



Economic Development and Finance
Standing Committee Meeting Agenda
Monday, June 28, 2021
Immediately upon adjournment of earlier committee

Location:

You are invited to a Zoom webinar.
When: Jun 28, 2021 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://us02web.zoom.us/j/89619656006?pwd=VjB3WHdsc1dFN3lJOHNiaFQvaWZkdz09>

Passcode: 834955

Or One tap mobile :

US: +13462487799,,89619656006# or +16699009128,,89619656006#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782 or +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592 or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free)

Webinar ID: 896 1965 6006

International numbers available: <https://us02web.zoom.us/j/89619656006?pwd=VjB3WHdsc1dFN3lJOHNiaFQvaWZkdz09>

<u>Name</u>	<u>Absent</u>
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 June 28, 2021 Agenda**
- III. Approval of standing committee minutes from March 29 and May 3, 2021.**
- IV. Committee Agenda**

Item No. 1 – RESOLUTION: FOURTH AMENDMENT TO KC FOODIE PARK DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the Fourth Amendment to KC Foodie Park Development Agreement to extend various deadlines by six months, submitted by Stephanie Moore, Management Analyst.

Staff Recommendation: Hold until such time the developer commences construction on Phase I.

Tracking #: 21888

- V. Public Agenda**
- VI. Adjourn**

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, March 29, 2021**

The meeting of the Economic Development and Finance Standing Committee was held on Monday, March 29, 2021, at 6:01 p.m., remotely via Zoom and on-site. 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: Melissa Sieben, Emerick Cross and Alan Howze, Assistant County Administrators; Bridgette Cobbins, Interim Assistant County Administrator; Misty Brown, Chief Legal Counsel; Katherine Carttar, Director of Economic Development; Debbie Jonscher, Deputy Chief Financial Officer; Patrick Waters, Senior Attorney; Alley Porter, Commission Liaison; Carol Godsil, Deputy Unified Government Clerk; and Tifani Portley Lott, UG Clerk's Office.

Chairman Burroughs said before I call the meeting to order, I want to announce that due to COVID-19, some committee members, staff, and 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 the public that is observing knows who is speaking. This is critical given the number of remote participants and is a current guidance from the Kansas Attorney General and due to COVID-19 requirements, in person public comments have been suspended unless otherwise required by law. The public is allowed to participate by Zoom or 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 all members were present as shown above.

Chairman Burroughs said it's nice to have a full committee this evening and, committee, for this evening we do have four items that are all action items but our first order of business is to approve the minutes and those minutes are from January 4th and the February 1st meetings, and I believe,

Commissioner Townsend, if there's any questions in reference to the minutes, please let us know and if not, I would entertain a motion.

Approval of Standing Committee minutes from January 4th and February 1, 2021. **On motion of BPU Board Member Bryant, seconded by Commissioner Walters, to approve.**

Chairman Burroughs said I would ask the Clerk, please call roll. **Commissioner McKiernan** said just one second, Commissioner, if I could jump in real quick. It looks like Commissioner Townsend does have her hand raised. **Chairman Burroughs** said okay, she does, Commissioner Townsend.

Commissioner Townsend asked can you hear me? **Chairman Burroughs** said yes. **Commissioner Townsend** said okay, thank you. I'm having some difficulties. I did have a correction that I would like to request be made to the January 4, 2021, minutes, Mr. Chairman. On page 5, of the written minutes in the middle of that page, in the comments attributed to me, there is a sentence that reads, and I quote, "the language appeared to lead to state that, I guess several years ago we anticipated an increase." I believe the word lead as it appears, l-e-a-d, should be me. I believe that's what I said there. So, I would like to have those minutes reviewed and the correction made if appropriate.

Chairman Burroughs asked, Committee, are there any objections to the correction to the minutes? **Commissioner McKiernan** said, no Mr. Chair. **Chairman Burroughs** said seeing none, Commissioner Townsend, if you want to—there's been a motion and a second. If you want to make a substitute motion to approve the minutes with your corrections, I would entertain that substitute motion, if the second of the original motion is willing to allow substitute.

Commissioner Townsend said so do you need—Mr. Chairman, what do you need me to do? Does that motion need to be withdrawn or I make an amended motion or what is appropriate here? **Chairman Burroughs** said, Commissioner Townsend, you can make a substitute motion that the changes be identified and those changes made. You add the approval of the committee. If there has to be a second to the substitute, but usually we ask the second of the original motion to pull

March 29, 2021

their second, you can come out with a whole new motion, but if you want to do a substitute motion, you just do a substitute motion. **Commissioner Townsend** said all right. Well, I would like to make the substitute motion that the minutes, as presented, for January 4, 2021, be held over for the opportunity by our Clerk's Office to review the language that I just read into the record for my recommended correction. **Commissioner Townsend made a motion. Chairman Burroughs** asked, is there a second? **Commissioner Walters** said I second that. **Chairman Burroughs** said if I understand, just for clarification, the January minutes are satisfactory. It's the February minutes that you want to hold over, is that correct? **Commissioner Townsend** said the January 4th minutes are the ones that I'm asking for correction. **Chairman Burroughs** said thank you for that correction. I just have it backwards. So, the motion is to hold over the January 4th minutes and approve the February 1st minutes.

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

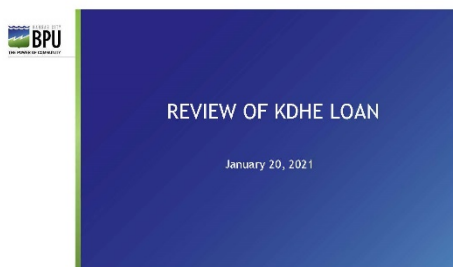
Committee Agenda:

Item No. 1 – 21726...RESOLUTION: BPU LOAN THRU KDHE

Synopsis: A resolution authorizing the Board of Public Utilities to enter into a loan agreement with the Kansas Department of Health and Environment's State Revolving Loan Fund Program, submitted by Kathleen VonAchen, Chief Financial Officer; and Lori Austin, BPU Chief Financial Officer.

Debbie Jonscher, Deputy Chief Financial Officer, said I'll go ahead and start it and then I'll turn it over to BPU. So, the item you have tonight is a resolution authorizing the Board of Public Utilities to obtain a loan from the Kansas Public Water Supply Fund administered by the Kansas Department of Health and Environment. The amount of the loan is going to be \$25M. As you said, BPU staff are on call to give a presentation, so I'll go ahead and I'll turn it over to Lori Austin, Chief Financial Officer for BPU, to talk about the loan.

March 29, 2021



Lori Austin, Chief Financial Officer for the BPU, said tonight we want to provide a little bit of detail on the KDHE loan as well as the financing for the infrastructure projects and what we'll be using the money for. With me tonight, I have Chris Stewart who is the BPU's Director of Civil Engineering and Kathy Peters with Kutak Rock and is our legal counsel for the BPU on this loan. Also, available is Steve Green, the Executive Director of Water Operations, who is available to answer any questions. With that, I will turn it over to Chris Stewart for the presentation.

Chairman Burroughs said welcome to the committee, Mr. Stewart. I believe he is muted. Debbie are they phoning in or are they on Zoom?.

Steve Green, Executive Director of Water Operations, said Chris is going to come to my office. He is having trouble. We are getting ready to share the screen on line.

Chris Stewart, Director of Civil Engineering at BPU, asked can you see the screen now?

Chairman Burroughs said we can see the screen and we can actually hear someone. **Mr. Stewart** said I apologize for that. We got an email this afternoon that they are working on our telephone system so I think maybe that had something to do with the fact I couldn't get on and you couldn't hear what I was saying. My primary function is to really provide civil engineering support to our Water Department.

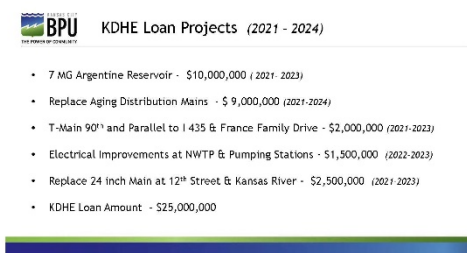
Let me start by thanking Lori for the introduction and say good evening to all the commissioners that are part of the Economic Development & Finance Committee and to the Chairman. I also want to thank UG staff for helping us getting this started and also all others who that are participating in the Zoom meeting. As always, I think we're grateful to have an

March 29, 2021

opportunity as BPU employees to present information concerning projects that we are looking forward to doing.

This afternoon I'm going to review the Capital Improvement Projects that we're asking for approval to fund with KDHE SRF Loan Funds. I think Kathy will talk more about the SRF Fund process and kind of give that in more detail. My objective is to kind of give you an overview of the projects.

Before I get started with going into more details on each project, I want to give you a little background on BPU water facilities, just to give you that information. We have one Water Treatment Plant. The Nearman Water Treatment Plant has a capacity of 72M gallons per day. We have two horizontal collector wells and each collector well can provide 40M gallons per day at capacity. We have three pumping stations, three ground storage reservoirs, three elevated tanks. We have approximately 1,000 miles of pipeline and we serve that through six pumping districts in our water distribution system.



The next slide kind of provides you a little bit of an overview of all the projects we want to fund with the KDHE loan. On this particular slide I've kind of titled the project and then also the dollar amount for that particular project as what we are anticipating in terms of the years that we will start design and we'll also, hopefully, get constructed during that time.

Keep in mind that each one of these projects we presented to our board, not each one of them, but a number we presented to our board and the presentations probably have lasted anywhere from 25 or 30 minutes just talking about those projects. I'm trying to scale this information down to a reasonable timeframe to provide you enough education on each project. There's an opportunity at the end to talk about these and ask questions you might have on each one.

March 29, 2021

The first project that we're looking at is a 7 million reservoir. It's an argent, what we call our Argentine Pumping District and that's located at 14th & Lawrence. Currently, we have estimated the project cost to be \$10M with an anticipated timeframe to begin design work this year and, hopefully, get it finished by the end of 2023.

The next project that we are going to do is review replacing the aging water distribution systems. We have allocated approximately \$9M for this work and anticipate the timeframe to be from 2021 to 2024.

The third project is a transmission main which is going to be 24 inch or 30 inch watermain basically at 90th & Parallel and extends west to I-435 & France Family Drive. We've estimated the cost to be \$2M and the timeframe to be 2021-2023.

The fourth project is electrical improvements at the Nearman Water Treatment Plant & Pumping Station with an estimated cost of \$1.5M and a timeframe between 2022-2023.

The last project is to replace a 24 inch main at 12th Street & Kansas River and estimated cost of \$2.5M and timeframe to be 2021-2023.

I'm going to talk a little bit more in detail about each one of these projects.



This slide provides you a view of the existing 4M gallon reservoir that's at the same location as the 12M gallon reservoir and this is at 14th & Lawrence and this is typically what we use in our ground storage reservoirs, this type of a structure. It's a wire round concrete structure and like I said, this one is 4M gallons. The one we want to replace is 12M gallons and the majority of that existing structure is underground. There's only a roof section that you'll see because of the hydraulics involved with the two reservoirs.

Just a little background on that particular 12M gallon reservoir. It was constructed and installed around 1940 and in 2011 we had to take it out of service. The reason we had to take it

March 29, 2021

out of service is because of the structural deficiency of the concrete. We had a lot of cracking and breaking in the roof system and then also internal wise we had beams and columns that were laminating the concrete was delaminating, so even a section of one of the beams had fallen into the reservoir itself.

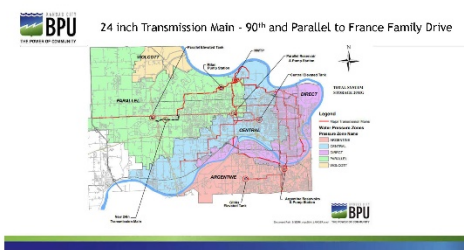


The next project I'm going to talk about is the replacement of the small diameter watermain. This slide kind of gives you a picture of an area, the Highland Crest area. You can see all these little red triangles in this particular area. Those triangles represent watermain breaks that have occurred in this neighborhood by itself over the last 25 years. In this particular area it's mainly 4 inch cast iron main so we want to target the watermains that are smaller than a 4 inch and 2 inch and we started this particular program in 2014. We received approval from you all in 2014 to go out and get funding for about \$10M worth of watermain replacements and that's been a very successful program for us. We replaced about 18 miles of pipeline and we reduced our watermain breaks in the overall system by about 100 breaks per year since the start of that program. That saved us about \$200K-\$300K a year in revenue, not revenue, but in costs associated with these main breaks.

We also want to let you know that this area for main replacement projects is primarily east of I-635 and we've broken up that area into about 18 separate areas and we look at the watermains that are in the worst possible condition and we allocate money for those and do the design work and those are the areas that we look at and that kind of sums up that particular project in terms of the main replacement projects.



This is just kind of giving you a view of what these lines look like. This is a 4 inch cast iron main. This is the type of deterioration that you can see over the years.

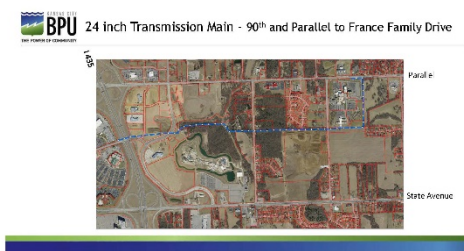


The third project I want to give you a little background is a 24 inch transmission main. It goes from 90th & Parallel, right there by Providence and extends west to France Family Drive. What you're seeing on this particular slide, there's a lot of information here, so let me just kind of talk to you a little bit about all the different colors.

You'll see on the Legend there is a color chart that shows kind of what these pressure zones—these are pumping zones that we have in the entire system. We have down in the southern, south of on the—on the bottom of the page, south of the Kansas River is the Argentine pumping district and then as you move up towards the top of the page you have kind of a majestic color that we call the Direct system and then you have a light blue color that we call our Central system. Then, out toward the west we have our Parallel system and Wolcott system, so those are all different pumping districts that we pump water to. The red lines that you are seeing are the major transmission lines that get water from our Nearman Water Treatment Plant there at the top of the page by the Missouri River and it pumps all the water to the pumping districts where we have

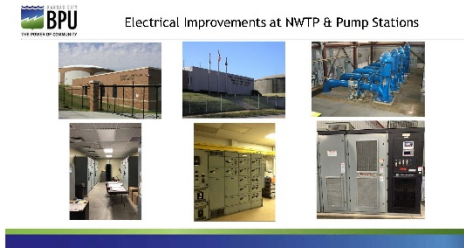
ground storage reservoirs and then the pumps—in the pumping stations pump it out into the district.

What we have here, if you look, at the Parallel elevated tank, you can kind of see the outline of I-435 on the left of the screen and you can see the Speedway kind of loop and that kind of stuff but you see the dashed line that we're showing where it shows new 24 inch transmission mains. We have one transmission line that goes out to serve the western half, west of I-435, so we need to get some more redundancy and resiliency in that particular area of our system so that's what this 24 inch transmission main will do for us. It's very critical to provide service to the western portion of our center.



This is kind of more of a zoomed in aerial view of the actual transmission main and kind of what we're anticipating is a route right now starting up here at 90th & Parallel. In front of the hospital we have a transmission main that comes in at that point and then we'll tie into that and go to the south and then move to the west and go by the soccer fields and also kind of cut through the old Schlitterbahn area until we get another transmission line that feeds our tower that's just west of I-435.

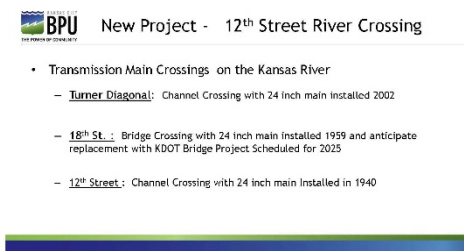
March 29, 2021



The next project that we want to fund is the \$1.5M for electrical improvements. This is just a slide that shows kind of on the top our pumping stations and Robert L. Milan pumping station at 63rd & Cernech and then you have the pumping station at 55th & Parallel and to the right of that is the high service pumps that's actually at our Nearman Water Treatment Plant. Below that you kind of see a picture of the electrical switchgear at these stations and then our variable speed lines that we have at each one of our pump stations.

We're concentrating on electrical equipment that is really outdated. It's been installed since the start of these facilities and it's no longer really supported once you get into variable frequency drives and this type of instrumentation and electrical equipment. They really support that for about 10-15 years anymore and after that you have to start replacing the VFDs.

On the electrical switchgear you can see that some of that was installed in the original pump station installation.



The last project that I want to talk about is the 12th Street River Crossing. It's a 24 inch transmission main that crosses underneath the Kansas River at 12th Street and it is very critical to our operation in terms of providing water south of the Kansas River into our Argentine District

March 29, 2021

and also plays an important role to providing gravity water back to our direct system which is the main portion of the—that's east of I-635.

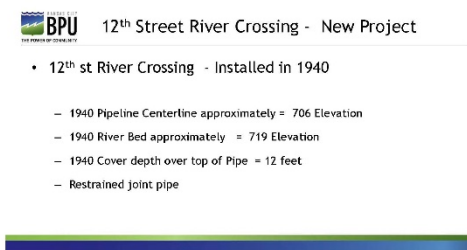
A little background here is we've got three crossings on the Kansas River. One is the Turner Diagonal. It is a channel crossing underneath the river. It's a 24 inch main installed in 2002.

We have a bridge crossing on 18th Street. It's a 24 inch main installed in 1959 and we're anticipating that will need to be replaced approximately in 2025 with the KDOT Bridge Project that they're going to rebuild.

Our last one is this channel crossing. So we just have these three crossings so if one is down, then we're down to two and this is a critical thing for our operations to maintain three of these at any time.



Here's an aerial view showing how this 24 inch main was installed underneath the river and just kind of giving you an idea of where it's at, where it's located at.



Here's a little background of the information on that particular crossing. It was installed in 1940. The pipeline—the center line of the pipeline was at about 706 elevation and the riverbed at time was about 719. In 1940 we had about 12 ft. of cover over the top of this watermain and they used restrained joint piping to install this watermain.

