

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, August 10, 2020**

The meeting of the Economic Development and Finance Standing Committee was held on Monday, August 10, 2020, at 5:25 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; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Bridgette Cobbins, UG Clerk; and Rocki Mayes, Program Supervisor in County Administrator's Office.

Chairman Burroughs said I do want to ensure that Jeff Bryant has joined us. **Jeff Bryant, BPU Board Member**, said I'm here.

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

During the meeting, please make sure that you announce yourself by name and title every time you speak so that the public 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.

Due to the 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 record of this meeting.

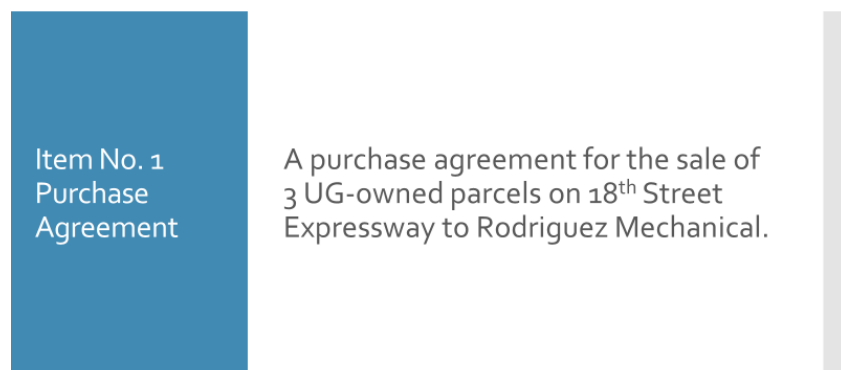
Chairman Burroughs called the meeting to order.

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

Chairman Burroughs said we have no minutes to consider tonight.

Item No. 1 – 20294...PURCHASE AGREEMENT - 3 PARCELS FOR RODRIGUEZ MECHANICAL

Synopsis: A purchase agreement for the sale of three UG-owned parcels on 18th Expressway totaling 1.68 acres proximate to the new Rodriguez Mechanical headquarters at 1900 Osage, submitted by Katherine Carttar, Director of Economic Development.



Katherine Carttar, Director of Economic Development, said the first item we have today is a purchase agreement for three UG-owned parcels on 18th St. Expressway to Rodriguez Mechanical. Paul Rodriguez is here, I believe, so he will pipe in if I mis-state anything and give a comment here later and be available for questions.

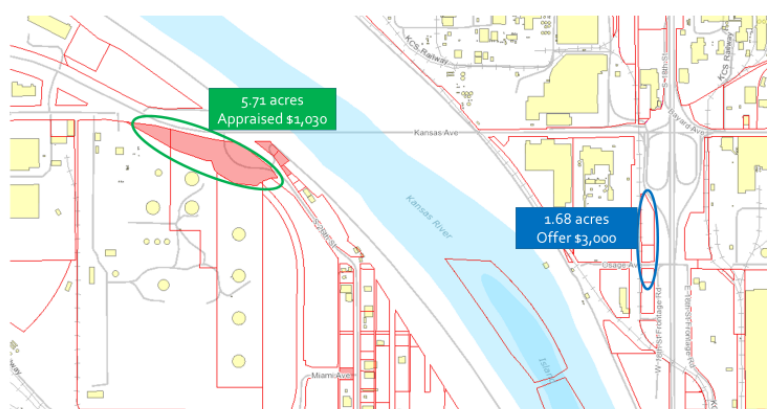
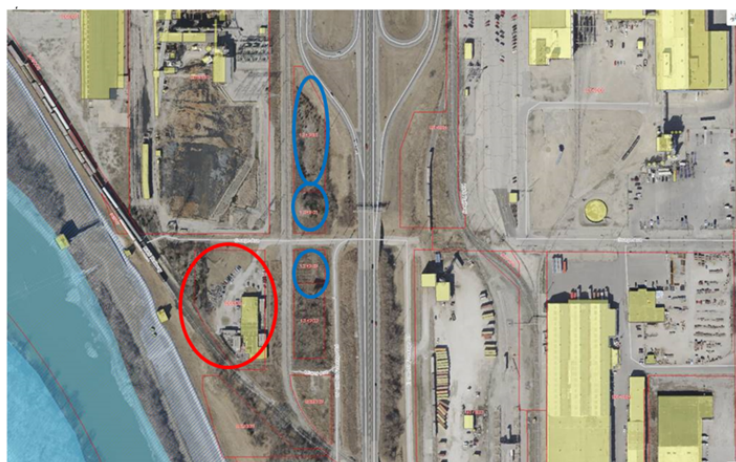
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Rodriguez Mechanical Purchase Agreement

- Paul Rodriguez and Rodriguez Mechanical is a valued, long-term member of the KCK business community
 - Moved to KCK in 1993 with 20 employees
- Currently located in Armourdale with 140 employees
- Purchased a property at 1900 Osage for an expansion
- Request the purchase of three adjacent UG-owned properties for more storage space and yard space to store their heavy equipment
 - Parcels total 1.68 acres
 - Purchase price \$3,000
 - Parcels have little or no utility connections
 - Parcels are of no use to the BUP or UG Public Works
 - Parcels are unlikely to develop due to the size, lack of access, and proximity to a railroad spur

I want to kind of go over a couple of things about the company and these three parcels in question. Many of you know Rodriguez Mechanical is a valued and long-term member of our KCK community. They've been in KCK—moved here in 1993 from Johnson County with just 20 employees. Today, they've got just around 140. They've been located in Armourdale for the last many years, and they are just—in the last year, purchased a property at 1900 Osage for an expansion. There are three very small parcels that are UG-owned that are just adjacent to the property at 1900 Osage where they will have kind of their primary location.

The three parcels, it's kind of—I have a map here in a second which you'll be able to see this more clearly, but they are located between the highway and a railroad. It's kind of this interesting no mans land that has not been used for anything. I could go back into the records as far back at the '80s. These have always, at least as far as that time, they have been UG-owned and not actually used really for anything. Trying to get this small amount of land is about 1.6 acres, putting it back into productive use would be, I think, something that we would desire. This has been almost 40 years, and probably more than that. They're parcels that are unlikely to develop otherwise as they don't have utility connections. I think one of them is connected to water and the rest are not connected to sewer, water and in some cases if they wanted to be connected to electric. You can tell there's a number of reasons why these are, you know, unlikely to develop otherwise.



