rebate submitted prior to termination shall, if approved, be considered eligible for the duration of the rebate period.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the date and year first above written.

Jeff Harrington, Mayor

Christina Brake, City Clerk

Unified Government of Wyandotte County/Kansas City, Kansas

David Alvey, Mayor/CEO

Attest:

Bridgette Cobbins, Unified Government Clerk

Approved this ________ day of ________________, 2020, by the Attorney General of the State of Kansas.

Kansas Attorney General

(Published in ***The Wyandotte Echo*** on _________________, 2020.

RESOLUTION NO. R-______-18

A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH BONNER SPRINGS, KANSAS FOR THE BONNER SPRINGS NEIGHBORHOOD REVITALIZATION PROPERTY TAX REBATE PLAN NO. 6

WHEREAS, the City of Bonner Springs currently has its Neighborhood Revitalization Plan No. 5 (NRP 5") in place until December 31, 2020; and

WHEREAS, NRP 5 has been successful in promoting the construction and rehabilitation of buildings in Bonner Springs, and Bonner Springs desires to continue its terms with minor modifications; and

WHEREAS, on July 27, 2020 the Bonner Springs city Council adopted the Neighborhood Revitalization Plan No. 6 ("NRP 6) which becomes effective January 1, 2021;

WHEREAS, K.S.A. 12-2904 allows public agencies to enter into interlocal agreements to jointly perform functions, including economic development; and

WHEREAS, the Unified Government hereby desires to approve the Interlocal Agreement for NRP 6, in substantially the form as shown in Exhibit 1 attached hereto.

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

SECTION 1. **Execution of Interlocal Agreement.** The Mayor/CEO is authorized to execute, in the name of the Unified Government, the City of Bonner Springs Interlocal Agreement for NRP 6. Additionally, the County Administrator and all Unified Government employees are authorized to take such actions as are necessary and proper to effectuate the purposes and intent of this Resolution.

SECTION 2. Effective Date. This Resolution shall be effective upon approval and adoption by the Governing Body and publication in the *Wyandotte Echo*.

ARRPOVED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 17th DAY OF SEPTEMBER, 2020.

David Alvey, Mayor/CEO

Attest

Staff Request for Commission Action

Tracking No. 20324

Full Commission Meeting Date:
Committee: Economic Development & Finance

Date of Standing Committee Action: 8/31/20 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/19/2020	Stephanie Moore	x5743	smmoore@wycokck.org	Economic Development

Item Description:

A resolution for approval to set a public hearing for discussion/approval of the Neighborhood Revitalization Act plan and Interlocal Agreements, submitted by Stephanie Moore, Economic Development. The public hearing will take place at the October 29, 2020 full commission.

Action Requested:
To adopt the resolution and Interlocal Agreements.

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
Resolution setting public hearing

(Published in ***The Wyandotte Echo*** on ________________, 2020
and _________________, 2020.

RESOLUTION NO. R-______-20

A RESOLUTION CALLING AND PROVIDING FOR THE GIVING OF NOTICE OF A PUBLIC HEARING ON THE DESIGNATION OF A NEIGHBORHOOD REVITALIZATION AREA; THE ADOPTION OF A REVITALIZATION PLAN; AND PROVIDING FOR THE GIVING OF NOTICE OF SAID HEARING.

WHEREAS, K.S.A. 12-17,114 *et. seq*. (the "Act") authorizes the governing body of any city or county to designate an area as a neighborhood revitalization area within such jurisdiction, and to adopt a plan ("Plan") for the revitalization of such area;

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") intends to designate as a neighborhood revitalization area, and adopt a Plan for the area encompassing Turner USD 202, Bonner Springs/Edwardsville USD 204, Kansas City Kansas USD 500, and the Kansas City, Kansas Community College; and

WHEREAS, the Act provides that prior to designating an area as a neighborhood revitalization area and adoption of a Plan, the governing body shall, by resolution, direct and order a public hearing thereon, and to give notice of the hearing by at least two publications, once each week for 2 consecutive weeks in the official newspaper;

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

SECTION 1. **Public Hearing**. It is hereby authorized, ordered and directed that the Governing Body shall hold a public hearing, in accordance the provisions of the Act, said public hearing to be held on **October 29, 2020 at 7:00 p.m.**, or as soon therafter as the matter can be heard, in the Commission Chambers, lobby level of the Municipal Office Building**,** 701 North 7th Street**,** Kansas City, Kansas, under the authority of the Act.

SECTION 2. **Notice of Hearing**. The Unified Government Clerk is hereby authorized, ordered and directed to give notice of said public hearing by publication of a Notice of Public Hearing substantially in the form attached hereto as ***Exhibit A*** in the official newspaper. Such notice shall be published at least once each week for two consecutive weeks.

SECTION 3. Effective Date. This Resolution shall be effective upon adoption by the Governing Body.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 17th DAY OF SEPTEMBER 2020.

____
Unified Government Clerk

CERTIFICATE

I, hereby certify that the above and foregoing is a true and correct copy of Resolution No. R-_______-20 of the Unified Government of Wyandotte County/Kansas City, Kansas adopted by the Governing Body on September 17, 2020 as the same appears of record in my office.

DATED: __________, 2020

____
Unified Government Clerk

Exhibit A

NOTICE OF PUBLIC HEARING
NEIGHBORHOOD REVITALIZATION PLAN

A public hearing is scheduled for Thursday, October 29, 2020 at 7:00 p .m. during a regularly scheduled Unified Government of Wyandotte County/Kansas City, Kansas Commission Meeting. This meeting will be held in the Commission Chambers immediately to the south of the main floor lobby of the east Unified Office Building, 701 North 7th Street, Kansas City, Kansas. The purpose of the hearing is to discuss:

Adoption of a Neighborhood Revitalization Plan in an area encompassing the Turner USD 202 School District, Bonner Springs/Edwardsville USD 204, Kansas City Kansas USD 500, and the Kansas City, Kansas Community College. The Plan offers tax rebates for rehabilitation, conservation or development.

A copy of the proposed Neighborhood Revitalization Plan is available for public inspection at the office of the Unified Government Clerk located on the 3rd Floor of the East Unified Office Building and may be inspected prior to the public hearing during regular business hours. All persons or anyone wishing to be heard either for or against this matter is invited to attend.

This Notice shall be published at least once each week for two consecutive weeks in a newspaper of general circulation within the City.

____

UNIFIED GOVERNMENT CLERK