 BPU 12th Street River Crossing - New Project

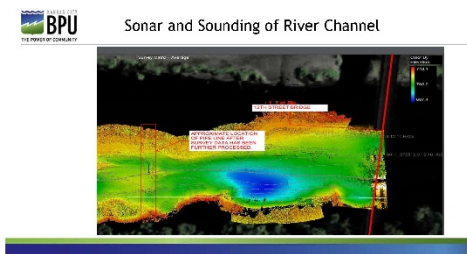
- Current Pipe / River Conditions
 - Confirmed by Bathymetric Survey and Divers
 - River Bed at Crossing is approximately Elevation 703 to 706
 - 140 ft of Pipe Exposed
 - 30 ft. of pipe undermined with 2 ft of separation from river bed
 - 32 ft of pipe undermined with 1 ft -1.5 ft of separation from river bed



As part of the Levee Project the Corps of Engineers, we've been working with the Corps and with the UG on the Levee Project and the Corps has told us and talked to us that they had just completed a bathymetric survey of the river channel in that area and said you guys might want to check your watermain crossing. We actually did a joint venture with Trent Foglesong to do some bathymetric surveys on our watermain and also in some of the gravity sewers that are crossing the river (inaudible) to the Unified Government.

We joint ventured and we had someone come in and do a bathymetric survey and we also followed that up with some divers on our waterlines. The riverbed at the crossing now has really been degraded substantially, so the elevation now is around 703 to 706 which is about where our watermain is and we have 140 ft. of pipe exposed. We have 30 ft. of pipe that's been undermined with about 2 ft. of separation from the riverbed and 32 ft. of pipe that's about 1-1.5 ft. of separation from the riverbed.

March 29, 2021



This is kind of a picture of what the sonar and the sounding of the river channel looks like. The green represents a 703 elevation and that's about where our watermain is in that particular elevation range. Then, you'll see the red square that shows where our watermain crosses, the approximate location, and the bridge there in red.



This is a more detailed picture that they actually get from their sonar bathymetric survey. They are able to pick up the bottom of the channel and you can see by this picture—you can vaguely see the watermain itself and where it was exposed and how the sonar picked it up. You can actually see little white lines that are on the picture. Those are actually joints that are in the pipeline and they picked that up with a lot of detail.



Inspection by Divers 1/12/2021



Of course we wanted to follow that up with divers to make sure what they were showing us on the sonar was actually what was happening. So, in early January we retained a company that specializes in rehab, installation, and inspection of underwater structures and they came in and basically confirmed exactly what the sonar was talking about, the amount of exposure and really the fact that the watermain was hanging kind of in the air—not in the air, but underwater without any support underneath it. Thank goodness they put piping in there so it's held out pretty good.

That kind of goes through the projects.



KDHE Loan - Proposed Schedule

- Review Process & Answer Questions - January 20th
- Board Approval for 30 day Notice of Public Hearing - February 3rd
- Public Hearing & Board Resolution - March 17th
- UG Finance Committee Presentation - March 29th
- UG Commission Resolution / Approval - April 29th

I'm going to talk a little bit about our proposed schedule for the KDHE loan. We submitted the information to our board, January 20th board meeting, and then we followed up and asked for—we followed up in February and asked for a public hearing to get approval for a resolution for a public hearing. We've completed that. We had our public hearing on March 17th and now we're here presenting the information to the finance committee asking for approval to proceed and then ultimately we will go to the UG Commission for approval.

March 29, 2021



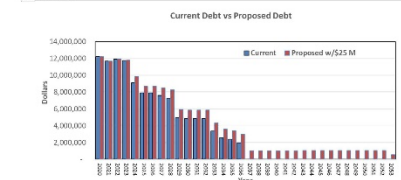
Estimated Loan Parameters

- \$25,000,000 Principal
- 30 Year Loan
- Projected Interest rate - 1.56 %
- Projected First Payment - 8/1/2024
- Number of Payments - 60 (twice per year)
- Projected Annual Payment - \$1,060,562

Here's just some general information about the loan parameters, the current loan parameters and, of course, they don't lock in until we actually sign the documents. Right now you can see that it's a \$25M loan. We have a 30-year loan period and in the past KDHE only allowed a 40-year loan period so this 30-year period really fits in better with the lifespan of these particular projects that we do. The interest rate is at 1.56% which is an excellent interest rate for us and we've projected the first payment to be in August of 2024. We'll have 60 payments, twice per year, and a projected annual payment is just over \$1M for the \$25M loan amount.



Current Debt Schedule vs Proposed Debt



I want to talk a little bit about our current debt schedule and a proposed debt schedule with the \$25M loan. You'll see at the top at the Legend, the current schedule is the blue shaded bars and then the red is the proposed debt schedule with the new \$25M loan. What I want you to really concentrate on here is just looking at 2020 and '40 you'll see that the debt schedule—the current debt schedule is about—well, we spend about \$12M a year for the water side and you can see that the blue line is starting to drop in 2021, 2022, 2023 and then we have a significant drop in 2024 from about \$12M all the way down to somewhere around \$8.5-\$9M.

With that, that's when our new debt payments with this \$25M loan will occur so you can see that the addition of \$1M of debt service will only take us up to about \$10M a year which is still \$2M less than our current debt schedule.

That's kind of where we're at with the current debt and the proposed debt that we're asking to get approval for.



Questions

- Thank You

I think that kind of summarizes the projects and the debt schedule. If you have any questions, I can take them now or if you want to wait for Kathy to go ahead and provide her presentation in terms of the process, I can wait and just answer questions at that time too.

Chairman Burroughs said I think we'll go ahead and ask questions now of you and then we can ask our questions of Kathleen separate. At this particular time, I would ask, are there any members of the committee with any questions?

Commissioner McKiernan said one thing, if you could go back one slide to that amortization schedule, doesn't this assume that you're not going to take out any other debt, you're just paying off the debt you currently have and there won't be additional need in future years for additional debt? I always see these curves and it's like—it never seems to pan out this way, so doesn't the blue line or the red line assume there is no new debt issue? **Mr. Stewart** said yes, Commissioner, you're correct. As far as the blue line—the only thing that we're representing right now is our current debt schedule plus the \$25M. But, I will say, that this is part of a cost of service study that we just completed a year or two ago where we look at our master plan and we look at our 5-year projection for capital improvement projects and we hold to that cost of service debt.

March 29, 2021

At this point in time this is what the cost of service study had recommended in projects that we needed to get done and over a 5-year period. So, yes, in another three years when we come back and we do another 5-years or whatever, then typically we do a 3-year cost of service study. If we come back and identify other projects that need to be done, then we will have to come back and talk about a revised debt schedule, but in all honesty, this \$25M will last us for five years. This is what we've got in our cost of service and this is what we anticipate doing and, you know, these are the projects that we probably couldn't add any more projects on and be successful in getting these completed in the fashion that we need to.

Commissioner McKiernan said I appreciate that. If your infrastructure is aging and is in need of attention as the UG infrastructure is, I certainly anticipate we're going to be back having this conversation more than once as we go down the road. I agree that it's necessary, but sometimes I look at these graphs and I ask, why do we even put that up because we know there's going to be additional loans for additional capital maintenance and improvement over time.

What was the outcome of the public hearing? **Mr. Stewart** said the board approved our resolution and there were no comments from anyone from the public. **Commissioner McKiernan** said so the BPU Board is supportive of this? **Mr. Stewart** said that's correct. **Commissioner McKiernan** said perfect.

Chairman Burroughs said I see no other hands from the participates. Committee, if there are no more questions of Mr. Stewart, I would ask that we hear from Kathleen VonAchen or Debbie Jonscher.

Kathy Peters, representing the BPU in this matter, said I'm with Kutak Rock. Your question, Mr. McKiernan, fit right in with what I was going to tell you about the process. As Mr. Stewart indicated, the BPU spent a great deal of time going over these projects with the BPU Board and also got the preliminary approval from KDHE that the loan would be one that they would grant if it was completely applied for. There was an initial application and then the BPU Board authorized the setting of the public hearing as they did that in a meeting in February. The public hearing was held March 17th. As Mr. Stewart indicated, there were no comments at the public hearing and so next steps was that the BPU said fine staff, go ahead and complete the application with KDHE and that is what the BPU staff is in the process of doing.

There's one more approval process at the BPU side and that's the actual approval of the loan agreement. This loan will be paid for from utility revenues. Because it's payable from utility revenues, the KDHE rules require that there be a bond insurance as well since there is no general obligation backing of this and, obviously, no Unified Government funds will go into this.

The two additional approvals that are needed is that of the Unified Government, that it's administrative agency, the BPU should borrow this \$25M from KDHE and then once the loan agreement has been prepared and agreed to with KDHE and the bond insurer, it will go back one more time to the BPU Board for their approval of the loan agreement. At this point the BPU Board has said it's fine to proceed with this and step forward and go talk to the Unified Government next and that's why we're here. I'll be open for questions if you have any.

Commissioner Burroughs asked, Mr. Stewart, who do you have speaking next? **Ms. Peters** said I don't think we have any further. Lori or Angela, let me know, but I think that wraps us up.

Chairman Burroughs said, Committee, any questions of Ms. Peters or Mr. Stewart? **Chairman Burroughs** said I see no hands. At this time I would ask the Clerk if there were any comments from the public. **Ms. Portley-Lott** said there were no comments received. **Chairman Burroughs** said so hearing no comments from the committee, no questions, none from the public, this is an action item that we must take a vote on. Hearing that, I would ask the Clerk to please call the roll. I would entertain a motion first to approve and then please call the roll.

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

Chairman Burroughs said a 25-year loan at 1.56% interest with the State as a partner is a pretty darn good deal to address the infrastructure needs of our community. Kudos to the BPU Board working this out and working with our Kansas Department of Health and Environment. We do have a motion and a second, I would ask the Clerk to please call the roll.

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

March 29, 2021

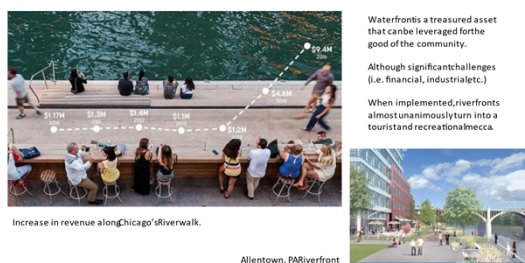
Item No. 2 – 21733...RESOLUTION: KAW RIVER BRIDGE COOPERATIVE AND DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the Kaw River Bridge Cooperative and Development Agreement, Bridge Lease Agreement, and Public Use Condo Unit License and Management Agreement, submitted by Katherine Carttar, Director of Economic Development.



Katherine Carttar, Director of Economic Development, said I know we've come in front of you all many times for information only over the last year. We're really excited to bring this forward tonight for an actual action vote for the Cooperative and Development Agreement. This is the agreement that really does provide the overall structure for the greater project overall and then if it's successful and approved, then we would come back with future kind of more procedural portions of the project.

Reinventing the Modern Riverfront

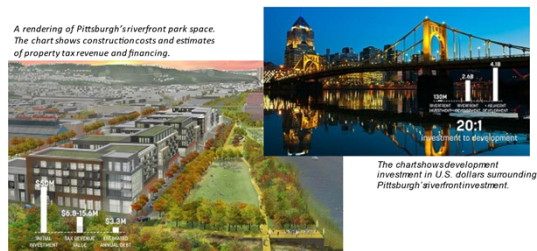


I think a lot of people have heard me and others speak about this, so I will be somewhat brief, but I did want to remind everyone where this came from. That this is generally a larger kind of plan to reinvent the riverfront in general, provide access to the river. This is something that many cities

March 29, 2021

across our country have been kind of going in this trend because for so long rivers in the United States were really solely viewed as ways to transport for commerce.

Reinventing the Modern Riverfront



So, what we're seeing really across the country are those cities that have embraced their riverfront and done real investment into it and they really do see quite a return on their investment which is something that we would like to also get in on it as we have a beautiful river and area that we aren't really able to access at this time. In most cases because of railroads, but in others because there is just nothing there that would actually draw you to the river.



With that, I just want to orient you all to up at top you can see where downtown is, then you've got State Line running right here and the bridge in question is right here at the bottom of the screen. We've already previously come to you all with a different project, with the Yards Project that Flaherty & Collins is doing, that would be the apartments right here.

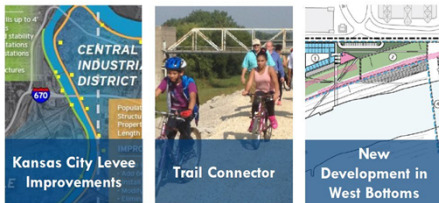
This is really an interesting time I think for our riverfront as there's a lot of different synergies happening between adding multi-family, which is currently in the works, then our nearly \$500M levee raise project which is going to bring nearly 20 miles of levee trails. There are a

March 29, 2021

number of things that we are really trying to kind of focus into this one-time additionally the Armourdale Master Plan so we've been giving a lot of thought to how this bridge project and other proposed projects with the levees and other riverfront projects can actually be that kind of catalyst that really does draw people across the river into Armourdale, into our downtown, into Central Avenue and we think there's a lot of promise here for all of those things to happen. The bridge project, as we are going through the steps tonight, is one of those that I think does a lot.

The RIB is literally central to multiple current and planned investments by the UG.

The UG can participate in a public-private partnership (P3) with Flying Truss due to an alignment of timing, location, and design. Notably, the USACE is nearing completion of the Kansas City levee improvements and associated betterments.



As I mentioned, a lot of different synergies. This is a project—it's a bridge that's from 1905. It's blighted, it's really a safety concern honestly at this point. It has not been used since the 1970s when the stockyards kind of went away. So, this is really an interesting project and I credit Mr. Zeller and his team for kind of really thinking outside the box and coming up with a plan that can really reuse this.

It truly is creative reclamation and getting rid of blight in a very creative way that will hopefully provide a great attraction and something that not only KCK, but the State as well as the whole metro area can be proud of.

With that, I am actually going to turn it over to Mr. Zeller to give a project overview. Mike, are you on? I sent an email and his name is now Mike Laddin for the purpose of this meeting.



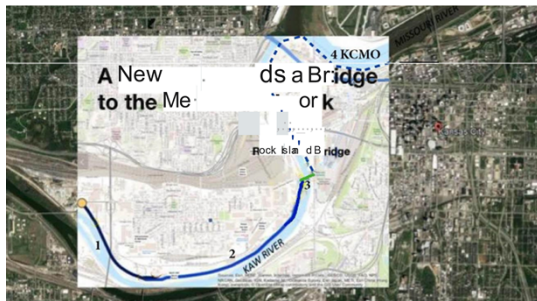
Michael Zeller, 15 E. 68th St., KCMO, said I'm here as the President of Flying Truss, LLC with two partners, Mike Laddin and John McGurk. I want to first thank the commissioners for being here tonight and also for all of you coming down to visit the bridge personally. That is, of course, a view of the lovely Kansas River looking north at Strawberry Hill and the lovely steeples there that we might be celebrating in new ways very soon. That's what got this all started, was a boat trip on the Kansas River realizing just how lovely it is.



My partners and I lease this bridge. It is in Armourdale, connects both sides of the Kaw. Obviously, it was a big part of the Stockyards district and we thought it was a place to put a small event space initially with an egress in and out, so we leased it. This bridge is presently owned by Kansas City, Missouri although there is a transfer mechanism in place. Soon after we leased that bridge though, we were contacted by representatives of the Unified Government who were working on addressing some trails inequity, building trails four miles coming from the Proctor & Gamble plant at the top of the levee district all the way up to this bridge and had made some changes in plans and realizing it might make more sense if they cross that trail at our bridge.

March 29, 2021

That got us scratching our heads, how can a railroad bridge, very beefy inspected. It is robust and can handle the loads according to a MARC study, but how can it serve as both a public crossing and as a destination as we were initially thinking. That set us, of course, on this partnership path with our UG partners and along a long path with local engineering firms and architectural firms to the proposal that we have now.



There you see the path that I was describing. The bridge is in green. By crossing and running north on the east side the UG would avoid—there's a wall on much of the west side. It's not very interesting to ride a bike behind a wall. The bridges tend to be lower on that side which requires additional engineering around and there's a railyard are the reasons that were explained to us for wanting that partnership. You see that's where the river gets as close to Missouri as it ever does as it heads north.



That's just a look at the Kaw from the north bank of the Kaw. I think that's the southern tip of that island.

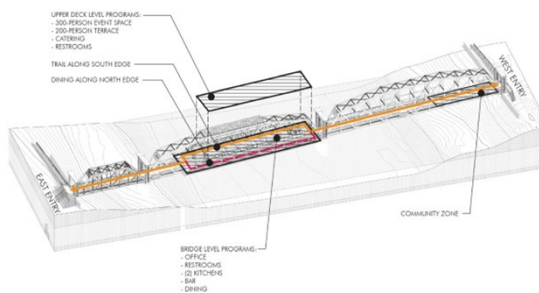
March 29, 2021



This is a group of fun folks; I've been on a few times. CABA has been organizing a Wednesday night ride on the levee top to help the community recognize what an asset it is. I think that's one of those low bridges they're talking about right there.



It's a nice ride on those levees because you're up high and you get a nice view of the river and you can look down into Armourdale as well.



March 29, 2021

This is the partnership solution, the structural solution, that we've come up with and really what's interesting is to create new land, if you will, by adding big heavy steel cantilevers off of both sides of this stout railroad bridge. You see there's three trusses. Each of the two trusses on the right are 100 yards long. There's a smaller truss on the left. Altogether it's 700 ft. long. The scale of this thing really shouldn't be underestimated.

On the lower deck is—well, first off it's that golden line across, it's a public crossing. It's 18 ft. wide all the way across except for on the south side of the entertainment district, it's a 13 ft. wide path. People will, 365 days a year, be able to make their way across this bridge unimpeded. We are going to have a lot of children and people on the bridge so it will be a dismount zone though for safety reasons.