Here you can see the parcel here that is circled in red, that's 1900 Osage. That's where they will have their primary location. The three parcels that are UG-owned and in question, are these here in blue. You can see here you're kind of in between. This is 18th Expressway, if you can see my cursor, and then this here on the west side is a railroad spur. This is kind of interesting land that is difficult to do much with. You do have the old Kaw Power Plant right here. I have spoken with BPU as well as our Public Works, and neither see any use in moving forward for these three parcels.

In looking to determine what a reasonable purchase price for these are. We looked at other Land Bank lots. We've got one just across the river here. A very similar type of property that's almost twice, or more than twice the size and it pays for just about \$1,000. Mr. Rodriguez has offered \$3,000 for these lots and that is what you see in your packet today. That's all I have. Mr. Rodriguez, if you are on the line and would like to comment or there are any questions from the committee.

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Mr. Rodriguez said another reason why I want to secure the property is, I'm not against homeless people, but there's some homeless people that I want to say they're actually, I'm told from the security from the other surrounding buildings that they're devil worshipers. I don't know what the heck is going on, but they have broken into the building at 1900 Osage and we captured them on camera going in, but there's really not, you know, I don't want to hurt anybody. I just want them to stay out.

My thinking, in addition to what Katherine spoke about, was that if I was able to secure the property, I'd then begin to clear it all. The grass, weeds, and overgrown brush is approximately 4 to 5 ft. tall. It was BPU property. I did a little research as well. I think even in the '40s, the BPU really had that whole area. You can still see some gravel where they used it as a parking lot. That's that long stretch between Kansas Avenue and 18th Street Expressway. On Osage, the closest to the building sign and my building that the—it's either BPU power, I think it was because there's a bunch of metal parts always that are there and some watermains. That's where they stored watermain and pipe. In fact, they still have the concrete, kind of like shelves where you can drive up with a pallet, with a forklift and drop the flat without sitting it on the ground.

I know that the 5 acres is a better deal, but from a functionality standpoint, I'm better off right there. The area has no sewer. That largest piece, the largest lot has no sewer, water or gas. They have no water taps on either side. Nothing is connected to the waterline. The closest sewer is approximately two blocks to the east and you have to cross railroad tracks to get there. It'd be quite expensive to get to develop that piece. It's just almost impossible from a cost standpoint.

Other than that, I do know that I will clear the land, use it for parking storage and heavy equipment. Hopefully, just by doing that, that will stop some of the dumping that's occurring along Miami Street and underneath 18th St. Expressway, that bridge. Thank you for the opportunity to even present and to make a request for the property. I'll answer any questions that you may have.

Ms. Mayes said Commissioner McKiernan has his hand up.

Commissioner McKiernan said, Mr. Rodriguez, we've certainly appreciated having you as a member of the Armourdale community for all these years. I am familiar with these three properties that you are considering here. I think we would win on multiple fronts if you were to acquire and clear them. We'd get the purchase price of the properties. We'd get the clearing of the properties.

We'd have enhanced security for those and for the surrounding properties, and they'd be back on the tax rolls bringing in property tax on an annual basis.

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

Chairman Burroughs said before we do that, we do have an opportunity. Does anyone from the public have any information, questions, comments? **Ms. Cobbins** said no one submitted any requests.

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

Mr. Rodriguez asked, Commissioner, can I make a comment please? I know I'm out of order. **Chairman Burroughs** said Mr. Rodriguez your item has been approved, but if you care to speak, please make it brief. **Mr. Rodriguez** said I'll leave after my comments. Mr. Burroughs, I don't know if you remember me? **Chairman Burroughs** said I do. **Mr. Rodriguez** said I was the chair of the Kansas City Chamber of Commerce in the year 2000. I had the opportunity to listen in on your last committee meeting. I want to tell you how wonderful it is because in the year 2000, we had to raise money with Wyandotte Development, Inc., and tried to do something about—just the way Kansas City, Kansas, was perceived and also when you speak about building up and permit opportunities.

In the year 2000, if I'm not mistaken, there were no more than three to six housing or building permits. That was an average that had gone for years because there was a flight that occurred of leaving Kansas City and Wyandotte County. I just want to commend all of you for the work and the progress that you have made. Those numbers are just tremendous that you just produced, and I'll leave that with a thank you.

Chairman Burroughs said well, thank you for your kind words, Mr. Rodriguez. Those that have served before us and those that will serve long after us, if we set a strong path, they should follow it. We have accomplished a great deal in Wyandotte County. We're very proud of our community. We embrace our diversity. Those are the assets that we hold very dear and are very valuable to our community. Thank you for your kind comments. Again, we welcome you to

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enjoy your newfound properties, and thank you for assisting us in dealing with some of our vacated properties.

Item No. 2 – 20295...PURCHASE AGREEMENT: SCANNELL PROPERTIES FOR THE WOODLANDS

Synopsis: A purchase agreement for Scannell Properties to buy 34 acres of UG-owned land, and donated 70 acres to the UG Parks Dept., as part of the proposed Woodlands development, submitted by Katherine Carttar, Director of Economic Development.

Chairman Burroughs said I'm going to ask our Vice-Chair Commissioner McKiernan—I'm going to defer to Commissioner McKiernan. As Chair, I have the liberty to do that. I had a conflict of interest on this vote earlier on in another discussion. I'm going to defer to Commissioner McKiernan and ask Mr. McKiernan to please run Item No. 2.

Acting Chairman McKiernan said absolutely. I will take over for Item No. 2. Actually, when I looked over to see if Mr. Rodriguez was in the attendee list, I see that Commissioner Bynum was on the list immediately above him. I wonder if legal counsel could opine on this. Is it possible that Commissioner Bynum could simply sit in Commissioner's Burroughs place as another At-Large Commissioner for this item only? **Patrick Waters, Senior Counsel**, said, yes, Mr. Chairman, if Commissioner Burroughs appoints her. So, if he would wish to do that on the record. **Chairman Burroughs** said I do. Ladies and gentlemen, full disclosure. I do have a conflict of interest with this issue having stated such earlier on in earlier meetings. At this time, I would ask Commissioner Bynum to please assume my position on this particular Item No. 2.

Acting Chairman McKiernan said thank you, Commissioner. I do see that Commissioner Bynum has now joined us on the panelists list so Rocki has promoted her to a panelist. At this point, this is consideration of a purchase agreement for Scannell Properties to buy 34 acres of UG-owned land. I'm going to turn this back to Katherine Carttar for presentation on this item.