On the lower deck you can see on that central truss, that is the trailhead. It's part of the first trailhead that we've been able to find anyplace that's in the middle of a river. We'll have 11 restrooms, drinking fountain, bike racks, bike tools, acres of seating, and a lot of private enterprise amenities that people can take advantage of if they choose to or not. It's kind of like Union Station. It's an open public space, people can wonder in and out, you don't have to take advantage of those amenities, but if you want to get a lawn chair or a cup of coffee, you're always welcome to do that.

On the top deck, these are steel and concrete decks and the lower deck is 80 yards long, the top deck is 70 yards long, so this is a big area here and it's a 13 ft. cantilever off of both sides of the bridge. The top deck forms a rainproof ceiling for the lower deck, but it's all open air and up top, we have an event space, an open veranda, more public restrooms, a second coffee shop and bar.

That sums up what's going on in the center of the bridge. On the right is a feature that we're real excited about, a community zone, with 9 ft. cantilevers off of both sides of the bridge serving things—really serving the community's needs there. Free wheels for kids, it's going to have a space to rent bicycles and to leave on bike rides. We're going to have a community kitchen and we've been talking to all kinds of independent operators in Kansas City, Kansas from soul food to pizza, street tacos, and organizing them with thematic things happening on the bridge.

We're also in our conversations with two different groups that own kayaks and canoes and want to teach kids and the general public how to canoe on the river and the Kaw is a lot better to learn on because it's so much more calm than the Missouri River. There's talk and some consideration, I know, amongst the UG community about bringing staircases down or some kind

of connection to that waterfront and we want to provide a kiosk on the bridge for people to rent those small crafts out.



This is the front door at both sides welcoming the trails, come in on the levee tops and that's a dismount zone and then you walk your bikes across or carry on by foot. Bridgette Jobe, who I think was sending a letter, she has been calling this bridge the front door to Kansas which sounds pretty good. It's about 100 ft. from the state line. It's a minute walk from HyVee Arena at the western end—or the eastern end, excuse me.



That is looking east toward HyVee Arena. That's the public walkway on that southern cantilever.

March 29, 2021



It's mirror image on the north side. You see there is more seating there. I like the experience if you're coming across the metro on the trails network to be riding your bike in an Italian city and you come upon a piazza and there's a lot of light there and there's tables and people drinking coffee and maybe some street performer persons. You dismount and you walk through and it's a pleasant thing and you can choose to stay and read a book or get dinner or just go on through. That's kind of what this is here.



We've really advanced the designs over the last eight months. You see the double-decker and steel and concrete nature of this with the top deck providing a waterproof ceiling for the lower deck. Up top at the left of your screen is an event space and it rises to the very top of the bridge. There is a roof on it and what you see there is a sailcloth that on the vertical sides of the bridge can be lowered or raised according to weather. That could be for weddings, corporate events, charity fundraisers and then to the right of it, you see some buildings there. That's another coffee shop, a staging area for catering, more public restrooms and then an open-air veranda up top.

March 29, 2021



That's as viewed from the bank. You see the event space walls are in there closed position. Maybe it's a windy evening or maybe it's got a little bit rain.



There's lights. We'll light the bridge. This is from within that top deck event space. Ninety percent of the week it's just going to be open air public space like Union Station, but on a Saturday night folks can rent that out, that's space up top for an event. It's a big cathedral like, it's 35-40 ft. height. You see on the sides outside of the structure of the bridge is a translucent polycarbonate roof material. It will hold about 350 people and that's a dance floor in the center.

March 29, 2021



This is one final view of this entertainment district at the center in action and notice, the top deck is in the open position there.



This is the community zone at the western entrance. Again, a guest kitchen and shelters for a variety of mostly youth serving organizations who's mission it is to do things that also activate the trails and the river and the bridge and that environment down there. So, biking, boating, painting, all of those kind of things.



March 29, 2021

That's a view looking east at the community zone. We're going to give it a different name. There's kind of a Kaw awakening. Katherine alluded to all of these things that are happening at once and it's kind of happening across the country. Riverfront development is really a proven development model. People like water, they like running water even more.



Separate from the bridge project but related, a group of investors have bought a riverboat, very similar to this one and are planning to dock it at the base of the bridge, not quite under it, but a little south especially—or a little north on the western side and use it as a floating event space and coffee shop. If we can get the proper permissions, we plan to take it out onto the river as well.



Hosted By

KCK Forward (Chamber)
CABA
ArmourdaleRenewal
KC Levee Trails
KC Boat Club
Friends of the Kaw
All American Catfish
Port KC
Historic West Bottoms
Rock Island Bridge

Here's some more examples of the Kaw awakening. We've been bringing a lot of people down to the river. COVID slowed us down a little bit but we did manage to do this at a socially distanced social is what we were calling it back in October and you can see the great mix of organizations that were participating. People really having fun and wanting to share this great piece of natural—this powerful piece of natural beauty that flows through our city. It's over 100 yards wide. When

March 29, 2021

you get down on the Kaw, it's surprisingly big and it's very quiet down there because the levee is protected from the city noise.



That's on the Kaw right there back in October.



And another view. I think that's actually from a year earlier, but you can see downtown KCK in the background. The Kansas City Boat Club always has their teenagers, the crew boats, you know the long skinny boat with all the rowers onboard and, of course, we'll have kayaks and canoes, bikes on the levee. We really want to activate this natural corridor that flows right through Kansas City, Kansas, right there in the heart of the metro.



He was having fun. That's a pretty typical response. Everybody comes off of those boats with a big grin on their face.



GrowthPotential

Cross-River Zip-line

Kayak/Canoe Rental

Restaurant Up Top

More Gardens, Art & Activities

What we're showing you is a pretty ambitious Phase 1, but it will be the first destination bridge and public crossing, public trailhead in the country, but really we're planning more activity later on. This is Steve Foutch, the fellow that reclaimed Kemper Arena, hung a floor in the middle and turned it into a youth sports center. His plan next is to build a ropes course on the roof and during this conversation we were up there talking about having a third party culminate that with a zip-line that would go across the state line and across the river. It's not something you would just want to operate. We would want a third party operator for that. We've got kayak/canoe rental as I mentioned.

We're taking a serious look in about the year 7 or 8 about putting a sit-down restaurant on top of one of those heavy-duty lift gates and, of course, there's a lot more gardens, art and activities. Julian Zugazagoitia, the President of the Nelson-Atkins Museum, and Dana who leads the ArtsKC along with Monica at Armourdale Renewal have agreed to sit on a disbursement fund at the Community Foundation. There's folks interested in helping us put vertical gardens and art and

March 29, 2021

other kinds of educational activities on this bridge once we get it going. Those folks have agreed to help guide that process.

HR&A Finds Public Benefits

Connects KCK Levee-Trail to Metro Network

Reclaims Blight as Attractive Destination

65 Jobs (360,000 Visitors KS Dir Tourism)

Catalyst

Returns UG Investment, taxes, revenue share

"One of the things that people will think
of when you say Kansas City"

So, is all this real. I mean can you really do this sort of bridge? I think that was a fair question. The Unified Government and the Secretary of Commerce for Kansas together funded a national planning firm that runs numbers on a lot of projects called HR&A. I believe they're based in New York, to answer a lot of these questions. They are most famous for—they run numbers, but they also are most famous for planning the High Line Trail in New York City, which is quite famous and, of course, has contributed a lot of economic development there. Their conclusion, in a nutshell, are that, yes indeed, this will achieve the UG's goal of serving as kind of a keystone for trails on both sides of that levee there. It will reclaim blight and it will turn a negative into a positive, but really a destination.

We think that NFL football cameras on the blimps, they're going to be pointing at this thing because it's just so unusual. It will create about 65 jobs. Bridgette Jobe estimates we'll have 360,000 visitors year one. She's the Kansas Director of Tourism. It's a catalyst for a lot of things. Energy follows attention. All these folks from around the metro, and even from further away from that, they're going to be looking at the Kansas River. They're going to be traveling on down Kansas Avenue. It will be a catalyst for a lot of good things, energy follows attention.

The revenue numbers that can be generated on the bridge are indeed enough to return the UG's investment from a restricted tourism fund right now, that money will be paid back with interest and also the UG has a revenue share but I think Katherine is going to go into those details.

The final thing that the leader of the study said in a Zoom call with some commissioners back in November that really struck us is, she said one thing—this bridge is going to be one of the things that people think of when you say Kansas City. So, you know, we have Union Station, we

March 29, 2021

have the shuttle. We have a lot of great things and perhaps one day this bridge too will be on that shortlist.



This is just a slide that reminds—a lot of the cool things in cities around the country are ones sort of forgotten areas. You know an old shoe factory that was abandoned, a creek through the middle of the city that was very much unloved. I think there are plenty of other examples of these and when you turn them into something fun, they end up being an important placemaking vehicle.

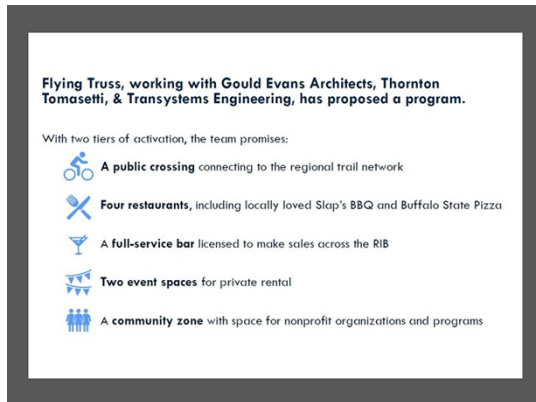


And that's it, America's first destination bridge.

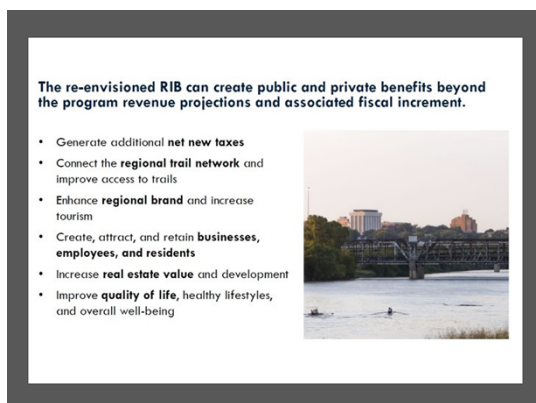
Ms. Carttar said thank you so much, Mike. That was a great overview and I think we got to see some updated renderings. As Mike mentioned, we've been working on this project for quite some time, but I think the really positive thing about that is, not only has the project, the terms, have gotten better but also the design has gotten better. So, in particular, when he was referencing how the event space is now on the second deck meaning that we will now ensure that the trail crossing

March 29, 2021

is unimpeded. I think there are a lot of really positive things here that we're going in the right direction and taking that extra time has actually really improved the project on all sides.



I'm just going over kind of what the project entails.

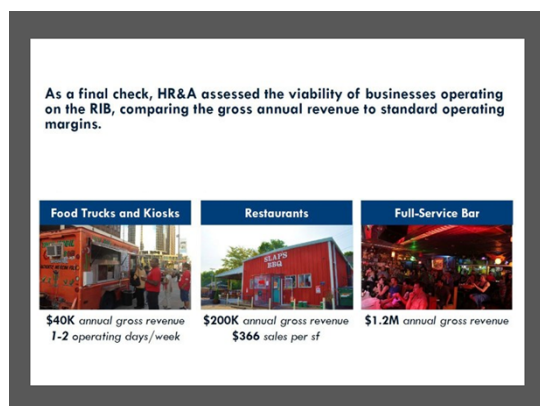


Just to kind of review some of the things that we believe that this project would bring to our community, net new taxes. Again, we're working with the Army Corps of Engineers to provide the trail network on the levees. This will just provide a really interesting and unique way to cross the river. We've got a couple other crossings but, you know, they're under highways or next to highways. This is one that really is just so specific to the experience and to the bike pedestrian experience that it would be quite a draw we think.

Additionally, kind of that regional brand increasing tourism as well as attracting businesses, employees and residents. We also see that this is one of those things that will continue to kind of success that gets other success, so with the multi-family that will be breaking ground over the next year, you know, having a lot of people on the Kansas side, this will, we believe,

really catalyze and encourage future development on both sides of the river. Particularly, again, kind of drawing people across over to Armourdale.

Last, but certainly not least, we all know that Wyandotte County does not rank very high and actually it ranks incredibly low when you look at the state and health outcomes and so providing fun interesting ways for our KCK residents, Wyandotte County residents, to get outside and be active and improve their health and quality of life. So, that includes being on the trails, renting a kayak or canoe. This portion of the river is very calm, very easy to do so. You don't have to be an expert. I think these are all really positive things that this project would bring to our community.



Again, as Mike mentioned, I won't go super in-depth in any of this because we did have presentation by HR&A just a couple of months ago where they went far more in-depth in their review, but we did have the third party. We felt that was very necessary as we're not experts in economic impact analyses for something on a bridge, so it's somewhat unique.

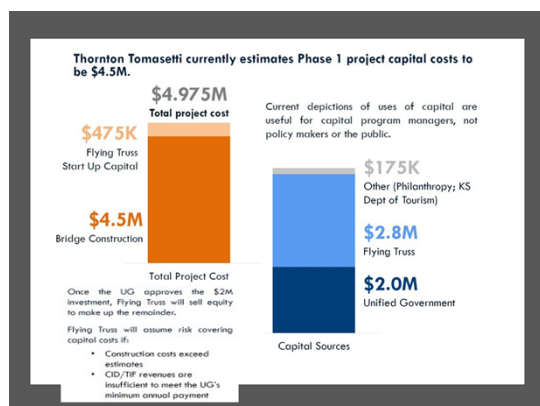
Flying Truss has adjusted its model to conservatively assume the RIB will host 250K annual visitors.

ANNUAL VISITATION ESTIMATES	CAPTURE RATE ESTIMATES
400K – 500K Highline Partners	50% Kitchen sales, averaging \$8 per customer
360K Kansas Director of Tourism	40% Bar sales, averaging \$10 per customer
250K Flying Truss updated estimate	

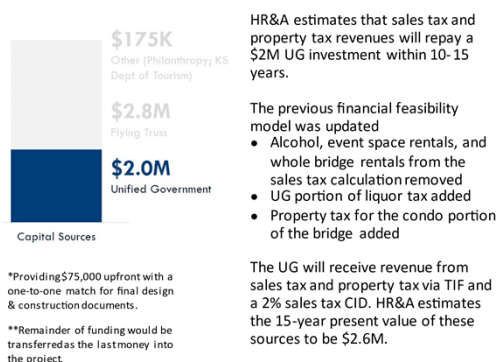


March 29, 2021

This third party came in who are experts in doing this type of out-of-the-box analyses and really looked at the revenue, the gross revenue, the annual visitors. I will say that all of the numbers that you'll see are based on a much more conservative 250K annual visitors. We would anticipate that would, hopefully, be very, very low end but we anticipate far more visitors throughout the year, but again, we want to make sure that the numbers we are providing are realistic and are conservative so that it is only upside and we really believe that's what we are presenting here today.



Just to go over some of the financial aspects of this, we're looking at an overall total project cost of about \$5M. You can see that on the left side in the orange. On the blue side is kind of where that capital would come from, so Flying Truss would be going out and working to raise the additional funding but I'm going to, of course, focus on that \$2M you see from the Unified Government.



I would like for you to think of this—it's really an investment in our riverfront development, so we believe and this is what we're going from, for now the HR&A estimates of revenues that would

March 29, 2021

be generated. If we put a TIF district in place and took the incremental property and sales tax as well as a 2% Sales Tax CID, that would raise sufficient money—we're actually anticipating to be about 12-13 years that we would be fully repaid, the \$2M with interest.

Now, that's not incredibly fast but it's also, again, we're looking at basically the most conservative way of looking at this. So, when we're thinking about the amount of taxes that we would be receiving, the amount of sales that would be happening, we're wanting to make sure that really any level of success would be paid back faster than is anticipated.

It's just saying a \$75K upfront to a one-to-one match of part of that \$2M for the final design and construction documents, but then the remainder of the funding, which is obviously the vast majority of it, would be the last money in. We're really talking about trying to figure out how to make sure the funding that the Unified Government is providing is as safe as possible.

Todd LaSala from Stinson, our outside counsel, will be speaking here in a minute about some of the deal structure and that risk mitigation in more detail.

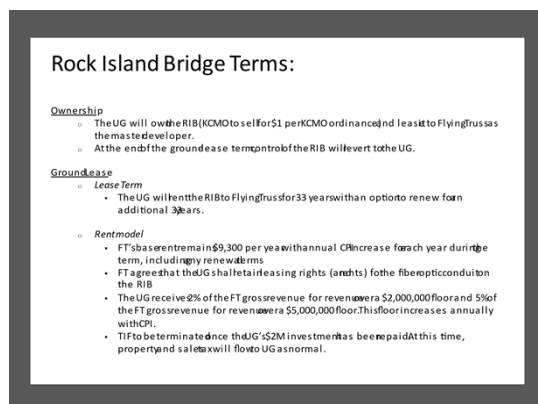
Estimated additional UG Financial Benefits (over 20 yrs):

- Annual Rent: \$9,300 annual with CPI inflation
 - Total over 20 years = \$249,894
- Revenue Share = \$300,571
- Sales Tax Revenue (post TIF termination) = \$556,554
- Property Tax Revenue (post TIF termination) = \$780,927
- Fiber Conduit Lease = \$25,000 annually
 - Total over 20 years = \$500,000

Total UG Financial Benefit over 20 years = \$2,387,946

In addition to the \$2M payback over that 12-15 years, there are estimated UG financial benefits. I took a snapshot of just 20 years. Again, this is estimated, but all I would say very conservative numbers. There would be annual rent about, again, not a huge number but this all adds up to about a quarter of a million dollars over the 20 years. We are talking about—or put into the document the revenue share that the better the bridge does, then we kind of all win. Additionally, once the TIF—well, once the \$2M is paid back, then we would terminate that TIF and then the sales tax and property tax would just kind of flow as normal to the General fund. This would be kind of year 14 through 20, that's what I'm showing there which is a real significant amount of funds once it gets going.