Item No. 2 Purchase Agreement

A purchase agreement for Scannell Properties to buy 34 acres of UG-owned land as part of the Woodlands development

Katherine Carttar, Director of Economic Development, said I also have with me Shaun Cofer from Scannell Properties who can jump in as necessary or can answer questions at the end. This is one that I did go over a longer presentation last month at Economic Development & Finance Committee in preparation knowing that this was coming up. I will do somewhat slightly more brief presentation, but a reminder for those of you in the audience who did not listen last week exactly what we're dealing with, what is very specifically looking at is a purchase agreement for the 34 acres at 99th & Leavenworth that the Unified Government owns that we would sell to Scannell Properties as part of their Woodlands development.



Woodlands

- No abatement/incentives request
- Purchase Agreement for UG owned 34 acres -- \$2 M
- Project Superbowl (Building A) is 1,000,000 square feet
- 94 acres of potential undevelopable park land
- Planning Commission & Full Commission approved:
 - Master Plan Amend
 - Rezoning Application
 - Preliminary Plan

Just a quick reminder for those who aren't familiar with the property. This is the Woodlands. It's been closed for 15-ish years. It's about 400 acres in total. Scannell Properties is interested and has an agreement to purchase the vast majority of this land which is owned by a private company. I will go and explain where the acreage that we own and is in question today. Part of this is also in the purchase agreement, but there's 94 acres of land that you can see here; the area that is not developed.

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It has not been developed, and moving forward, Scannell Properties would like it to remain undeveloped and remain a buffer from the development that they are proposing. This would be donated to the Parks Department. The Parks Department is very excited about having additional space for trails. You've got a shelter right here, Shelter 2 right on Wyandotte County Lake. This would be the way that you would access this.

Just kind of an update since the last time we discussed this in this committee, the Planning Commission and the full Commission have approved the master plan and the rezoning for this project.

The items that we're really focused on are the area here at 99th & Leavenworth, which much of that acreage is proposed to be neighborhood retail, and then here are the 94 acres on the east side that would be the buffer between the development and the lake as well as some of the other homes and other things on the east side.



Woodlands

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NEIGHBORHOOD RETAIL

PARKLAND & TRAILS (94 acres)

415 Acres Development

- 100 acres for Building A
- 94 acres Parkland
- 245 acres Future Development

Annual Property Taxes

Today: **\$373,000**

2021: **\$2,245,000**

- \$2,057,900 Building A
- \$367,500 Land

34 Acres Land Purchase

- \$2,031,495.78 purchase agreement

415 Acres Development

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34 Acres Land Purchase

- \$2,031,495.78 purchase agreement

Clearly, looking here at kind of an overview of the different pieces, but if we're just looking at kind of this first phase that has gone through Planning Commission and is moving forward, this is building A. That's what's in what would be the first phase of this larger development. That would be about 100 acres, and then we're looking at 94 for park land and over 200 would be still available for future

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development. Today, just to kind of give an idea of magnitude, today it's just under \$400,000 in taxes for this 414 or 415 acres. Once building A is completed, we're looking at well over \$2M just with the building and then another additional amount with the land. Then the acreage that would be part of the purchase agreement, the 34 acres, would be a purchase price of over \$2M, \$2,031,000. Here is that location you can see there. With that, Shaun is on the line if the committee has any questions.

Acting Chairman McKiernan said thank you, Ms. Carttar. I appreciate the presentation. At this time, I'd ask if any member of the committee has any comments or any questions for Ms. Carttar or for Mr. Cofer? I don't see any questions coming up from the committee.

I'll ask the Clerk, were there any public submissions to be included in the record on this item? **Ms. Cobbins** said there was a request from Laurie Torrez to speak, Mr. Chair. **Acting Chairman McKiernan** said the rules of the meeting that we stated ahead of time said that public comment has been suspend but that email comments can be read into the record. Is that the way we're going or are we allowing public comment? **Ms. Cobbins** said I received a request from Laurie Torrez and from Adrian. I can put that on the record that they submitted a request. **Acting Chairman McKiernan** said I'm going to defer it to our legal counsel on this. I have no problem with public comment, but that is not the way we opened the meeting. I just want to get clarification on if that's how we proceed? **Mr. Waters** said, Mr. Chairman, I think that is at your discretion. That is correct. The rules that we've gone by have stated that public comment is not required. In the past, I know we have allowed some public comment during the standing committees, but it is not legally required. **Acting Chairman McKiernan** said what I'm going to do at this time is, because Ms. Torrez did request in advance of the meeting to be allowed to speak. Rocki, if you could find Ms. Torrez in the attendee list and permit her to talk. Ms. Torrez, I will turn the floor over to you. You are allowed to speak now, and you'll have three minutes to make your comments to the committee.

Laurie Torrez, 9828 Donahoo Rd., KCK, stated I would like to know if there was an appraisal done on this and if not, why wasn't there an appraisal done on this. I don't think that Mr. Reffin should set the price at \$1.36 a square foot. Western Wyandotte County commercial is running \$3 to \$4 a square foot. I think school district has the benefit of those personal property taxes off of that. I think you need to get an appraisal on this acreage. I don't think we should let Mr. Ruffin set the

price on it. I don't think in comparison to Indian Springs property is right. That's in town; we're out west. Commercial, this land was deemed commercial. You're comparing commercial to agriculture, which commercial sells for way more. Why are we selling this for the same price as agriculture land? I'd like to have an appraisal done on it by a certified appraiser, not by just somebody saying, well, we got this much for Indian Springs, and this sounds pretty good for that. That is not an appraisal. That does not cut it. I don't understand why there was not an appraisal done on this. I think Piper deserves an appraisal and the most they can get for the land.

Adrian Torrez, 9828 Donahoo Road, said obviously you know that we're both in opposition of this situation. At the end of this, it makes me feel that some of the interactions with citizens were somewhat disingenuous. I heard some comments that are really kind of hurtful. I really realize that the city is in a position that we need to have tax dollars, but to know that this was pushed through, and I get the impression that it was already accepted prior to being presented to the citizens.

During the committee meeting, Commissioner Bynum had made the statement that she had only been contacted by three people in opposition. I attended a meeting that only three people were for that situation and the majority of the room was against. It kind of hurt my feelings that those people that spoke that night would be ignored. I would suspect that in the future, I guess, I need to put everything in an email to be able to be heard.