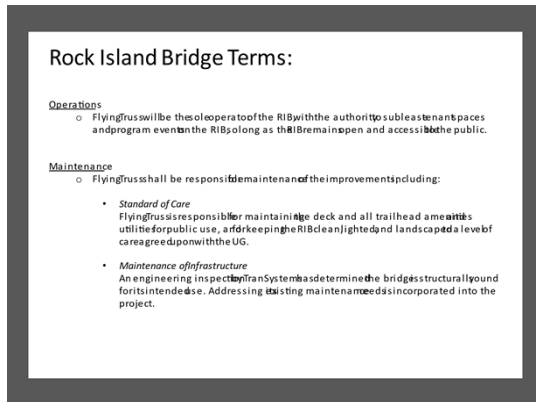
Last, but not least, there is actually a fiber conduit that goes across the bridge and we would retain some amount of lease payment through that. In addition, again, to being repaid the \$2M with inflation, there would be an additional, again, I would say minimum \$2.4M in additional financial benefit.



I'm just going to go very briefly—there's lots more information. There's an executive summary that does a great job of going far more in-depth into a lot of these bridge terms, but I'm kind of giving a high level—ownership, currently Kansas City, Missouri does own the bridge in kind of a bazaar twist, but we do have an agreement with them that at such a time that we are ready to move forward on this project and approvals have been received from the Commission, then we will transfer that property ownership to the Unified Government for \$1. It felt very important that if we were going to be investing Unified Government taxpayer money into this project, then we really would want to own that and really control the density along with Flying Truss as the matching developer.

Additionally, there would be a ground lease and a management agreement all part of the more—it's somewhat complex but very secured structure that we would put in place in terms of the term. Lease term would be 33 years with an option to renew for an additional 33.

Rent, as I mentioned earlier, just under \$10K per year. That would increase over time and then, of course, the repayment and the revenue sharing so if there was an ability to gain more than \$2M, there would be a 2% revenue share if the bridge does great, which we hope it will, and gets over \$5M then that increases to 5%.



Flying Truss will be the sole operator and then they would have subleases to the restaurants. Then, in terms of maintenance, this would be—well, the vast majority of this bridge would actually be public space, it would be the public trails. Flying Truss would be taking maintenance responsibility for all of that as well as the trailhead so this will be a really unique location for a trailhead. This was something we had anticipated with the levee trails that this would be a great location for a trailhead. At that moment we hadn't thought that it would be in the middle of the bridge, so really pretty exciting and different. So, additionally, the bathrooms and lighting and other things that Mike discussed.

Rock Island Bridge Terms:

Public Access

- The RIB is first and foremost a public asset and must remain and be perceived as publicly accessible.
- The UG agrees to connect the RIB to the UG trail network on both sides of the RIB, and to provide ADA land-side access ramps as part of the UG levee raise project.
- UG agrees to secure land for public parking at the west end of the bridge and build a lot for public parking.

Public Programming

- The UG has the right to host up to two whole-bridge events annually on the RIB for no rental cost, with advance notice of 12 months to Flying Truss providing it's not already booked. All food and beverages consumed are purchased from bridge-based vendors at standard rates.
- FT wants to accommodate the UG's community engagement needs. Therefore, UG may also host an unlimited number of staff and public meetings on the bridge (including enclosed event space) during non-peak times (defined by FT) at no cost, and as available.

First and foremost, we love all of the restaurants and event space and all of that, but first and foremost this would be a public asset, would be publicly accessible, public crossing, and really connect KCK and this location to the regional trail network which I think is a really big deal and will make this area really a catalyst and something that really focuses people and brings them down from all over.

As well as public programming, we've made it so that the Unified Government would be able to use this property as well throughout the year.

March 29, 2021

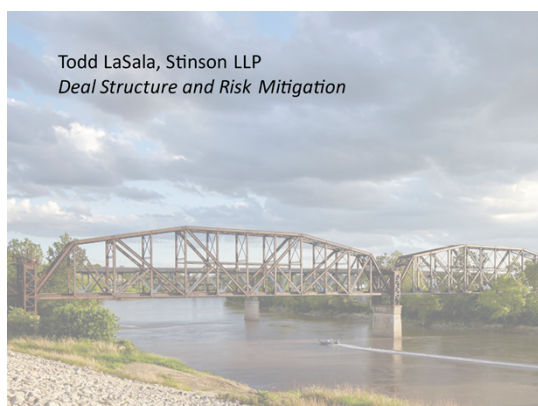
Rock Island Bridge Terms:

Events of Default

- In the event of default, possession and control of the RIB will revert to the UG. Examples of default include:
 - Failure by Flying Truss to commence or complete construction in accordance with the target construction schedule
 - Failure by Flying Truss to build the project as specified by the Final Development Plan
 - Failure to maintain public access or public right-of-way
 - Failure to maintain the RIB to standard of care defined in the development agreement
 - Execution of a sublease with a non-approved tenant
 - Failure by Flying Truss to pay rent
 - Violation of any other material terms of this agreement
 - FT and the UG agree to establish a reasonable cure period

Like all good contracts, we have various events of default. We won't go into those but it's all the things you would imagine and many that you probably wouldn't to make sure that this is, again, mitigating risk at every turn for the Unified Government.

With that, I'm going to turn it over to Mr. LaSala from Stinson to discuss a little more about the deal structure and risk mitigation.



Todd LaSala, Stinson, LLP, Deal Structure & Risk Management, said I'm your outside counsel. Katherine asked me to talk to you a little bit about some of the risk mitigation we did in this deal. This deal is unique in every possible way. That's also true of the legal structure. I'm going to really talk about two primary areas. One, the money, the investment the UG is making and two, the ownership structure like leases, management agreements and all of that.

Let's start with the money. Katherine did a very good job of summarizing the \$5M project, the UG's \$2M investment. It's a little bit unusual for us to advance money in this way. So often our projects are TIFs and CIDs and you're just drawing on those. This is different in that we are advancing that \$2M. So, what do we do to mitigate that risk and protect that risk and you're probably asking yourselves how can we be sure that we're going to get it back. Those are great

March 29, 2021

questions. Questions that your staff wrestled with throughout the negotiation of this. Number one, we're careful about the conditions that we have in Article III of our development agreement about when we turn on the money. Most of this money, but for that \$75K that Katherine talked about, is kind of a predevelopment advance, and there are conditions on that too, but for most of the money \$1.925M, they have to satisfy all of the conditions before we go forward and allow access to that money so you know that you've got a real project, they've got their financing, everything is for sure, this thing is going forward before we turn on most of the money.

Secondly, our development agreement has in Section 4.6 a draw request process so it's not like you're just going to write them a check. They're going to submit to you, as they progress with the project, draw requests to show you what they're spending the money on, what they need the money for and we're going to sign-off on each of those draw requests before we disburse those funds as and when they need them.

Third, and Katherine talked about this, our primary source of repayment for the \$2M is a TIF and a CID, Tax Increment Financing, 20-year life based on both sales taxes and incremental property taxes as well as a 2% sales tax CID, that's a 22-year life. Both of those, as Katherine talked about, HR&A looked at those two revenue streams and said that they think, even conservatively, we're likely to get paid back from those two sources in 12-13, no more than 15 years, and all of that's good. By the way, the developer doesn't get any access to any of that money. That is all UG money, every dollar of it until we're paid in full. Once we're paid in full, the TIF can terminate and go away. It won't exist anymore. We would allow the developer some access to CID money once we're paid in full which provides them some incentive, but that's the primary source of the money.

However, in the event that this thing doesn't perform the way HR&A thinks, despite the conservative assumptions, in a world where it's not generating TIF and CID money as fast as everybody would hope and there are shortfalls about what we're supposed to get, the developer agrees to write us check for the shortfalls. They stand behind it and they guarantee that in the event—and we set out an amortization schedule, we amortize the debt over 20 years, not the 22-year life of the CID, 20 years, and essentially we're supposed to get about \$10K a month from these sources. In the event it's \$8K, the developer writes you a check for the \$2K difference.

All of that is a long way of saying those are the ways that we tried to mitigate our risks here and make sure that if we're going to put \$2M in, we're going to get that money back. So, that's one of the two things Katherine asked me to talk about.

The other thing I'm going to touch very briefly, and she did it very well, this is a really complex development agreement in terms of ownership structure. It's weird that the bridge is owned by Kansas City, Missouri and we're going to ultimately buy it from them for a dollar assuming that the project is—all the conditions are met and we're ready to go forward, but we're going to own the asset. It was important to us to have the UG be the owner because in the event that somewhere this thing doesn't work, that there's default, the UG needs to be able to control its density and decide what's going to happen if something falls apart.

That is sort of why this unique structure with three different documents and I'll just say, very briefly, there's a lease for the commercial components of the project and really a management agreement for the public spaces, the trails, the public spaces, the trailhead; that stuff is really governed by a management agreement and there's some tax benefits to doing it that way. But, importantly, and Katherine touched this, very importantly; those two documents—the UG owns it but the UG passes on all of the indicia of ownership, all of the responsibility for maintaining it, paying taxes, insuring it; all of that is pushed forward to the developer and they're obligated by those documents to do all of that.

These were important things to us as we tried to mitigate risks in this project because it's very unique and I'm happy to also answer questions about the very detailed executive summary you have, but I'll stop there for now, but I think that's what Katherine wanted me to touch.

Ms. Carttar said thank you Todd. With that, that is our lengthy presentation but there's a lot of information to get through. With that, any questions?

Commissioner Townsend said good evening Mr. Zeller. I certainly hope the bridge doesn't have as many problems as I'm having tonight with this mute/unmute. Let me start off by saying you know you come a long way, as Ms. Carttar had said, from the initial discussion about this project to what we've heard tonight, so I commend you and your team, Mr. Laddin, Mr. McGurk, your other co-owner. Mr. LaSala, Counsel, I do have I guess a lot of questions that probably would be

more suited to your involvement here because they stem from this language of the executive summary. Let me start with some of those.

I'm looking at the executive summary Section 4, phases minimum improvements, in the opening of the food hall and maybe four is also tied to Section 12 as assignment of transfers. There's going to be a food hall and is this going to be on the top deck of the bridge or the lower deck? I'm a bit confused with where that is going to be. **Mr. LaSala** said the food hall is anticipated to be on the lower deck. **Commissioner Townsend** said so this is like a food court in a mall, similar to that? **Mr. LaSala** said I think Mr. Zeller could probably describe this better than me, but actually why don't I turn it over to Mike. Mike, will you take this because you'll do a better job at explaining this than me.

Mr. Zeller said sure. A food hall is a term of art. It's two high-velocity kitchens. It will be a spiky business out there on a warm evening in June when the Royals are in town and HyVee Arena is in full swing and there's things going on. We've got some operators that are going to be able to serve, you know, 500 people an hour.

Ms. Carttar said I think, Commissioner, as you can see here on the pictures, but yes, upstairs will be the event space, terrace, kind of more public space when there is not an event. Down here on the first floor you'll have a couple different commercial kitchens that will then serve a multitude of different restaurants as well as a coffee shop so that people can come, grab a slice of pizza or some barbeque and then sit on the bridge and enjoy the ambiance while—this southern portion right here would be—it's kind of hard to see at this angle, but would be the open public trail at all times.

Commissioner Townsend said okay, so from the depiction that we're seeing now on what level is this food hall and where will the food vendors be? **Mr. Carttar** said right here on the first floor. **Mr. Zeller** said yeah, the kitchens are right there on the left side, two industrial kitchens. There's also a community kitchen in the community zone that's more of a pop-up kitchen. **Commissioner Townsend** said and where is that—going back to the depiction that was just shown a few slides ago? **Mr. Zeller** said it's one of the lightweight structures in the community zone on the western side of the bridge.

March 29, 2021

Commissioner Townsend said let's go back to the other depiction that showed the two levels. I can appreciate that view more. With this depiction, where is the community kitchen? **Mr. Zeller** said in one of those shelters there. **Commissioner Townsend** said on the second—**Mr. Zeller** said no. What you're looking at right now is on the central truss in the middle of the river. The community zone is on the western truss at the western entrance to the bridge. **Commissioner Townsend** said but it's on that lower level. **Ms. Carttar** said yes. **Mr. Zeller** said yes. The whole bridge is at that lower level, the public crossing all the way across with the exception of in the middle it has a second deck. **Commissioner Townsend** said okay, so what I'm getting at is all of the food vendors are going to be on that lower level. **Ms. Carttar** said right. **Mr. Zeller** said yes.

Commissioner Townsend said is that level part of what's required in Phase 1. Is that part of the Phase 1 delivery? **Ms. Carttar** said yes. **Commissioner Townsend** said okay. With respect to Section XII—Article XII, the assignment and transfer, I'll also note that in Section 11 you have minority and women-owned business goals, which is great. I want some clarity though about the required participation for women and minority-owned vendors. I'm looking at Section 12 and it seems like the developers here, Flying Truss, will be the one who will be entering directly into the leases with tenants that occupy the food hall. Is that correct? **Mr. LaSala** said that is correct.

Commissioner Townsend said well, I want to say that I think this thing could be great and that's why I am—a great opportunity, great draw for KCK and that's why I would want to see as many minority and women-owned businesses get in on the ground floor, so to speak, the bridge level, so to speak and so I appreciate that I know, Mr. Zeller, you were able to already meet with a couple of the constituents in my district who would love to participate in this project. I think it could, you know, go great guns for KCK as a draw, but I would like to see more teeth in Article XII so that there is some guarantee that women/minority-owned businesses are going to be part of who is on that bridge and get the opportunity to get in at the ground level on this. That's my comment with respect to that.

I'm still debating whether I want to see that required, but I think that's so important and to have these people in an environment where folks who come through there can develop a brand loyalty, so to speak, to those restaurants and when they come through there, they will know they're going to see, you know, Wilson's Pizza or they know they're going to see Mrs. R's or whomever.

March 29, 2021

I thought I heard the term pop-up, but I would love to see a more permanent presence on that bridge for minority and women-owned and I'm not ashamed to offer my two constituents for that. So, I would like to see that.

We talked about the repayment period. The \$2M I think plus another \$300K, that was over what period of time, 10 years, 20 years, what are we looking at? **Mr. LaSala** said right, but it's amortized and really guaranteed by the developer over 20 years. The 12-15 year period you hear us talking about is the projections based on the feasibility consultant. So, at the outside it's 20 years, it's expected based on conservative projections to be 5, 6, 7 years less than that in the 12-13 year range. **Commissioner Townsend** said okay, and so the \$2M that we're looking to provide presently, let's say in the 20 years, we're looking at that value being what or maybe I'm asking it backwards. I'm looking at the present value of this money, that's really what I'm getting at. The \$2M we loan today is going to be worth how, you know, in 20 what would—**Mr. LaSala** said that's a good question. I think I can answer this. The amortization schedule, I hope I can do a good job of this, maybe not. I'm looking at Exhibit I of the development agreement, Commissioner, because we've got a very detailed amortization schedule that shows, it's \$2M at a 2% interest rate over a 20-year period so over the course of—so monthly, it's like \$10,117 a month for 240 months so the accumulative interest they're going to pay is \$428K on that money you loaned them over the 20 years. I hope that helps. **Commissioner Townsend** said yes.

Also, on Section XII—Article XII, the assignment and transfer; it says the developer may all also make assignments to affiliates. Who or what are the affiliates? What do we mean there? **Mr. LaSala** said it would be in a defined term in the development agreement. Over time our experience with these has been that developers may want to transfer portions of their projects to affiliated entities so that they can have different ownership groups come in, partnership groups come in, and we want to give them some flexibility typically to make those kind of transfers where you still actively have the same team, but you're giving them some flexibility around their ownership structure. So, what that provision will say when you dig into it, is that as long as Zeller and his team are maintaining control and we effectively have the same people on the other side of the table, they're allowed to do structural changes with affiliated entities that they would create that would have the same folks in control, but perhaps different owners or be structured in a little different way. **Commissioner Townsend** said okay, so essentially if the group that we are dealing with now, Flying Truss, basically remains the same, the principals involved. **Mr. LaSala** said

that's correct. Those provisions in your development agreement really give us a look and approval right if there's going to be a big change, if somebody really new is going to come in and take this thing over and operate it, they're going to sell it and get out, that's when our approval rights kick in. **Commissioner Townsend** said okay. That's what I was concerned about.

Well again, I think Mr. Zeller and his partners have come a long way since this was first proposed. I do feel strongly about in the assignment and transfer section adding an MBE requirement. I would love to see, and I just believe strongly, that we need to have minority and women-owned businesses, especially over there who are operating for decades in the northeast end, be able to get in on the ground floor on things like this. So, those are my comments. Thank you.

Commissioner Walters said I think this is a great project. It has morphed a little bit since we initially saw it, so that's very encouraging. I do have one question or clarification for either Katherine or Todd. Item 6, the UG improvements. It says we agree to provide design and construction of the following improvements and it talks about trailhead parking, access. Are those improvements that we're making outside of the \$2M commitment? **Ms. Carttar** said yes. These are improvements that we would be making outside but the way that we're looking at that is that these are improvements that we would be making as part of the trailhead regardless, so having some amount of parking at that location to encourage people to come to the levee trails as well as providing the ADA ramp to get from that parking or sidewalk to the trail would all be things that we would be doing anyway. We're hoping—**Commissioner Walters** said excuse me just a minute. We would not be making those improvements if we were not making the bridge into a bikeway, would we? **Ms. Carttar** said well, we were going to do a trailhead at this location. It wouldn't have been, obviously, this extravagant. **Commissioner Walters** said has it been designed and priced at this time? **Ms. Carttar** said we are working with HNTB right now to do that. **Commissioner Walters** said if we commit to this, we are committing to sort of an open-ended budget to achieve these improvements? **Ms. Carttar** said I think within reason. We're not committing to a specific number of parking spaces; we're not committing to providing parking. We have a piece of property already that we have due to some easements that were done as part of the levee project as well as with some additional—**Commissioner Walters** asked, well, do we know if it's \$100K or a million, or somewhere in-between or is it truly open-ended at this point?

Ms. Carttar said it's certainly less than a million. I would say that would be—**Commissioner Walters** said it would be good to see and get some information on that. **Ms. Carttar** said we are anticipating that we will get those. I was just speaking with our Public Works folks today about making sure that we get those much more—or here quickly. **Chairman Burroughs** asked, Commissioner Walters, any other questions? **Commissioner Walters** said nope, that's it for me.

Commissioner McKiernan said I've been making some notes here as we've been going along and want to just share a few thoughts. I tried to keep them organized. I'll apologize in advance if they wander off the rails and go several different directions.

First of all, I think from the very beginning, the cool factor of this project has been off the charts. Having said that, anybody who has talked to me has known that I've had some concerns in my usual Eeyore or way that this project was maybe too much of a gamble for the Unified Government.

You know recently, the HRNA study suggests that it's not too much of a gamble for it and some recent conversations I've had suggested that I'm thinking too small and too negative and that I should and could think bigger and more positive about the potential long-term ramifications of this project.

With that said, I certainly do support this project and I think it's worth at least taking it forward to the full commission where more questions can be answered and where we can have a more robust discussion about our willingness to enter into this particular project. I do want to applaud Ms. Carttar and Mr. LaSala and Flying Truss for continuing to work on this project, the details of the project. I think you've done a better job of ensuring that we minimize our collective risks and that we—and we'll air quotes around it, but that we ensure the success of this project and also we reduce the amount of this project puts a strain on our infrastructure. As you've all heard me say before, every new project puts a strain on the physical and personnel infrastructure of the Unified Government. I think you're doing a much better job about making sure that resources flow to that infrastructure to support this project and the surrounding community.

I do think that some of the ways that this has morphed have been really very positive. I like the redesign that provides a more direct and an always open trail across the first floor, the ground level of this bridge. It was a concern to me that it was going to turn into, oh, you can't

come through here now type of access, so I really applaud the design changes that makes it a community asset every day of every year.

I also like the fact that the UG will own and then lease back this. I was always nervous about us entering into an agreement where we did not own the infrastructure and I thought that made it very hazy so I appreciate the fact that we will own it. I like the fact that we're effectively creating a surety bond so that we will get paid back our money even if this project does not pan out in the projections of the developers. I like the fact that our money is not first in. I like the way that you're proposing that the developer draws from us rather than simply get a bolus of money. So, I like all of those.

It seems to me that we will have an improved asset no matter what by the time this is all over, so even if all of the other amenities don't pan out, we will have an improved asset that ultimately does create the logical continuation of our existing Armourdale levee trail that starts out at Kansas Avenue, comes around to this spot and then dead ends because there's nowhere else to go at this point.

I do like the fact, and correct me if I'm wrong on this Katherine or Todd, I can see you both here on my screen, but we are proposing that these funds would come from our Transient Guest Tax pool, correct? **Ms. Carttar** said yes. **Commissioner McKiernan** said I do appreciate that because it's important for me that these are not taxpayer generated funds like property taxes or sales taxes, but they are rather that excise tax. It is a tax, but it is a tax that's put on hotel room nights and so it is a tax that is borne, not simply by the residents and the taxpayers of Wyandotte County, but by anybody who books a room here. My understanding is that these funds are designated to be spent for the promotion of visitors and tourism in Kansas City, Kansas/Wyandotte County and it would seem to me that this project certainly would do that.

I really appreciate the fact, and I hope your projections are correct, that our repayment cycle will be much faster than the typical 20-year TIF. I do think that gives us a more direct and a sooner benefit. Finally, you know, this maybe comes down to the I've been thinking too small, but I really do think as I talk to people that this could be a pretty far-reaching catalyst for future development both east and west and north and south of this particular location.

I had the opportunity to travel to the Louisville riverfront about a year ago. Well, it was before COVID so it was longer ago than that, but they began the process of reinvigorating the Louisville riverfront, which by the way does have a pedestrian bridge as a part of its amenities set,

but they started that 35 years ago and they have kept the pace and kept a dogged determination to continue the next step and the next step and it is quite an impressive waterfront amenity for that community. It would seem to me that given the same commitment and given a similar timeframe, we could have a similar affect in Kansas City.

I do think that this bridge could reach, not only to the east side of the Kaw River, where we have a fairly small sliver of Unified Government property, but it could reach to the west side easily. It might influence the Armourdale Master Plan which is in its nascent beginning stages right now and certainly I could anticipate that the effects of this might spread north toward Central Avenue, towards Strawberry Hill, and again, trying not to be Eeyore anymore and trying to think bigger, I do think that there could be a more far-reaching effect.

With all of that said, I applaud the evolution of this project and I think I'm going to go back and echo what Commissioner Townsend had said. Compared to the first time we were given a dream of this; I think this is a much more robust project that has a much more tangible and defined positive impact on us while at least trying to mitigate the negative impacts that could come our way as we enter into this. So, I certainly do support moving this forward for further discussion.

Commissioner Johnson said I just want a quick question to Katherine. To Commissioner Townsend's point, I thought we do have goals for MBE/LBE/WBE in our agreement. Is that correct? **Ms. Carttar** said yes, we do for construction. **Commissioner Johnson** said oh, just for construction. **Ms. Carttar** said not for—I can let Todd get into the legality of doing that for subleasing. **Mr. LaSala** said we have over the years—we always have construction goals, always, always, always. We don't always have operational goals which I think is what Commissioner Townsend is talking about and operational goals are—we from time to time will impose on development partners particularly when they control the operations.

The tricky part here that we'll have to think about, and maybe talk to the developer about, the tricky part here is the developer is not really going to be operating these restaurants, the coffee bar, the catering company. Most of that is sub—all of that really is subleased to somebody else and so we're going to be a step removed from the operator and I think—I mean it's important to Commissioner Townsend, so it's important to us, but I think it's going to be a little tricky to figure out how to make those subtenants operate in accordance with goal—they're not really going to have a relationship with us. Again, it's important and I think we're going to need to talk about it,

but we may be in a position where we've got our developer strongly encouraging its tenants to meet these objectives, to emphasize operation in this fashion. It may be difficult because we're a step removed.

Commissioner Johnson said I will say this, I see she has her hand raised back up, so she'll probably double down on this at least with more clarity than myself. It's not only important to her, it's important to me, but I think more importantly, it's important to our community as a whole that we have some real emphasis on local businesses that are the beneficiary of this project.

Let me make another statement about our investment and forgive me for being so crass, but is there anyway that we can get our investment any quicker than even what's being projected. I mean you're talking still in excess of 10 years before we could get the full investment repaid even with an amortization—even if it's paid back quicker than what is being shown in the amortization statement? **Mr. LaSala** said I don't know. **Commissioner Johnson** said I'm thinking from a lido perspective. **Mr. LaSala** said I get it. I absolutely get it. We have negotiated a lot about this very point. I think what the developer might tell you is look, we've spread this over 20 years because I, the developer, have to write a check if for some reason the revenue stream is not as robust as we all hope. We think it will be but if it's not—and so the developer, I think, has asked for that longer period so that if they actually have to come out of pocket and start writing checks, it gives them time. I think they will tell you, the best thing we can hope for is that these conservative projections are really conservative in which case we think we're paying this thing off in 12 years or maybe less. Commissioner, it's a really good question because it's been a hotly negotiated point between the two parties on this thing all along.

Commissioner Johnson said right. I'll make my final statement. I think that we are obligated to leverage the asset of our river systems. It's somewhat of a shame that we have not up to this point done so outside of what's been done at Kaw Point, but I think that this is a first step in regards to leveraging the great resource that we have in the Kaw River, but also, there may be opportunities later on with the Missouri River that runs around past our Quindaro Ruins and whatnot. Again, I see this as a way of us dipping our toes in the river, so to speak, to be able to have a positive asset that will benefit our city. I think also it's incumbent that the surrounding neighborhoods as we saw in Louisville, I think it's incumbent that the neighborhoods are brought in and are partners in this process so as to create the kind of vibrancy that we'll want to see for years to come. With that, I'll conclude my statement.

Commissioner Townsend said Commissioner Johnson is right, I'm going to double down. I don't play cards, but I know that term, so you're right. I'm going to reemphasize how important I believe it is to have minority and women-owned vendors as lessees on that bridge because I think this bridge project is really going places and it's important to get those people who have held down Wyandotte County as vendors on that bridge and particularly minorities in that northeast end. Again, I applaud Mr. Zeller for meeting with two of the best in District 1, but we need some teeth, I believe, in this agreement because as you say, Counselor LaSala, the UG is not going to be the leasing agent. Flying Truss is and that's why I'm saying we need to have some type of—still a hand on that entity to accomplish those. Yes, the MBE goals are great for construction but beyond that once it's up and running is who's on that bridge.

To Commissioner McKiernan's point, I like thinking big so I want to ask, I saw the calm canoeing and all that. Would jet ski's be allowed under that bridge?

To Commissioner Johnson's point, tying in Kaw Park I would like to see as an opening act, a recreation of being water ski episode with the, I can't recall her name now, that's a shame. Esther Williams, my girl Esther Williams, who did the sparklers in her hair, let's go for that and do that under the bridge too. I'm sure you can find somebody who will do that and really light it up. So think big but that's why I'm so serious about having goals that Flying Truss will control or have direct input into for minority vendors on that bridge. I think you're going places and our people should go with you.

Jeff Bryant, BPU Board Member, said I've been kind of watching the movement on this project for quite a few months now and, you know, it happens to fall in my BPU district. It's exciting. I'm just going to put it out there that I understand Commissioner Johnson's concern about the ROI being in a shorter pace if possible, but I don't think it's just about the money that's invested in this bridge. I think it's about what this type of project will do for the entire community around the area. I think that the UG will see a benefit not just from the revenue that comes from this bridge and businesses associated with it, but the rest of that tract of land that is Kansas territory on the east side of the river will be prime for development as well as Armourdale. I think that it won't be very many years and you're going to see some changes in the housing in that area and we may see the desire to put in loft type buildings possibly down along the riverfront.

I just think it's exciting to see something like this come to Kansas City. I've seen it in other cities that we've visited and it's been too many years since Kansas City had a riverfront destination so it will be nice to see something like this take shape.

Chairman Burroughs said I don't show any other hands from the panelists. If I may, I do have a few comments. You know, Mr. Zeller, has never been shy about his aspirations for that bridge but as your Chair of this committee I want to thank the committee and commend this committee for raising the tough questions and having the tough conversation that has brought us to where we are this evening in reference to this project because now there will be ownership of the bridge. Now there will be a development that we have all had an opportunity to have input in and actually a better return on investment is due to the fact that we were able to partner out of suggestions from this committee with the Department of Commerce to have the feasibility study conducted by an outside organization which answers a lot of the questions and puts to rest some of the concerns many of us brought forward this evening.

The quicker the return, that just states to the quality of the project, so if we want to incentivize the developer to continue to invest in the project, I believe the agreement has touched on part of that this evening. I know that we as a committee, have challenged Mr. Zeller, a number of us have, and we've had very robust discussion, as I stated, but it has been—I want to echo what Katherine Carttar said, it is a much better design and a much better agreement where we are today and for that I think the committee's perseverance in reading through the contract, putting forward their suggestions and their comments and I know this project is a catalyst for additional development. But because we have taken the time to review the contract in great length as individual committee members, staff has come forward and so has the developer with a much better project that we can all take some pride in having some ownership in.

On another note, I want to state that I did have a long conversation today with the Department of Commerce, Lieutenant Governor David Toland, and he has committed to coming to Kansas City in April with myself and a few others to look at the project and see where we can additionally fine some additional partners so that we can expand the project and bring those enhancements that we've heard and had much discussion about this evening.

I'm very excited that the Secretary of Commerce/Lieutenant Governor has that type of interest in our community. It states a lot about the potential for this project. I just wanted to make

March 29, 2021

that announcement this evening. That was just before I came on board this evening. I did have a long discussion with the Secretary who has much interest in this project for our community and for the potential it provides for the state of Kansas.

I did have one question, on the renderings in the agreement it talks about an elevator system for ADA requirements from the first level to the second level. At each end of the bridge all I saw were stairs and so is there ramps in or an opportunity for those that may have difficulty maneuvering the steps to be able to enjoy the walkability and/or the connectivity of both sides and enjoy the bridge itself? **Ms. Carttar** said yes, there would be ramps on either side of the bridge to get—really to get to the levee trail and then the levee trail connected to the bridge so that will all be connected via a ramp. Then, Mike, correct me if I'm wrong, but you are anticipating an elevator or lift system in the middle of that central truss of the bridge to get people who may need extra assistance from that first level to that second level. **Mr. Zeller** said yes.

Chairman Burroughs said thank you. I think that's critically important for the members of our community and to the visitors to the site to ensure that they're included in the enjoyment and satisfaction of seeing that development and enjoying the amenities that many of us have talked about this evening.

With that, I do see we have some attendees that have been very, very patient. I do see a few hands up, so if I may, I do want to remind those that are joining us this evening to announce your name, your place of residence, and I would ask the Clerk to monitor the time. We're going to allow three minutes for each conferee. I would ask all conferees if what they're stating is what somebody else has stated, be mindful that with as many hands as we have, we're talking about quite a bit of time here but it is very important that we do have a chance to listen to the attendees.

Anna Cole, 245 Orchard St., KCK, said I've been a resident of WyCo for about 12 years in Strawberry Hill and a lot has been mentioned already that the finer points about it being a catalyst for growth on the Kaw. I think what I've gathered here today and what's really important to state, to me as a WyCo citizen, Mike Zeller and his team are including and has made a very much needed point to include us in what we really want as citizens over here. They didn't sneak anything under the bridge. They've been very straightforward and done it for several years at this point. As far as the other reasons I think it is a great idea and should go forward is that I like that we're not

really taking money away. We're not just throwing money away. This would be paid back. It's not some pipe dream. There's been studies and it will get paid back.

Again, I overlook—I can see the Kaw right now. It's just bare. There's nothing going on. It's a huge resource for us that's just sitting there. So, if not now, when. You have the levee raises. Why not do it now in tandem with that and I'll keep it short because I think a lot of other stuff has been mentioned, but thank you. **Chairman Burroughs** said, Anna, thank you for joining us this evening.

Scott Brown, General Counsel with Faultless Starch/Bon Ami Co., said it's been down in the bottoms since 1877. I've served on numerous boards, KCIC, Historic West Bottoms, Riverfront Heritage Trail. I'm very much an advocate of this project. As Mr. Bryant pointed out, Mr. McKiernan, and other commissioners, that this project who knows, the sky's the limit. I think that certain concerns or objectives such as the minority and women-owned, that might be satisfied and Commissioner Johnson, I think the payback might be satisfied by maybe increasing the TIF district a little bit. I know that development of the Kansas Avenue side and part of the master plan, the Armourdale Master Plan, and the additional tax revenue that will be raised via sales and ad valorem, that might be a solution to get more women and minorities involved. Also, get that payback maybe a little sooner than later.

I think this project just really compliments the division of which may likely be the vision of Armourdale and the region of being a river town, Kansas City, MO and Kansas City, Kansas, the whole region. We've got to take advantage of the river and what it has to offer in the way of a social, the economic, the environmental, the safety and the quality of life issues that you all raised. I just applaud Mike and the UG and others in making this possible. **Chairman Burroughs** said thank you, Mr. Brown, for your comments this evening.

Edgar Galicia, Central Avenue Betterment Association, said we just want to extend our appreciation to all the people involving the project because it has been quite a time, quite a while since the first drawings were presented—the first ideas were presented and the maturity of the project as you all mentioned is amazing. I would like to note something to us that is very important. This is a destination site but it's just the beginning what I like to call as a detonator of the area. This is just the beginning of an enormous project that would benefit everyone and would literally

change the history of our community on the west side of the county—I'm sorry, the east side of the county.

The Central area is next to it and we want to see the growth of this project to connect to the Central area just as it should connect to Kansas Avenue and many other ports of entry or doors to the river. The parking has to be there. The amenities have to be there, but this is just the beginning and I want to thank Commissioners Townsend, Johnson, McKiernan for bringing this to the forefront of our community and the low income businessowners who are there struggling every day and knowing that these would represent a huge, huge, opportunity for all of them and their investment. (**Ms. Portley-Lott** said you have one minute remaining.)

Mr. Galicia said as the Mayor pointed at the beginning of his period, the corridors compose of Central, 7th Street, 6th Street, and Minnesota Avenue generate more—just about the same amount of revenue that all of those huge companies that have come to house in inner county, but they generate more jobs and more stability. We create more of that and this is a perfect opportunity. Thank you all for giving this opportunity to the people. **Chairman Burroughs** said thank you Mr. Galicia for your comments.

Chairman Burroughs said I did have other hands that have been lowered. At this time I see no other conferees from the public. I would ask the Clerk, were there any letters submitted in reference to the development? **Ms. Portley-Lott** said yes, Chairman, we definitely did receive eight correspondences in support of the Riverfront Redevelopment District. We have four that are on Zoom tonight that will be ones to speak and then we have three that we want to acknowledge by reading their correspondence and one that just wanted to be acknowledged that they are definitely in support.

Chairman Burroughs asked do you want to read those at this time or do you want to send them individually to the commissioners? **Ms. Portley-Lott** said I will go ahead, Chair, and call the first person—the first four that want to speak and then thereafter we can read the correspondences for those that were in support and acknowledge the last one.