I guess, because of the situation, my neighborhood becomes a sacrificial lamb. We'll have to live with this, folks. I know that you made the best decision that you possibly could, but please, next time listen to citizens. Thank you very much. **Acting Chairman McKiernan** said thank you, Mr. and Mrs. Torrez, for those comments.

Acting Chairman McKiernan said we will now close public comment period since there was no one else who requested ahead of time. At this point, I'd ask if any member of the committee has questions or comments for either Ms. Carttar or Mr. Cofer.

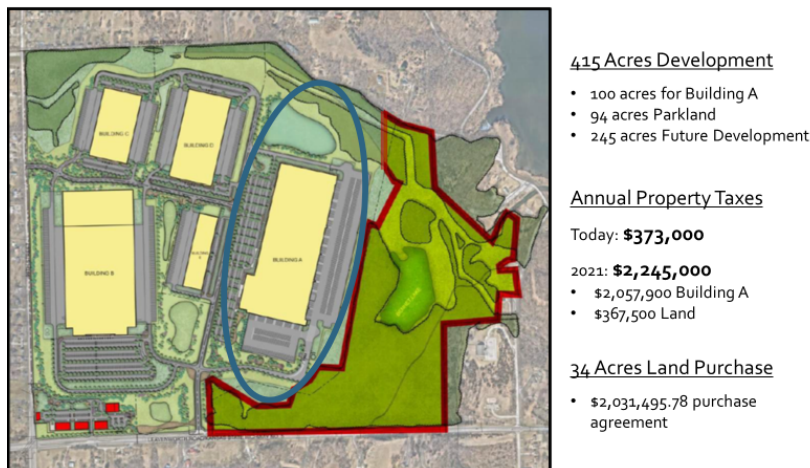
BPU Board Member Byrant said with regards to the comment from the previous visitors, was there an appraisal done and what were the results of the appraisal in comparison to other undeveloped land? **Ms. Carttar** said the Unified Government did not have an appraisal; an independent appraisal done. This land has been appraised by our own Appraisal Department which was a bit, it was about \$2.8M as I recall. But, what we determined was that linking the purchase price with the same rate

that Mr. Reffin was selling his land for made a lot of sense, especially since we received this property in a tax sale. We basically received it completely for free and then have not actually put any investment into it over the years that we have owned it and felt that was a very fair price.

Additionally, I did not mention this. But additionally, to the \$2M as part of the land donation for the park land, Scannell Properties is also donating another \$75,000 to help with improvements to Shelter 2, as well as improvements to the trails throughout, so we felt this was more than fair all in all.

BPU Board Member Bryant asked, what is the value of the acreage that will be used, that will have park access? **Ms. Carttar** said we did not break that out, but give me one second. At the rate that they are buying it—anyone can do faster math than I can, give me a moment. This is 94, acres while this 34 is acres so, if you're looking at the same amount, then this would be about \$6M worth of land that is being donated to the Unified Government.

BPU Board Member Bryant said, Katherine, one other question. Do we have a projection of what the total tax value that the annual taxes would be once all four of the buildings and the retail development is completed?



Ms. Carttar said I have not run that purely because there—the buildings here that are shown, that part has yet to be finalized. I felt it was only fair to really run the building that we're moving forward with permits and have 100% certainty that's coming on in the next year. This \$2.2M is just assuming this building and then the land changing from AG zoned to Industrial zoned. I don't have that. I can certainly get that for you with what has been proposed here. **BPU Board Member Bryant** asked that doesn't include the value of taxes from the retail section that'll be in the corner? **Ms. Carttar** said correct.

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

Chairman Burroughs rejoined the meeting.

Commissioner Bynum left the meeting.

Acting Chairman McKiernan said that item does move forward to full commission. I will turn the committee meeting back to Commissioner Burroughs. **Commissioner Burroughs** said thank you Commissioner McKiernan, thank you committee. I always believe its good public policy to be transparent when dealing with the public.

Item No. 3 – 20296...THIRD AMENDMENT TO DEVELOPMENT AGREEMENT - SCAVUZZO'S FOODIE PARK

Synopsis: The Third Amendment to KC Foodie Park Development Agreement and First Amendment to the Acknowledgement and Assumption Agreement, which modifies the Phase 1 Minimum Improvements Commencement date to on or before April 30, 2021.

Item No. 3
Resolution

A resolution adopting the third amendment to the Scavuzzo's Foodie Park Development Agreement.



Katherine Carttar, Director of Economic Development, said I am actually going to only give a very brief overview of what we're looking at today and then I'm going to turn it over to Richard Scavuzzo of Scavuzzo's and Curt Petersen to give a brief presentation. What is up for consideration tonight is a resolution adopting the third amendment of the Scavuzzo's Foodie Park. This would be extending the minimum start of construction back to April 2021. With that, just a reminder for everyone, of what we're looking at. With that, I will turn it over to Mr. Scavuzzo.

Chairman Burroughs asked, Mr. Scavuzzo, are you on? **Ms. Mayes** said it shows he's on and not muted.

Richard Scavuzzo, Scavuzzo's Foods, said we're here today to ask for an extension to the commencement of construction for Phase I. I wanted to take some time to give you guys a sense of the devoted efforts, time and money to this project, some of the successes that we have had, some of the barriers that we've encountered and I wanted to give you guys the confidence that you should have that the project is going to transform Indian Springs and it will move forward.

What we've been able to accomplish so far is entitlement and permit ready of \$125M Foodie Food service center for Phase I. In the meantime, what we've been working on, is putting together a team that can make this project successful. Those team members include Primus who we've engaged with to be our general contractor. Matt Hirsh is President of Primus and Randy Jennings who has 40 years of experience in construction automation as part of that team.

ViaStore is our automation partner that we are purchasing \$70M worth of cutting-edge automation and equipment from. Our finance team is new to the table beginning of the year. They are DLA & Associates. Daniel Loiacono is the owner of that firm and Walt Clements is new to that

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team in February. Walt is the former CEO of Dean Realty and really knows the marketplace. Our owners rep will be Eskie & Associates for Phase I and for the overarching project. Dennis Eskie and Erin Merrill run that company. They've been involved with projects such as Lenexa City Center and Prairie Fire out in Overland Park. Then the solar and renewable piece will be Ally Energy that takes the ball on that and Erlan Rice in particular. We've spent a lot of time putting together the right team to get this past the finish line. The only missing piece is what we've been working on over the last few months and that's the financing piece. We're fine-tuning this approach, this automated approach, to order fulfillment to be the state-of-the-arts fulfillment facility that will not be outdone by any other automated facility in the United States. We continue to make changes and tweaks to it with the team that works on it every week, every day of every week.