Mike Pearce, Slap's BBQ, said thanks for the time. It's been a great meeting and I've learned a lot. I'll keep it very brief. Just a couple points as a businessowner on Central Avenue. A huge

part of our success story here has been the community but even bigger than that, it's been an authentic experience and I know Mr. Zeller talked a lot about in his deck, but when he proposed the bridge it rang a cord with us due to the experience based concept. I can't emphasize enough, good food is important, good customer service is important, but we're finding that people want to spend their time, more so than their money, but their time on an authentic experience and I can't think of anything better than, you know, an experience on that river. We grew up on the rivers. My brothers and I, every summer, was spent on the water and we need that. We need that here in Kansas City.

The second part is we battle with this as a business which is pulling people across this—it's not really an imaginable divide, it's a real divide. It's a geographic divide of crossing the river. I'll use the example of First Friday's in Kansas City. The West Bottoms can have 100,000 people down there and we've got nobody in Armourdale, we've got nobody on Central Avenue, we've got nobody downtown. It's our lowest weekend of the year, it's First Friday's and that's a shame. I think, you know, the bridge isn't right across from Central Avenue but starting to move in that direction to bring something that is just absolutely as cool as that, is as unique as that, and is going to draw much attention starts to invite people to be willing to cross that imaginary or real geographic divide. On behalf of Slaps, we are all for this and appreciate everybody's time. **Chairman Burroughs** said thank you Mr. Pearce.

Benjamin Walker, 716 So. 11th St., KCK, said I'm a fourth generation Armourdale resident and I just want to say how much in favor and how much I love the idea about the Rock Island Bridge and what Mike and his team is doing. The Kaw and the levee trail is something that I value and love so much and highly from the countless memories that I have made on it and just accounts more that I keep making every weekend that I go out on it. Also, because of the opportunity that there is to preserve nature and to give the youth in the community a place to go while getting fresh air and sunlight and I think, not that I think, I know that the Rock Island Bridge is a catalyst and a canvass for so much more opportunity for the community, for the youth, and to preserve nature and history for the area and the surrounding areas, the outreach, north, south, east and west. That's what I have to say. **Chairman Burroughs** said thank you Mr. Walker for your comments.

Darrel Walker, 717 So. 11th, KCK, said just a couple of short comments about the bridge project. I think it's the greatest thing along with everyone else. The thing about this that I like is everyone is included. No one is left behind. If you're going down to have dinner, a cup of coffee, ride your bicycle, even if you're just a kid with a fishing pole, there's a place for you. For the youths of our community, it's going to be really a great thing I think. There's some fishing clubs that can start up for kids, kayaking, boating; there's just so much that it's just endless. Like I say, I think the great thing is there is just a place for everybody and I have talked to Mike and his team. I'm really impressed with all the work and the concept that's laid out. Pretty much, that's it for me. I just wanted to voice my opinion. **Chairman Burroughs** said thank you for your comments Mr. Walker and thank you for your patience with us this evening.

Bob McCartney of Outside Sales did not respond. **Bridgette Cobbins, Interim Assistant County Administrator**, said I do not see a Bob on, Mr. Chair.

Daniel Serda, 1816 So. Mill Terr., said I appreciate the opportunity to speak to you briefly about this. I'm really speaking in a couple of different contexts. First and foremost, as a native and resident of Kansas City, Kansas and someone who grew up in Armourdale back in the 1970s. Second is as professional city planner who almost five years ago now met Mike Zeller and heard about his somewhat far-fetched idea, but in a way that struck a cord with me because of the knowledge that I have of the history of the Kansas City Stockyards.

I want to start there really briefly with saying a couple things. The first is that this bridge symbolically the way that it crosses the Kaw should reinforce to everyone how integral the stockyards, the West Bottoms and Armourdale in particular were to the history and the growth of not only Kansas City, Kansas but from the Kansas City region. Without the infrastructure that was down there a century ago, we wouldn't have the major city that we do today. Without all the industry that was in Armourdale, we wouldn't have the major city that we have today.

The work that I did four years ago as part of the MARC Planning (inaudible) project that Mike referenced earlier was focusing on the historical evolution and development of this bridge in surrounding around, but that's all done with a purpose of really focusing on the potential for today and for the future. That's where I want to leave the thought with you, there's some really key

economic figures that we uncovered in that study and I'm more than happy to share them with all of you, but let me give you two very quickly.

The first is that I understand the concern about the finances. You have to do the due-diligence. I appreciate the fact that the taxpayers—you're doing that and you've done that but we looked at six similar projects like this around the country and found that those projects actually generated returns on investment from 6 to 40 times the level of local government investment in revitalizing the waterfront. They were different scales and different contexts but the multiplier affect can be really dramatic with a project like this.

The other part is that investments like this can dramatically increase the value and the interest in surrounding real estate. We saw property increases of 25-50% in similar projects in adjacent real estate.

The final thought I wanted to leave you with is that—you know, I still refer to myself as a kid that grew up in Armourdale. (**Ms. Portley-Lott** said you have one minute left.) **Mr. Serda** said we don't have the level of amenities in Kansas City, Kansas particularly when it comes to active recreational opportunities in the eastern part of the city that our children deserve. There's over 3,000 residents in Armourdale today. It's a bare glimmer of the 20,000 people that lived there before the 1951 flood, but as somebody who grew up there in the 70s when businesses were leaving and neighborhoods were hollowing out, I can tell you it was never fun to try to approach any of those bridges. The idea that we could have a mass of public amenities, benefits to kids as was mentioned earlier from Armourdale, as part of this as well as benefits to the businessowners on Kansas Avenue and potential opportunities for them on the bridge as Commissioners Townsend and Johnson really underscored, I think is all worthy of commending this project. I appreciate you listening to me and for putting my personal endorsement behind it. **Commissioner Burroughs** said thank you Mr. Serda. I appreciate your comments.

Ms. Portley-Lott said we have three that would like to have their correspondence read. I'll start with the first one.

Ms. Portley-Lott read a letter from Monica Mendez, Armourdale Renewal Association, stating I would like to express my full support to this project as I see the benefit to future business growth and investment in Kansas City, Kansas. The Rock Island Bridge will bring tourism opportunities.

Most importantly, I believe, in the opportunities for local neighborhoods and its residents to see this as part of the area where they live and can enjoy. KCK has the river as a natural asset and currently many local people don't feel safe walking in the levee. If there is a point of attraction, we would see more positive activity in the levee. I have been working 11 years in promoting physical activity. There is much more than economic development opportunities. It is also an attraction where many partners in the area should commit to bring youth opportunities of entertainment to keep them focused in healthy lifestyle activities. We need investment in this side of our city, let's start somewhere.

Ms. Portley-Lott read a letter from Larry Sprang stating I am a resident of Armourdale. I am strongly in favor of the RIB partnership and this project as a whole. My wife and I remodeled fire station #6 in Armourdale and are big supporters of repurpose and improvement of many wonderful things we have around our city. This project brings much needed attention and traffic to our riverfront, which is underused in our city. The riverfront is a wonderful area that we need to make use of for attraction, living and social areas. We make use of the levee trails for walking and bike riding and would love to be able to connect to the trails on the east side. This would be a great asset to visibility and positive vision for our area and bring interest of more businesses and projects on the riverfront. We have talked with many people throughout the county about this project and many have asked about it and want to make sure to visit when in Kansas City. Thanks. Larry Sprang.

Ms. Portley-Lott said the last one I want to read, Commissioners, is from Bridgette Jobe. She says, To Whom It May Concern. This letter is to express my support for the Rock Island Bridge project. I first learned of this project in my former position as the executive director of the Kansas City, Kansas Convention & Visitors Bureau. Since July 2019, I have received, as the Kansas Director of Tourism, and have continued to monitor and support this project. I envision the Rock Island Bridge as the vibrant front door to Kansas City, Kansas, and to the state of Kansas. As American's first destination landmark bridge, I believe it has the potential of hosting 60,000+ visitors per year as it will be a can't miss spot for convention attendees, tour buses, and leisure travelers.

The uniqueness of bringing such unprecedented attention to KCK and Kansas. In the near future, I image a shot of the Rock Island Bridge being broadcast during every NASCAR race held at Kansas Speedway.

Kansas Tourism has supported the Rock Island Bridge project with an attraction development to assist in its development. I believe this project is the exciting first step in the renewal of the Kansas riverfront. Reinventing a bridge structure to become an authentic and unique attraction is a benefit to both KCK and the state of Kansas.

I urge you to support the Rock Island Bridge project. Sincerely, Bridgette Jobe, Kansas Director of Tourism.

Ms. Portley-Lott said the last one, we wanted to acknowledge, no need to read the letter, but they wanted to acknowledge that they are definitely in full support. It's signed Lt. Governor/Secretary David Toland. Thank you. **Chairman Burroughs** said thank you, Tifani. Appreciate it and thank you to our conferees and attendees this evening that voiced their support of the project, and took the time this evening to join us.

Chairman Burroughs said I would like to state that I also received communications from the Wyandotte County Economic Development organization, Greg Kindle, who's organization is also supportive of the bridge and the project. With that—**Ms. Cobbins** said, Mr. Chairman, we do have one more person with their hand up and that's Mr. Phil Donnellan. He's the last one requesting to speak tonight. **Chairman Burroughs** said yes, ma'am. Thank you. I was going to get to that. So, we will ask Mr. Donnellan to please announce your name and place of residence.

Phil Donnellan, Kansas City Boat Club, said we are located on the Kansas River, just downstream of the Rock Island Bridge. I was the one that butted in on the much earlier talk and I apologize for that. I'm a little bit of a novice at this.

At any rate, we're a group of high school and adult rowers that row on the river. We have a dock on the river, like I said, just downstream of the bridge. We probably pass under that bridge more than anyone else so, we've got a vested interest in making sure that bridge is a good attraction. We support the project, obviously. I could go on and repeat all the things that other people have said, but one thing I've been saying for 20 years is that that river is a much

underutilized and underappreciated resource. We love it for rowing. It's a great venue. We think the project would be, like a lot of people said, a catalyst to bring people down to the river and as a destination and as part of the trail. Right now, I ride my bike on the trail from 12th Street and then I get off. I have to go over Kansas Avenue to get across the river because I can't use the Rock Island Bridge. In any event, we think it would be great to have the trail system here. In terms of being a catalyst, one day, we'd like to build a boathouse on the river, which would be economic development.

I was in Oklahoma City over the weekend watching a race. Oklahoma City has invested, I don't know, maybe \$20M in boathouses along the river. We're not going to build that much, but there is a lot of potential for development.

Then, the final point and I'll be quiet, we had a race in the past. (**Ms. Portley-Lott** said you have one minute remaining.) We had a race in the past on the Kansas River ahead of the Kaw. We've had participants from Oklahoma, Colorado, Iowa, Nebraska, Kansas, Missouri, upwards of 300, 400 participants. Having the bridge as an amenity would take some of the strain of hosting events. We'd probably have more events because the bridge could provide the support, resources for being a host for an event.

Anyway, it's a great project. I've been enjoying watching it kind of morph and evolve over the last couple of years and hope that it succeeds. Thanks.

Chairman Burroughs said thank you, Mr. Donnellan, for your comments.

Chairman Burroughs asked, Tifani, any other comments this evening? **Ms. Portley-Lott** said, Mr. Chairman, that's all we've received. **Chairman Burroughs** said thank you. Thank you, staff. I want to come back to the committee before we entertain a motion. Committee, any other questions or comments from the committee itself? I don't see any hands.

In closing, I'd just like to state again my most sincere appreciation for the committee's work ethic and questions and the vision that we felt was necessary to advance this project and to help Mr. Zeller believe that his project is the catalyst that will benefit our community as well as enhance his vision and bring to fruition his dream.

With that, I would entertain a motion. This is an action item.

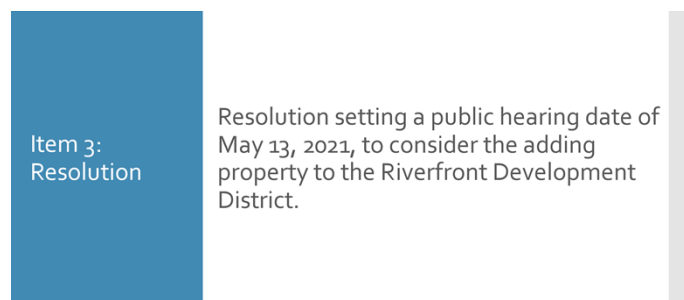
Action: Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve and advance to full commission. Roll call was taken and there were six “Ayes,” Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

ITEM No. 3 – 21735...RESOLUTION: SET PUBLIC HEARING DATE FOR THE RIVERFRONT REDEVELOPMENT DISTRICT

Synopsis: A resolution setting a public hearing date of May 13, 2021, to consider the advisability of adding property to the Riverfront Redevelopment District, submitted by Katherine Carttar, Director of Economic Development.

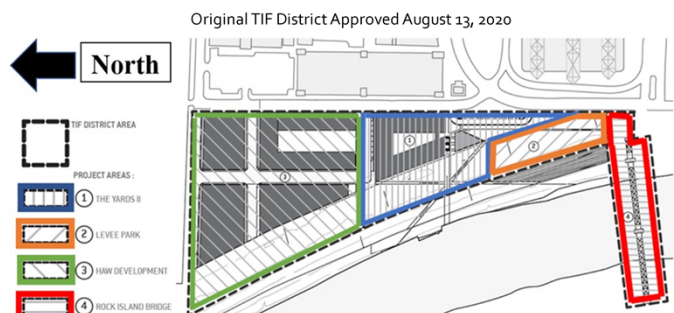


Katherine Carttar, Director of Economic Development, said this is a quick one. Don’t worry. So, this is just setting a public hearing.

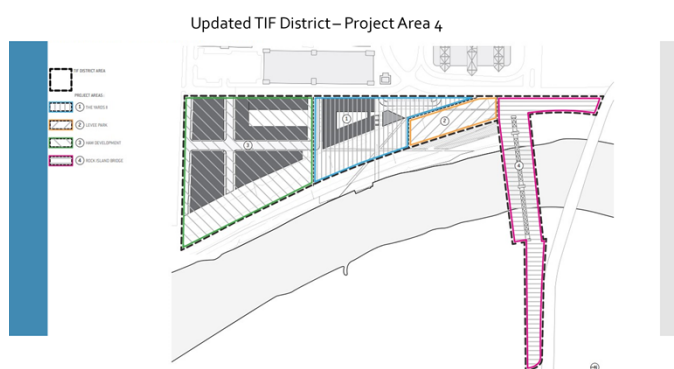


Back in August, I believe, of this year, the Riverfront Development District, the TIF district was approved.

March 29, 2021



This is the area that was approved at the time. One of the things that we discovered as, again, as this project kind of morphed is that we wanted to make sure a bit more of the property where we're looking to do potential parking and some other improvements would be included. Then, there was also just a procedural issue with the legal description. So this was, again, the TIF district that was approved August 13th.



This is what we would anticipate for the changes we'd make. So, adding this property here to the west as well as a bit of property to the south to just really provide us with as much flexibility as possible in terms of a TIF eligible project.

Item 3: Resolution

Resolution setting a public hearing date of May 13, 2021, to consider the adding property to the Riverfront Development District.

Again, this is just setting the public hearing for May 13th.

Chairman Burroughs said thank you, Katherine.

March 29, 2021

Chairman Burroughs asked, committee, any questions, comments? Seeing none. Clerk, any comments from the public? **Ms. Portley-Lott** said, Chairman, we did not receive any. **Chairman Burroughs** said thank you. Hearing none, with that, oh, I do see a hand went up.

Commissioner Townsend said a point of clarification. For the public meeting, is that only to talk about the size and scope of the proposed TIF or would public comments be entertained about the more detailed subject matter as we've heard tonight? **Ms. Carttar** said so, great question. We would make sure that we would not bring the development agreement to the full commission until May 13th so that these could be heard at the same time, similar to this evening. There would certainly be a time for the public to discuss, as was done tonight, kind of the larger deal terms, but then there would be the statutorily required public hearing for the modification of the TIF district.

Commissioner Townsend said okay. I'm not sure if I understood what you said, yes or no with that. For instance, if there was to be a modification say to Article XII, would that have already been done by this May 13th? **Ms. Carttar** said it would on the same date. Just like tonight, both of these items will come up back to back. **Commissioner Townsend** said okay.

Chairman Burroughs asked, Commissioner Townsend, did you get your question answered? I want to make sure that you understand that this is a hearing set for, I believe, the date is sometime in May 15. **Commissioner Townsend** said May 13th, I believe. **Ms. Carttar** said May 13th. **Chairman Burroughs** said May 13th. Thank you, Katherine. I do hope that you have comfort in the question you asked and the answer you received. **Commissioner Townsend** said, well, let me try one more time.

Commissioner Townsend said let's say that Counselor LaSala comes forward with a proposed amendment to the Article XII that we discussed earlier. Would that be part of the discussion—**Ms. Carttar** said not at this public hearing. **Commissioner Townsend** said okay. All right. **Ms. Carttar** said it would be the same evening. It would be a separate item, just like tonight. Two separate votes. So, there would be the ability to discuss the development agreements and then there will be a separate public hearing, which is what is being called here, that would just be for the boundary. **Commissioner Townsend** said okay. So, on May 13th, it's just for the boundary? **Ms. Carttar** said we will also bring that—we are holding the development agreement

to that date as well. So, you'll hear both items. **Commissioner Townsend** said thank you. I'm clear.

Chairman Burroughs asked, any other comments, questions, committee? I see none and I see none from our attendees. With that, I believe we will entertain a motion.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve and advance to full commission.** Roll call was taken and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

ITEM No. 4 – 21736...RESOLUTION: ADOPT TIF AND IRB POLICIES

Synopsis: A resolution adopting the Economic Development Department's Tax Increment Financing (TIF) Policy and Industrial Revenue Bond (IRB) Policy, submitted by Katherine Carttar, Director of Economic Development. Staff previously provided a review of the policies to standing committee on February 1, 2021.



Katherine Carttar, Director of Economic Development, said these are the policies that we discussed as a for information only two months ago so it was the February 1st ED&F meeting. I have had subsequent conversations with our attorneys as well as Finance. Some very minor cleanup but substantively nothing has been changed from the time that we reviewed these together at that previous committee meeting.

Industrial Revenue Bond Policy

- Last updated in 2010
- No significant policy recommendations
- Consistent with the Kansas Statute authorizing the tool (K.S.A. 12-1740 et seq and 79-201a)
- Clarifications
 - Goal is to hand this to a developer and they understand the process
 - Definition section and goal

Just as a kind of quick kind of overview if you would like. The industrial revenue bonds was last updated in 2010. There was really no significant policy recommendations and everything that we're doing is consistent with the Kansas statutes. Really, what we're trying to do with the new policy is just making sure that we are kind of codifying many of the things that we're already doing in practice and then providing kind of additional information.

IRB Policy Updates

- Addition of financial gap as a reason to provide abatement
 - Project must demonstrate a clear financial need and/or meet the bond provisions to receive more than 45%
- Policy remains consistent that a project shall not exceed 75% for 10 years
 - In compelling and unique circumstances, the Commission can approve over 75%

The goal is to be able to hand this to a developer and have them actually have a pretty good understanding and idea of what the Commission's policies are when it comes to the use of this tool.

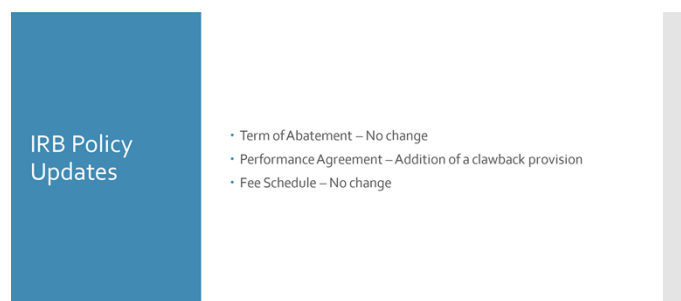
For example, the point of this tool really is to fill that financial gap, so really not providing more incentives than is needed, but taking the finances of a project and determining what is needed and encouraging them to change that project in a way that would provide them with additional benefits but also provide the community with that benefit.

IRB Policy Bonus Provisions

- Major Capital Investment – No change
- Target Area – No change
- Targeted Industry – No change
- Residency – Places a heavier burden on existing company to show current WyCo employee in addition to goals for future hires
- LMW – No change
- Environmental Design – No longer specific to LEED certification
- Transit – New addition
- Childcare – New addition

March 29, 2021

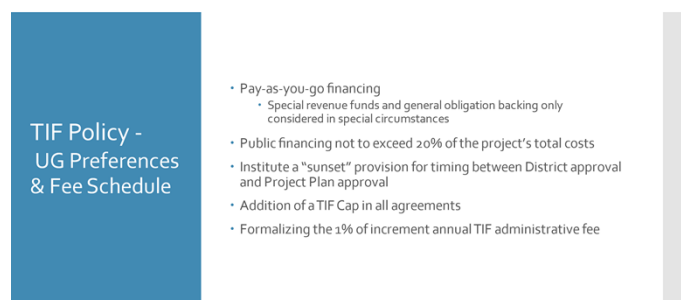
So, to that end, we have these kind of bonus provisions so your project is looked upon more favorably, the more capital investment if you're in a targeted area, targeted industry. If you have currently have WyCo employees working for your company, of course, LMW goals, environmental design changed that just a bit to make it a bit more broad now. LEED is not the sole certification anymore as it was 11 years ago. And then, adding a couple of additional things like transit and childcare that are big needs for companies and we would like to really encourage them to think about that. If that means giving 5% more abatement but they are providing childcare for the community, the neighborhood or even just their employees, that's a real community benefit, we believe.



IRB Policy Updates

- Term of Abatement – No change
- Performance Agreement – Addition of a clawback provision
- Fee Schedule – No change

Term of the abatement is still 10 years. The fee schedule has not changed. We have been more clear, and again, this is something we've been doing already in practice, but now just codifying that. Adding real clawback provisions so that if the LMW goals are not met, if any of those other bonus provisions are not done, then we have a clear way to take some of that funding back so that they are not getting that full benefit.



TIF Policy - UG Preferences & Fee Schedule

- Pay-as-you-go financing
 - Special revenue funds and general obligation backing only considered in special circumstances
- Public financing not to exceed 20% of the project's total costs
- Institute a "sunset" provision for timing between District approval and Project Plan approval
- Addition of a TIF Cap in all agreements
- Formalizing the 1% of increment annual TIF administrative fee

The tax increment financing policy; we've never actually had a specific TIF policy. We've just kind of worked off of the Kansas statute, which is very detailed. It's been a good road map, but again, there are many things that we do in practice that have been become very clear preferences

of you all as the Commission but have not actually been codified. That really is our goal and have the ability to provide, hand this policy to a developer and have them really understand what's going on, not having any big surprises, especially when it comes to fees and timing and that kind of thing.

We make it a clear preference for pay-as-you-go financing. I think this is important. The number of times that we get people interested and can't we just have the Unified Government issue some GO bonds for our project. Well, no. We can't. That's not really how it works except in very, very specific special circumstances. Making those type of things very clear to developers on the frontend that this is where our preference is.

Additionally, things such as we do not bring a project forward to you all if the public financing is going to exceed more than 20% of the total cost. If we do, it's a very special, specific situation that we make sure you are very aware of.

Additional, having some sunset provisions. This has come up a number of times in my time here where we had a TIF district, no project plan had been approved, but a TIF district is just kind of sitting out there, which is fine, but those are the type of things that if we can kind of clean up and make sure that all of our taxing units are reflective of what is actually happening is really is just better for everyone.

Then, the last couple are having a TIF cap. When we talk about a percentage of revenue that can go to kind of go back into the project, but we'd really like to put a TIF cap in each of these agreements because you just don't know. For example, an area may appraise faster thus they get more money back than they were anticipating. Again, we're really talking about—these totals are to actually fill a gap. They're not just to give a big windfall of funding. Making sure that that TIF cap is reflective of exactly that amount of money that is needed to make the project move forward and not more than that is what that is for.

Again, we do administrative fee of 1% for codifying that.

Item 4: Resolution

Resolution adopting the updated Industrial Revenue Bond policy and the new Tax Increment Financing policy.

March 29, 2021

With that, that's kind of my quick and dirty kind of overview of those policies. Are there any questions?

Chairman Burroughs said I do see Commissioner Johnson. I apologize. Committee, any questions? Commissioner Johnson, you're up first.

Commissioner Johnson said I just want to say, Katherine, thank you for putting this together, the thoroughness of what you presented, I thought I was going to have questions. I have no questions. I just have great appreciation for the amount of detail and thoughtfulness that you put into the tool that is so greatly utilized by the Unified Government. So, thank you for taking the time and the effort and painstakingly putting together such a thorough policy.

Chairman Burroughs asked, any other questions or comment?

Commissioner McKiernan said well, if Commissioner Johnson has no questions, I guess I really don't either. But I will echo what he has said. We really do appreciate your continuing efforts to craft a tool that both encourages economic development while at the same time bringing as much benefit to the people of Wyandotte County and protecting all of us as best we can moving forward in any project. So, I appreciate what you've done.

Chairman Burroughs asked, any other comments? Katherine, I would just like to commend your work in formalizing our Economic Development Department and for actually putting in writing a formal policy that we, as commissioners, have had a chance to review and have knowledge when these projects come forward. It's easier for us in which to look at the justifications that you've given and hopefully will limit some of the questions we ask in moving forward. So, I do appreciate the discussion.

What I'm really pleased about is the clawback language. I think it sends a strong message if you don't fulfill your obligation as agreed upon in the initial part of the development agreement, that there is remedy for the Unified Government for the incentives offered on the table for a clawback. I commend you for giving that strong consideration.

Chairman Burroughs asked, any other comments, questions? Anything from the public? (There were none.)

Action: **Commissioner Johnson made a motion, seconded by Commissioner McKiernan, to approve as submitted.** Roll call was taken and there were six “Ayes,” Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs. (Commissioner Townsend said, my sentiments of congratulations to Ms. Carttar and appreciation and thanks for her hard work.)

Chairman Burroughs said, committee, staff, everyone, thank you for your patience with us this evening. It was an evening of much discussion about an economic development project that has taken up a tremendous amount of time, but it’s also been worth the finished product. So, with that, I want to say good night and thank you.

Adjourn

Chairman Burroughs adjourned the meeting at 8:46 p.m.

dt/cg

March 29, 2021

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, May 3, 2021**

The meeting of the Economic Development and Finance Standing Committee was held on Monday, May 3, 2021, at 6:03 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: Melissa Sieben, Emerick Cross, and Alan Howze, Assistant County Administrators; Bridgette Cobbins, Interim Assistant County Administrator; Patrick Waters, Deputy Chief Counsel; Debbie Jonscher, Deputy Chief Finance Officer; Rick Mikesic, Director of Revenue/County Treasurer; Andrea Parra, Deputy County Treasurer; Carol Godsil, Deputy Unified Government Clerk; Terri Kimble and Allie Facio, UG Clerk's Office.

Chairman Burroughs said before I call the meeting to order, I do want to announce that due to COVID-19, the committee members, staff, and 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 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 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 all members were present as shown above.

Chairman Burroughs said, before we get started, I do want to recognize that we do have BPU Board Member Jeff Bryant joining us this evening.

Chairman Burroughs said as we start on the agenda this evening, I would ask if there are any revisions to the agenda this evening. I don't see any on my end, but I would ask the Clerk if there are any revisions. **Allie Facio, Clerk's Office**, said, there are none.

Chairman Burroughs said, this evening we have a unique opportunity where we have no minutes available from last month's meeting. So, we will move right on to the Committee Agenda.

Item No. 1 – 21780...RESOLUTION: THIRD AMENDMENT TO DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the Third Amendment to Downtown Campus Development Agreement with Lanier United, LLC, to extend the final date for closing conditions to June 30, 2021, with an automatic extension to July 30, 2021, upon developer's request, submitted by Patrick Waters, Senior Attorney.

Patrick Waters, Deputy Chief Counsel, said, this is the Third Amendment to the Downtown Campus Development Agreement. The original agreement was approved a little over a year ago, March of 2020. Since that time, we've been back before you a couple of times. The developer has been working hard to complete all of the closing conditions contained in that agreement.

The last time we were before you was in December for the second amendment. That amendment moved the closing—the date for all of the closing conditions to be met to April 30th. Developer Mr. Lanier was not able to make that date and, therefore, has asked for a little bit of additional time. I believe that he and/or his counsel is here tonight and he can discuss his need for a brief extension on the closing conditions.

Chairman Burroughs said, before we do that, I would ask, is Mr. Lanier here this evening? I saw him earlier. **Willie Lanier** said, yes, I'm here.

Chairman Burroughs said, Mr. Lanier, do you have anything you would like to present to the committee?

Willie Lanier said, the reason that we're looking for an extension on the third amendment was to take care of one of our last remaining items, and that is to assemble our parking management agreement, our parking agreement. As we all know, downtown KCK fortunately is experiencing

revitalization, and assembling our parking requirements and getting our management agreements in place have been somewhat of a challenge. It's only because we're trying to project into the future what all of the users in downtown will need when it comes to parking, i.e., the Reardon Center operation, and how many events will occur, when they will occur. The hotel, once it comes back alive and so forth, and just general downtown parking is at a premium.

So, we believe that we are very close. We actually are closer today than we were when we scheduled our request to get on the docket for tonight, the agenda tonight. We believe that with this short extension, we will be able to complete our last requirement for our closing, which, obviously, we need parking just for our financial closing as well, but the parking is where we stand right now. There's been a lot of conversations within the Unified Government as of late, or the past several months, but that's what brought us to the table today. I am able to answer any questions regarding this subject as needed.

Chairman Burroughs asked, does any member of the committee have any questions or comments?

Commissioner McKiernan said, Mr. Lanier, I really don't have any questions for you. I support this third amendment, and I look forward to the commencement of construction on this project. It will be a real benefit for our downtown area. My question, though, is for Mr. Waters.

Mr. Waters, we have in the agenda packet there is Exhibit A, Third Amendment, and it says to be attached. Then, on the very next page, it says Third Amendment to the Downtown Campus Development Agreement and there are some recitals and there are points of agreement. So, what is it that's going to be attached to that blank page? Or is the third amendment spelled out completely on the next two pages of our agenda?

Mr. Waters said, the Third Amendment that you see in your agenda is—it's very short. It's the one that has a few recital paragraphs and then the agreement where it says modification of drop-dead date. Is that the document that you're looking at? **Commissioner McKiernan** said, correct. **Mr. Waters** said, that is, it's a short agreement, and so that is the subsequent agreement.

Commissioner McKiernan said, so that is the base of the substance of the agreement, so this prior page that says Exhibit A, Third Amendment, to be attached really can be ignored because that is taken care of later in the agenda materials. **Mr. Waters** said, that's correct. It's simply, the only

change is the date. So, it's just a one paragraph change. **Commissioner McKiernan** said, perfect. Thank you, Mr. Waters. I appreciate that.

Commissioner Townsend said, as I read this, and I just heard your explanation, I'm happy to hear you are not forsaking us. You just have some parking issues that need to be resolved, and I commend you for what it seems as though you're doing is looking prospectively, and all of your parking needs. So, quick question. Is the parking—the amount of parking that you're trying to obtain now, was that the same number contemplated several years ago or are you seeing an increase in what you think you'll need?

Mr. Lanier said, so, to answer that question, a year or a year and a half ago, we entered into or started discussion of the development room that called for 95 spaces of parking within the parking garage behind the Hilton Hotel, as well as other parking onsite of the new project. We understand that today, or the next iteration of the Reardon Center, we hope to have a far better usage rate than the previous Reardon Center. When we factor those things in, we realized that we need to make sure that there's ability to park tenants, apartment users, as well as visitors to the new Reardon Center.

We are also mindful of the fact that we have a fitness facility that needs parking, and then every other user in the block has their own business requirements too; the hotel, BPU, we would have a grocery store, we will have potentially other user in and around the corridor. So, we're just really trying to make sure that we have the best use case that allows all parties to know that they're making the best sense around. So, I do believe that the 95 spaces was originally contemplated and that's what we were going for for sure, but we are not assessing any blame right now. It's my responsibility to make sure that we get all of our parking, and all neighbors can align their needs so that no one has any shortcomings when it comes to usage of the parking garages or spaces on the street or anywhere like that.

Commissioner Townsend said, well, I appreciate your forward-looking and forward-thinking in that regard. The grocery store is in place, and you just don't want to have any problems with their customers. So, to look for not only the spaces for your residents, but also to contemplate the needs for parking for the new Reardon Center and the retail stores that will be below the residential building part is a wise thing and I commend you for that. I just can't tell you how many inquiries

I get all the time about when we're going to see it. So, I'm glad that this is a continuation to pursue your project and not to forsake us. So, thank you very much.

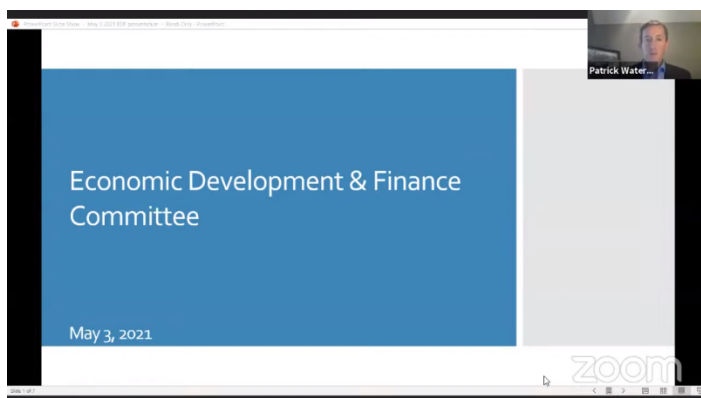
Mr. Lanier said thank you. I did want to add one more comment there that we are also working to try to increase the number of spaces on our current parcel as well by doing some design changes. We know that in order to get more people, you need to be able to park people. Everybody tends to have more cars than not these days, and so we're trying to make sure we're mindful of that. **Commissioner Townsend** said, I appreciate that approach. Thank you.

Chairman Burroughs said, I see no other hands. If the committee has no further questions, I'll ask the Clerk if any comments were received by the public. **Allie Facio, Clerk's Office**, said, no public comments were received.

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

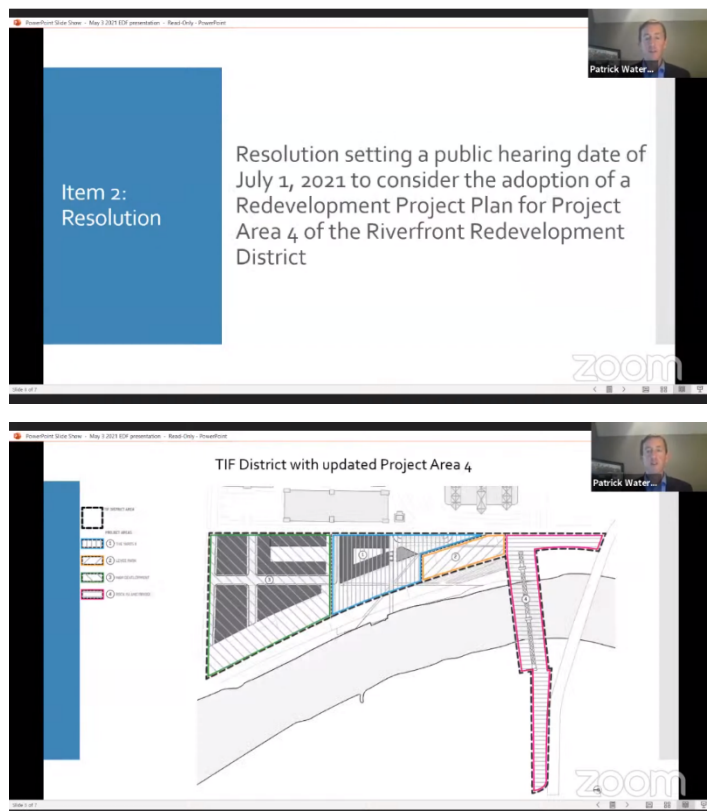
Item No. 2 – 21779...RESOLUTION: SET ROCK ISLAND BRIDGE PROJECT PUBLIC HEARING

Synopsis: A resolution setting July 1, 2021, for a public hearing to consider the adoption of a Redevelopment Project Plan for the Rock Island Bridge project, submitted by Patrick Waters, Senior Attorney.