We took the philosophy approach to the marketplace about a month and half ago because one of the questions that the finance team has was if they build it, is there a customer base out there for it? The first five customers, potential customers, that we approached with a solution we were five for five. All five of them signed MOU's to use the facility and these are well established Kansas City based companies that will benefit from this. Some of them even are in Wyandotte County.

It's a first in class, but it's also a first for this type of solution in the marketplace which makes it that much harder to get across the finish line. We are right on the edge, right on the verge of getting us across the finish line. That's Phase I. Phase II, up until COVID we had worked very hard on the local restaurant scene and had serious plans move forward with several restaurants which was very encouraging.

Phase III, we had initial discussions with a hotel group that looked very promising.

Phase IV went from a single office to looking at a potential second office going on that bringing an additional 700 employees to the campus. So, those are some of the things that we have been working on over the last nine months.

The barriers that we've encountered basically all have to do with COVID. Our original finance partner was in the entertainment industry, and saw an 80% reduction in revenue when COVID hit. It took some financial losses and pulled out of the project because they just didn't have the finances to pull it off. We immediately changed course and got engaged with other finance sources. It was a pretty major setback because we were going to break ground well before our August 30 groundbreaking deadline.

Our finance team, we are engaged with the marketplace and found two other financing sources. One of the prerequisites that we had was we wanted someone engaged in the industry or

Kansas City based and if we can get both, even better. That's what the team at DLA found and who we continue to work with. We're thrilled that they're a Kansas City based partner. They are finalizing their due diligence right now. That's on Phase I.

On Phase II when COVID hit, it hit the reset button for all new restaurant sales and that's really what we were focused on was restaurant pad sites for that Phase II up along State Avenue. We are looking at a different path for that now, more focused around curbside to go and delivery. We are also looking at the possibility of a shared courtyard approach so that the restaurant pads that are there could possibly have a shared courtyard for outside eating.

Phase III, the hotel group, obviously people aren't building hotels right now, so that has fallen through, but we will refocus better yet.

Phase IV, the second office building, that possible partner decided to stay in the other state that they were in and lease some of the low rent office space that is available now. So, very tough to deal with all the changes, but the team has put together some really good plans to deal with the changing environment post-COVID. We're still very, very bullish on this project. It all starts with Phase I. Even with COVID, the Phase I project—COVID really highlights the need for an automated order fulfillment center. I think that the finance team that we're bringing on understands that our solution is even more viable today than it was pre-COVID. They are really excited about the solution that they're going to invest in.

When we had—now that we've had the restart of on the finance front, that brings the need to ask for the extension of the construction commencement deadline. Obviously, that's why we're here today. We worked with our future finance partner on coming up with the April 30 deadline. I know there's been some questions about why does it have to be April 30, why can't it be December 31 or some date before that. This was a recommendation from that finance partner. Basically, taking the weather of the wet winter out of the equation. One of the key components of this project is there is about a \$30M down payment for all the automation, racking, and automation that is going into the facility. The finance partner, obviously, does not want to make a \$30M investment into those down payments and then not be reassured that the development agreement is solidified. Although, we plan on breaking ground well before April 30, we need to assure them that we have until April 30 so that if weather, or any other obstacles along with winter come, we have the full eight months of buildable time so that their investment is solid and that they know that the development agreement and the TIF and all the incentives that we've worked through are there and they do not have to worry about that being pulled away from the project.

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Chairman Burroughs asked any questions from the committee. **Ms. Mayes** said I do not see any hands up, Commissioner. Katherine, would you like to make any comments? **Ms. Mayes** said **Commissioner McKiernan** has his hand up, I'm sorry.

Mr. Scavuzzo asked, can I make one more comment? **Chairman Burroughs** said, yes, Mr. Scavuzzo. **Mr. Scavuzzo** said one thing that our finance partner has said was before we go to full Commission, they do plan on signing a letter of intent. We would have that in-hand and be able to divulge who they are before we go onto full Commission. **Chairman Burroughs** said I think that would be very important and beneficial. Katherine, do you have any comments that you'd like to make to the Commission again? **Ms. Carttar** said, I don't.

Commissioner McKiernan said, Mr. Scavuzzo, certainly I'd love it if it was already started, but I certainly do understand the challenges that you have already overcome and the challenges that you have yet to overcome as you work your way forward in this. At this point and time, I would be in favor of accepting the Third Amendment moving the due date on this to allow time for Mr. Scavuzzo and his team to finalize their current plans to wait out the winter through the construction season and to move forward then in the spring.

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

Chairman Burroughs said before we take a vote, I do need to ask, Clerk, was there any comments from the public? **Ms. Cobbins** said no comments from the public. **Chairman Burroughs** said thank you.

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

Chairman Burroughs said thank you Mr. Scavuzzo for again investing in an area in our community that is in such dire need of new development. We thank you and wish you the very best moving forward. **Mr. Scavuzzo** said thank you.

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Item No. 4 – 20297...RESOLUTION: THE YARDS APARTMENTS TIF PROJECT PLAN

Synopsis: A resolution setting October 29, 2020, to conduct a public hearing to consider the Yards II Apartments Redevelopment Plan, submitted by Katherine Carttar, Director of Economic Development. This will be a first-class apartment complex located west of State Line Rd., east of the Kansas River, north of Kansas Avenue, and south of I-670.

Item No. 4
Resolution

A resolution calling for a public hearing on Oct 29, 2020 to consider the Yards II Apartments Project Plan.

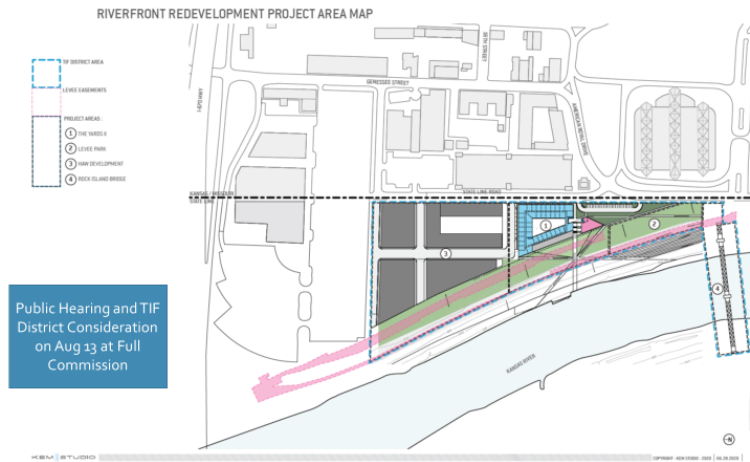


Yards I
Apartments



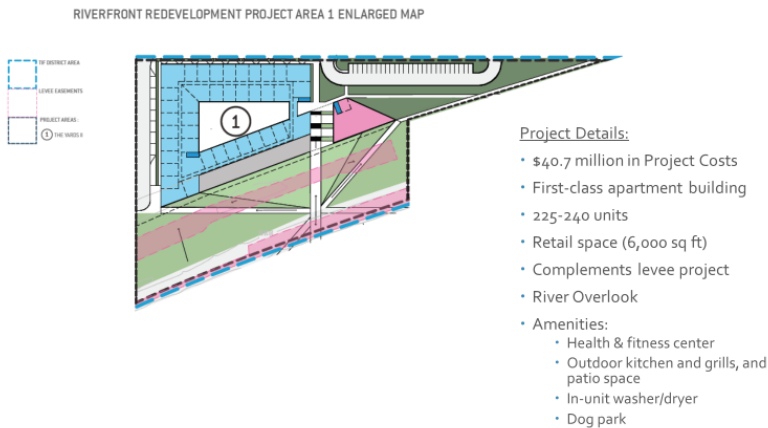
Katherine Carttar, Director of Economic Development, said this is another project that we discussed at the last Economic Development & Finance committee meeting. At that meeting, we discussed the creation of a TIF redevelopment area. Today, we are we are drilling down and really just talking about the first projects plan.

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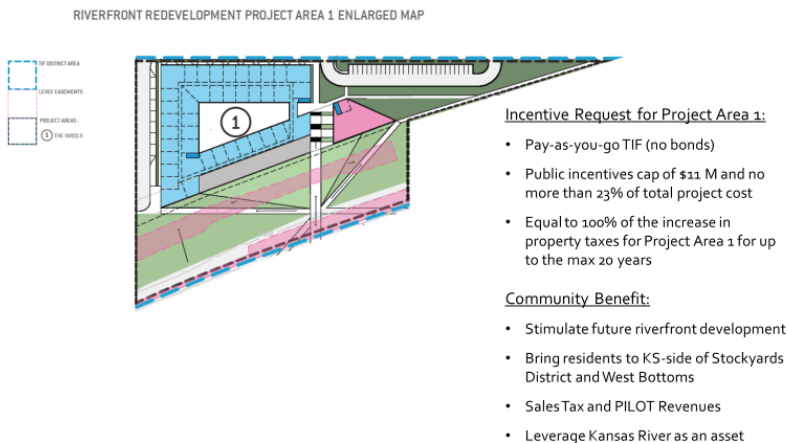


While the TIF is a larger area, you can see here, the TIF district as proposed and would be considered with a public hearing at the full commission meeting on this Thursday, August 13, that is looking at kind of setting a boundary for the entire area. While, today, we are really only talking about this Project Area 1 which is the first phase and the apartment complex called the Yards. I will just give a quick overview of what that is, but, again, this is approving just the setting of the hearing for this project plan to move forward.

As we discussed in a previous meeting, this first plan is with the developer Flaherty and Collins. They are looking to invest about \$41M in project costs to build a first-class apartment building with about 225 to 240 units as well as some retail space. This really compliments what we are doing with the levee project. With that I've got a very brief overview, but with that we are putting a significant amount of investment into a trail system that goes along the levee as well as a number of different betterments, especially in this area, trailhead, some other things that—will, I think, really make this a very attractive location for residents to move to KCK, as well as, just something that we have not done in the past, which is actually having focused on our riverfront development. Part of this project is building into this a river overlook which, shockingly, we have something at Kaw Point, but it is few and far between where there is a lovely location where you can go out with the public and actually enjoy the river, so that is all part of this.



Additionally, again, first-class apartment building, first-class amenities, health & fitness center, outdoor space, in-unit washer/dryer, dog park, etc.



As the project plan, if you go through that, what you see is the incentives that are being requested in Project Area 1 are a pay-as-you-go TIF. No bonds, no debt from the Unified Government will be issued. There will be a public incentive cap of \$11M at no more than 23% of the total project cost. This really does equal about 100% of the increase in property tax for the max of 20 years. The reason why I feel comfortable recommending this is because what we have seen in cities around the country, as well as here in our own metro area, is that when you simulate residential first, then that brings a lot of additional development. We feel really good about the idea of bringing residents to this location and having that simulate future riverfront development.

Additionally, we see the sales tax and the PILOT revenues adding up to a decent benefit there, as well as I was mentioning before, the first time that we're really trying to leverage the Kansas

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River as a significant asset and I think this would be the first of many projects that this committee and this community will see along the river as we move forward. With that, I have Ryan Cronk from Flaherty and Collins if there are any questions for the developer. Otherwise, the resolution is to call a public hearing on October 29.

Chairman Burroughs said any questions or comments from the committee in reference to the presentation?

Ms. Mayes said Commissioner McKiernan has his hand up. **Chairman Burroughs** said thank you. I do see it. **Commissioner McKiernan** said if there are no other questions or comments from the committee, I would move that we accept this resolution for the public hearing as submitted.

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

Chairman Burroughs asked, staff, was there any comments from the public this evening. **Ms. Cobbins** said no comments submitted to the Clerk's Office.

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

Item No. 5 – 20298...HOMEFIELD TERM SHEET

Synopsis: Homefield term sheet, submitted by Katherine Carttar, Director of Economic Development. Information forthcoming.

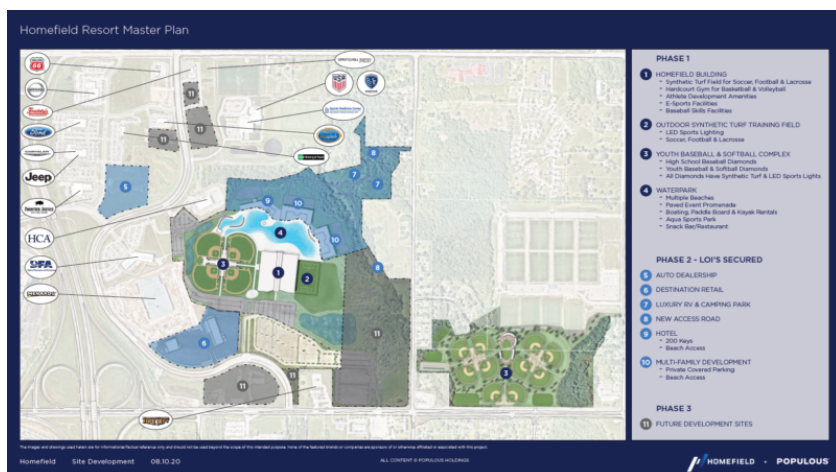
Item No. 5
For Information
Only



A introduction to the proposed
Homefield Project and STAR bonds
request.

Katherine Carttar, Director of Economic Development, said first I would like to apologize. This was put on the agenda as a term sheet forthcoming. We are still working through the negotiations with the term sheets and felt that was premature to bring to this committee. We anticipate that would be coming forward at probably the next EDF, but we did think this was a great opportunity to publicly discuss the project and introduce it to a wider audience and have the developers give an intro on what we think is a really exciting project moving forward. With that I will actually turn it over to Robb Heinemann with Homefield.

Robb Heinemann, Homefield, said thank you for your time. I appreciate the committee's time this evening. I have sent some information in advance that I'm probably not going to go through in detail tonight. I sent two things specifically to you. I sent an overview on our business Homefield and I'm going to talk to you about that a bit, but I wanted you to have some more detailed information that you can kind of look at in your leisure time. You got about a 20-page presentation on who we are as a business.



I sent you a site plan on the location. As you can imagine, this site plan is something that is going to be a work in progress here for the next couple of months, but I at least wanted you to have something.

I guess to introduce myself to those that may not know me, my name is Robb Heinemann, I'm the founder of Homefield, I also am a part owner in Sporting Kansas City with the CEO of Sporting Kansas City for about 12 years through about 2016. Obviously, I've had a lot of experience working with you as a counterparty on both Children's Mercy Park and the Pinnacle/Compass Minerals Group Training Facility for US Soccer. I've really enjoyed my experience with all of you out there. I feel like those have been two very successful projects. Having said all that, I actually think this project that we're bringing forward is as, if not more exciting, than either of those two projects.

The site of the project as mentioned is the former Schlitterbahn. We've been fortunate enough to work with the Henry family and have all of the remaining ground that the Henry Family owns in Wyandotte County under contract, which is approximately 230 acres. You can see it here on the site which comprises, you know what I call the former kind of Schlitterbahn Island, but also has a number of pad sites throughout the district. Then you know, some of the out parcels adjacent to Menard's and then, obviously, the frontage on State Avenue. We're excited about this. This is property that we believe is really well located. Obviously, it's in an existing district. It's in a number of existing project areas, so it's a big piece of property to bite off, but we feel pretty good about the opportunity here.

Really, what Homefield is which will be to anchor and kind of the catalyst for this entire project, it's an amateur sports, entertainment, and performance venue. Really, what it is in response to the amateur youth sports industry, which again, I'm going to give you kind of pre-

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COVID statistics, but I think these are statistics that will hold up and maybe actually even have more upside in a COVID world. The youth sports industry today is about a \$20B industry. It's larger than the NFL. It's the fastest growing sports segment in the United States, faster than any of the pro sports league themselves. It's project to be a \$75B industry by 2026, largely around kind of sports tourism.

The amazing thing for those of you that I'm sure have kids in youth sports, it's largely done in very substandard facilities. Mom and Pop facilities really all over the country that don't necessarily provide a great environment for the kids themselves, and certainly don't provide a great environment for the guests like mom and dad. You now those of us that have dropped the kid off at soccer, baseball, volleyball, or whatever it might be, and you sit in your car for an hour and half on your phone waiting for practice to end. Really, we think that's a paradigm that needs to change and can change as amateur sports become a bigger, bigger part of really all of our lives as parents, as kids.

So, basically what we're doing is taking cues from Top Golf. If those of you that are familiar with Top Golf and that franchise, basically, what they've done over the course of the last 15 years is they took a \$10 bucket of balls, moved that bucket of balls into a beautiful facility with great data captured, great technology, great audio/visual and really high-end entertainment and food and beverage experience and have turned that into a multi-billion dollar franchise. We think Homefield can do that very same thing in the youth sports space.

One of things that I think we were very successful with at Sporting Kansas City both in the past and in the current time is setting a guest experience. Really focusing on the fan experience, thinking through all the different journeys, all the different constituents, and how we can design those in such a way that it increases the experience and becomes sticky and turn something that may not have always been a really attractive thing into a very attractive thing. I think you could talk to people that have been out to Children's Mercy Park. A lot of them say the experience, it feels different, it's quality, and it's something that they continue to come back and back for as I think those of you that have gone out there know.

That's really what we're trying to do in this youth sports phase and we're going to focus on kind of three distinct verticals inside of youth sports and really creating kind of that high-end athlete experience and that's player development. That's all the stuff that you would think about. It's coaching, it's technical, it's tactical, it's providing speed, strength and agility, all different sorts of services that allow a player to get better. We also are going to focus on health and wellness, so

this won't just be about a kid coming in training. It will also be about them getting their nutrition services, their speed, strength, and agility services, their medical services whether that's physical therapy, recovery, whatever that might be. Then again, focusing on a really high-end entertainment experience both for the kids, but also for the parents as well. So, if your mom or dad and you're out there on a Friday night, you've got the opportunity, if you'd like, you can grab a workout, get a great glass of wine, you can get something good to eat. We're building the space as such that we focus on the spectators as well. In a lot of these facilities you go to, you're standing behind a net, you can't really see what's going on, there's posts in the way. What we're going to do is try to take kind of that whole pro experience and really bring it to amateur sports. That's the athlete experience that I think we're trying to project and the vision that we're trying to project is that we're going to give every athlete the opportunity to be the best that they can be. This won't just be premier athletes, so this isn't just kids that have college and pro aspirations. This is a kid that just wants to have the opportunity to be the best that they can be.

That's the building that we're going to be anchoring kind of this entire development. If you look at the site plan, that's kind of building 1 on here. We anticipate that building will be about 150,000 sq. ft. floor play. It will have both hardcourt for volleyball and basketball. It will have turf for lacrosse, 7b7 football and soccer, it will have all those other amenities that I mentioned around speed, strength, and agility, fitness, performance, medical services. We also will have Esports in this venue as well, both from a competitive standpoint, but also training as well. It's amazing thing for this Esports phase is blowing up such that it's not just about kids playing video games, it's about them training, getting better, getting college scholarships out of it, so we feel like that will be a nice component to what we're doing out here as well.

We've constructed a really high quality team around this. Obviously, my background, I've got about 20 years now involved in pro sports, both obviously Sporting Kansas City and then I also own a team in the G League in the NBA so I have a lot of relationships in the basketball space as well. We brought in a gentleman by the name of Paul Rivers to be the president. He's got 20-years' experience in the NBA working for a number of different teams, both on the outside, but on the player development side as well.

We've started hiring a lot of very high-end resources from across the country to come into Kansas City that will operate a lot of our training and coaching services for these kids. We're very excited about what we're doing here.

In addition to kind of the indoor spaces, there's outdoor spaces that we're going to create here that will be a little bit different and I'm going to take a quick little tangent here. Homefield for us is something that we believe that we can go do across the country. I can tell you today that we're working on deals in Chicago, Milwaukee, Indianapolis, Baltimore, DC, St. Petersburg, Nashville, Dallas, Austin, so this something that we feel we can go do across the country, but we feel like this location right here has the opportunity to be our flagship, kind of be or center piece. Obviously, Kansas City is near and dear to my heart and so we feel like we can do something distinctly different here that will encompass not only this daily kind of amateur athlete, but also camps and tournaments that we can attract to the area from all over the place and leverage the fact that the Village West and the Village East developments are both highly additive to that tourist experience.

In this site specifically, in addition to the interior spaces, we're going to do exterior as well. Our composition here is that we believe we'll do some number of baseball fields. I think at a minimum we'll do eight. At a maximum we could do up to 16. These fields will be highly, highly concentrated on environments for tournaments for high-end scouting and for kids of all ages. We'll have some fields that will be large fields for the high school kids and college kids. We'll also have small size fields for the little leaguers where we believe we can bring in lots of high-end tournaments around that lower age group and allow a 10-year old to hit a home run over a 200 ft. fence. That's another piece that we're bringing to this. We're also going to do some outdoor spaces on the turf side. We for sure will have one full size fields that we'll use likely for high school football, soccer, lacrosse, anything else on kind of a turf space that we can utilize. We also think we'll have a very symbiotic relationship with the Wyandotte Sporting Fields and Sporting Kansas City on utilizing those outdoor fields just across the road from us for camps. We should bring more volume to them just on a year-round basis, so we're excited about kind of all those outdoor spaces.

One of the other things that we're going to do here because the site is really good for this, it's conducive for this. We're going to do a bunch of outdoor amenities, outdoor sports, whether that's water sports—our intention is that we're going to build in the neighborhood of a six to eight acre water amenity as part of this site that would allow us to host paddle board, dragging boat surfing, all different sorts of water sports and then utilizing the contour and terrain of the trees. Our guess is that we'll have sports like mountain biking, rope courses. We are talking about carting as well. Our intention is overtime that we've kind of have a full portfolio of both outdoor and

water sports that would complement what we're doing on kind of the indoor and what I call sort of traditional sports space. That's kind of I guess the catalyst anchor amenity here, is Homefield in everything that we're doing.

The thing that we're really excited about and I should tell you we've been working on this project now for about a year and a half. We've had a lot of great support from the staff there at the UG and from the state as well. We're anxious to bring this forward because we are literally at a point that we're knocking out letters of intent on a daily/weekly basis to bring destination retailers, additional tenants at the auto plaza, hotels, multi-family grocery, food and beverage. Our expectation is that we have probably the ability to deliver almost \$200M dollars of development here in the first two to three years of the project. We are excited about that. We think kind of a mixed-use aspect of what we're doing here is going to make this a really, really vibrant site. Candidly, we feel like we've got the opportunity here over time to really create maybe what I'd call kind of the first amateur sports resort in the United States. I just think with the amount of ground that we have here, a revenue potential that we're starting to create around a lot of these partners that were bringing to the site, and the central location of the site in this region as a draw for amateur sports, we think that this place has a ton of potential.

I will tell you that it's a site that's been difficult for us to get under control. The Henry family has been patient with us on moving this forward, but we're at the point where we need to get going. We do have Letters of Intent, as I mentioned, on a number of different of aspects to this. I think we're down to probably a couple of fine points with both city and state on getting a term sheet completed. I can't tell you enough that I believe time is of the essence here. This is something that we have kind of financing arranged for. We got these LOI's in place, but we got to get going because I do think it's something that, you know time kills deals, and we're a little bit on the edge of that being the case.

Appreciate having the opportunity to speak to you tonight. Really looking forward to when we're formally in front of you for a vote around what we're up to. I'm happy to answer any questions that you might have about the project.

Chairman Burroughs said thank you Mr. Heinemann. Committee, any questions? Katherine, I have a question. I stated we have five action items tonight, but I don't see any information other than the presentation. What action item are you asking us to take tonight? **Ms. Carttar** said this is just for information only. **Chairman Burroughs** said thank you for that clarification. Any

questions, comments committee? Seeing none, Mr. Heinemann, I just want to say thank you for investing again into Wyandotte County and your kind comments in reference to staff and state and local government participation in your development. You have built first-class amenities in our community and I anticipate this too will be a first-class amenity. We look forward to seeing that amateur sports boom in our community and wish you nothing but the best and I look forward to seeing the terms of the agreement to see what other items you care to put forth in this development plan. **Mr. Heinemann** said thank you very much. Thanks for those kind words and I appreciate your time tonight and look forward to the next steps.

Chairman Burroughs said, committee, no other comments with no further action needed, I do want to remind the committee that when we adjourn, we do have a 7:00 meeting dealing with the CARES Act funding. Please don't wonder off too far. With that, Katherine, thank you for your yeoman's work this evening. You've been wonderful in giving us our news and very articulate, I appreciate that. Committee we are adjourned.

Public Agenda:

No items

Adjourn

Chairman Burroughs adjourned the meeting at 6:35 p.m.

tk