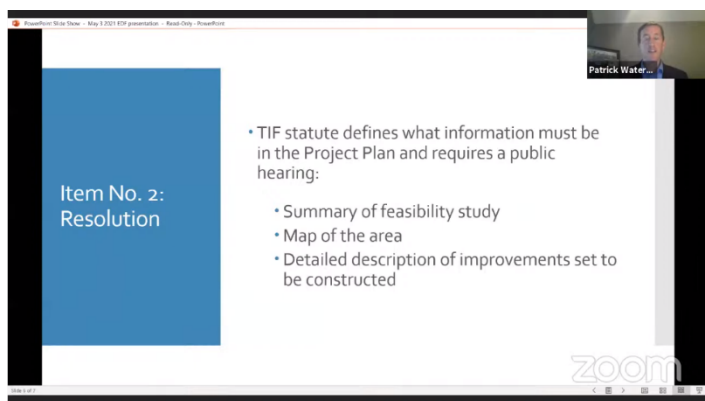
May 3, 2021

Patrick Waters, Deputy Chief Counsel, said so, we do have a resolution tonight that will set a public hearing. What this will do is simply set a public hearing to consider the project plan, or project area for the river front redevelopment district.

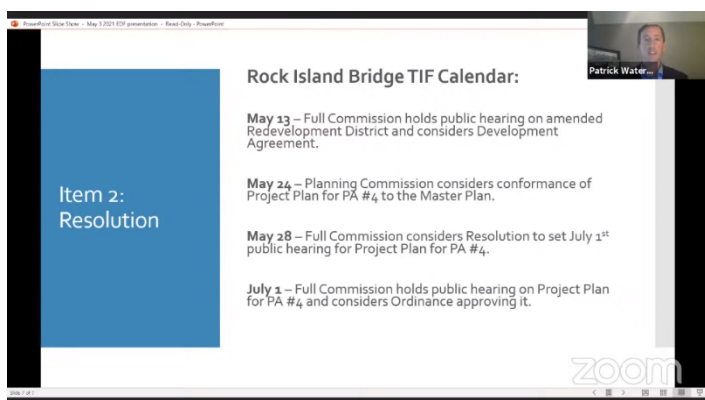


You may recall, just recently you saw the overall amended district that looks like this. Here's a map.

Previously, before this committee, you approved the project plan for Project Area 2, which is the new Yards Apartments. So, that kind of activated that project area for purposes of the TIF. What this will do is, basically, will activate Project Area 4, which is the Rock Island Bridge. Tonight, we are simply setting the public hearing. Because of all the different notice requirements and publications required by the TIF statutes, the actual hearing will not be until July 1st, but we needed to get the process started tonight.



The project plan contains some statutorily required information, which you see in the packet. It's really the same information that you saw in the development agreement previously, kind of a summary of all that information.



Here's the remaining calendar of the main items left in this project. On the 13th, the full commission will consider the overall amended TIF district in the development agreement. On the 24th, the Planning Commission is going to consider a conformance finding, specifically for Project Area 4 for the bridge. The May 28th, that's the day that we're requesting this committee advance the resolution, so that the full commission can set the public hearing. Then, on July 1st, the very last date, we will consider the actual ordinance approving the project plan.

Chairman Burroughs asked, does any member of the committee have any questions or comments?

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to set the public hearing date for July 1, 2021.**

May 3, 2021

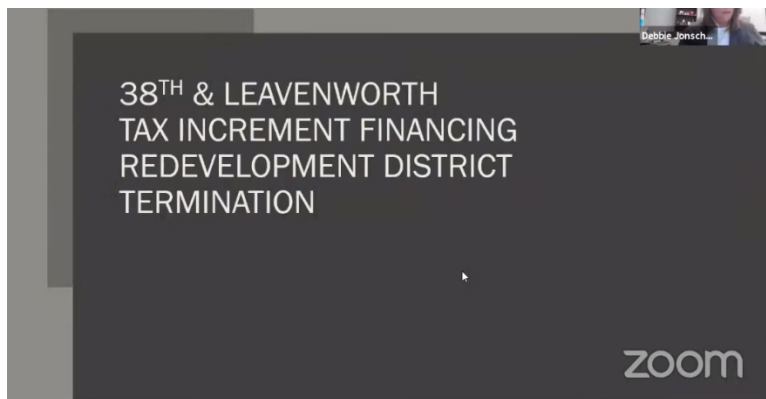
Chairman Burroughs said, I would ask the Clerk, were there any comments received from the public before we recognize the motion and the second? **Allie Facio, Clerk's Office**, said, no public comments were received.

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

Item No. 3 – 21769...ORDINANCE: TERMINATION OF 38TH & LEAVENWORTH ROAD TIF

Synopsis: An ordinance terminating the 38th & Leavenworth Road Redevelopment District created pursuant to Ordinance No. O-26-04 and terminating tax increment financing with respect to such redevelopment district, submitted by Debbie Jonscher, Deputy Chief Finance Officer.

Debbie Jonscher, Deputy Chief Finance Officer, said, Items 3 and 4 are both termination of TIF districts, so I've got a short presentation.

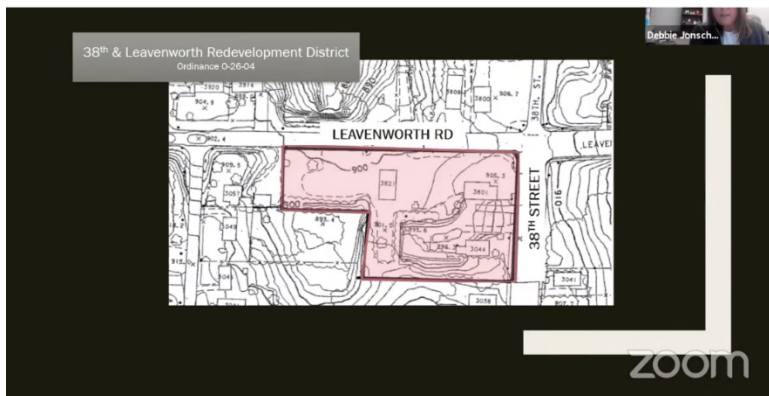


So, we'll start with Item No. 3 is the termination for the 38th and Leavenworth Road Redevelopment District.

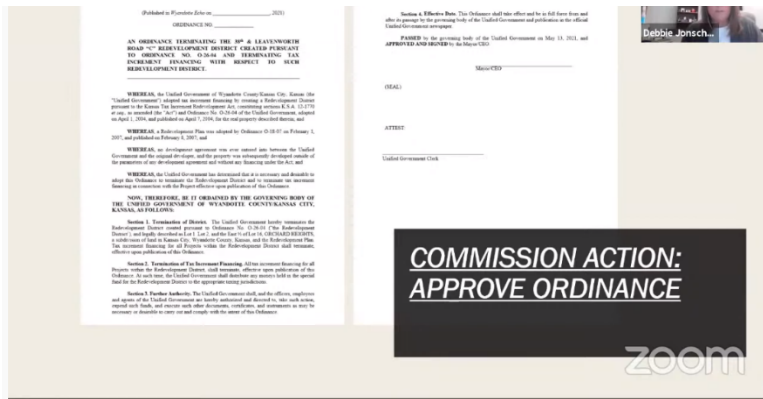


Just to give you a little bit of history on this TIF. The district was created in 2004 and a project plan was adopted by ordinance in 2007. There was no activity on the TIF, and there were no project expenses incurred on the development either by the UG or by the developer.

Later on, the land was sold by the owner to a new owner for redevelopment. That owner applied for an NRA. The project that's on the site now is completed, and it does qualify for NRA. In order to proceed with the NRA, we need to terminate the TIF.



This is a map of the redevelopment district. As you can see, its at the corner of 38th and Leavenworth Road. It borders 38th Street on the east and Leavenworth Road to the north.



As I said, action for tonight is to approve an ordinance that would terminate the redevelopment district. If there's any questions from the commission.

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

Chairman Burroughs said, gentlemen, I appreciate the enthusiasm, but before we do that, it's always appropriate that we ask if there's any public comment. So, if you will hold onto those motions, I would ask staff if there's any comments from the public. **Allie Facio, Clerk's Office**, said, no public comments were received.

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

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

Chairman Burroughs asked, Commissioner Townsend, did I miss you having an opportunity to speak?

Commissioner Townsend said, it would not have impacted my vote. I was going to ask Ms. Jonscher, it looked like from her schematic that there at 38th and Leavenworth Road, that was the development for the new Express Mart, correct? **Ms. Jonscher** said, that's correct. **Commissioner Townsend** said, and I remember that project very well. That was all, thank you.

May 3, 2021

Chairman Burroughs said, my apologies, Commissioner Townsend. I must have missed that. **Commissioner Townsend** said, none needed. Thank you.

Item No. 4 – 21768...ORDINANCE: TERMINATION OF MISSION CLIFFS/RAINBOW PARK TIF

Synopsis: An ordinance terminating the Mission Cliffs/Rainbow Park Redevelopment District created pursuant to Ordinance No. O-23-03 and Ordinance No. O-23-05 and terminating tax increment financing with respect to such redevelopment district, submitted by Debbie Jonscher, Deputy Chief Finance Officer. The district is terminating two years ahead of schedule.



Debbie Jonscher, Deputy Chief Finance Officer, said, this is the termination for the Mission Cliffs/Rainbow Park Redevelopment District.



The Mission Cliffs/Rainbow Park was a residential TIF. It had 10 single-family homes, ranging in size from 1,300 to 1,600 square feet. The sales prices on the homes range from \$128,000 to \$142,000, with total construction cost of \$1,350,000.

May 3, 2021



Mission Cliffs/Rainbow Park

TIF Expenditure	Total
Property Acquisition & Relocation	\$125,000
Vacant Land Acquisition	\$40,000
Replace Curbs/sidewalks	\$70,000
Total TIF	\$235,000

zoom

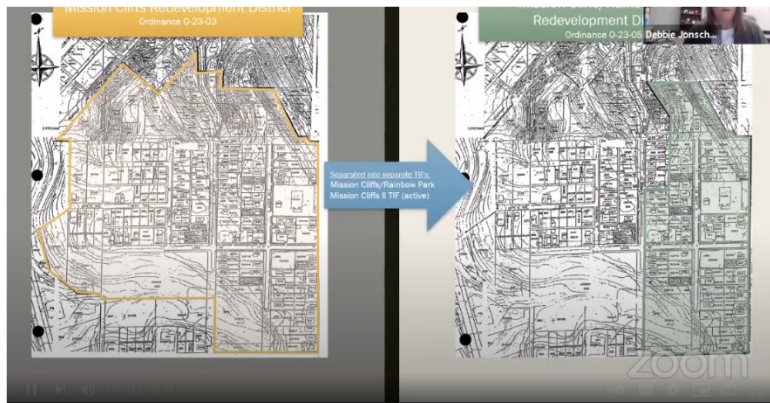
The total TIF expenditures that were estimated were \$235,000 and that included property and land acquisition and relocation, as well as the replacement of curbs and sidewalks.

Mission Cliffs/Rainbow Park TIF Timeline

- Mission Cliffs TIF District created in 2003 (Ordinance O-23-03)
- Project Plan adopted for Phase I (Ordinance O-66-03)
- Issued debt financing for Mission Cliffs Redevelopment District in 2010 in the amount of \$237,377
- Revenue collection originally through 2023, bonds paid off 2 years early
- Terminate the District and Tax Increment Financing in 2021

zoom

History on this TIF, the Mission Cliffs TIF district was created by ordinance in 2003. A project plan was adopted for Phase 1, also in 2003, and we issued debt financing for the redevelopment district in 2010 in the amount of about \$237,000. That would have included financing costs. Revenue collection was originally estimated or projected through 2023. However, as of 2021, we have collected revenue to pay off the bonds, so they are paying off two years early. So, that is why we are able to terminate the TIF district now.



This is a map showing the redevelopment district. On the left, we have the entire Mission Cliffs Redevelopment District that was established in 2003. Later on, this district was separated into two TIFs. Mission Cliffs/Rainbow Park is the section over here that is highlighted in green, and then the other part is Mission Cliffs 2 TIF. Did just want to note that the only portion—these are two separate TIFs, and the only portion that we are requesting termination on is the Mission Cliffs/Rainbow Park portion. Mission Cliffs 2 is still an active TIF. So, with that, the action tonight is to approve an ordinance terminating the Mission Cliffs/Rainbow Park Redevelopment District. I'll stand for any questions.

Chairman Burroughs asked, committee, any questions? Seeing none, I would ask the Clerk at this time if there was any comments from the public. **Allie Facio, Clerk's Office**, said, no public comments were received.

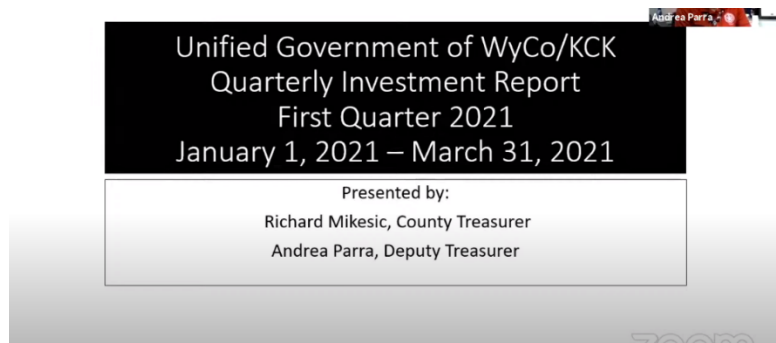
Chairman Burroughs said, committee, I think it's always appropriate when we have an opportunity to eliminate TIFs that have paid off early, or anything that's paid off early in our community, shows investment and continued return on that investment.

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

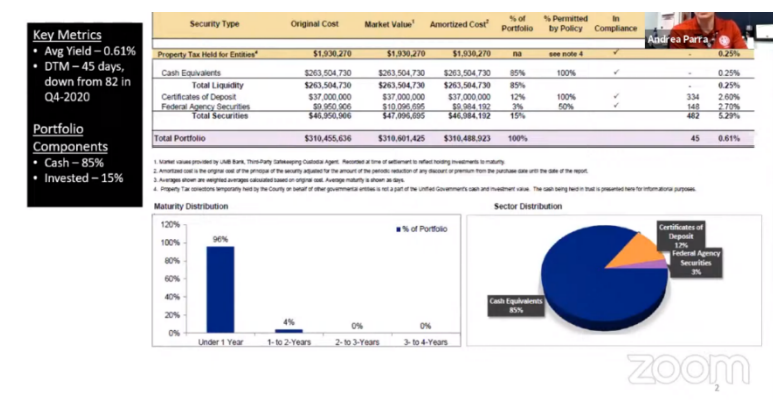
Item No. 5 – 21776...PRESENTATION: FIRST QUARTER 2021 INVESTMENT REPORT

Synopsis: First Quarter 2021 Cash Investment Report, submitted by Rick Mikesic, Director of Revenue/County Treasurer; and Andrea Parra, Deputy County Treasurer. For information only.

May 3, 2021



Andrea Parra, Deputy County Treasurer, said very short presentation; the traditional Quarterly Investment Report. We come forth every quarter. This is going to be our First Quarter of 2021, post knee-deep of pandemic, if you will.

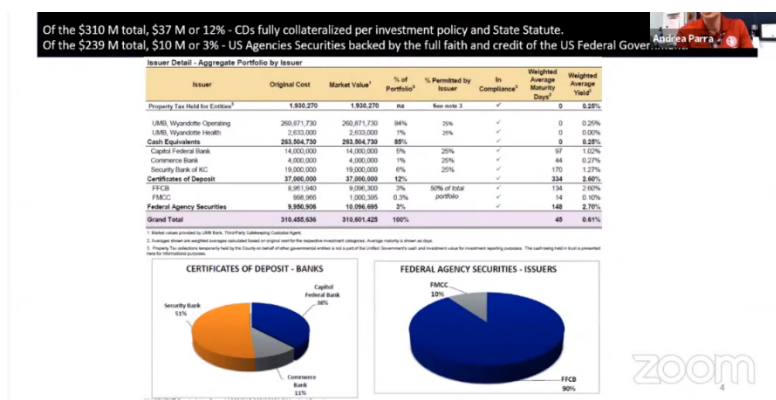


Some of the metrics we have, average yield was at .61. We've got days to maturity, 45 days, which is down notably from the end of 2020. We've had a pretty lengthy certificate of deposit mature, plus a series of a few other maturities happen this last quarter. That's really cut that down significantly.

As far as our portfolio components are concerned, you're looking at 85% in cash, the rest is invested, which is about 15%. As you can kind of see, there was a slope here. This was at about 10% last year, now we're at 4% with what is, I believe, two agencies still sitting there in the one-to two-year frame. None in outside of two years.



Next, we kind of have a few other metrics. As far as the average yield, as mentioned on the prior slide, it's at .61, which was down from Quarter 4 2020. Excuse me, that's an error on that. It should be 2020. Above the target T-Bill rate, which we always meet or like to exceed, which is at .11. Still under compliance for limits for an individual institution. Hope to never see that listed otherwise, but there's things that are out of our control sometimes. Just wanted to note, the interest for Quarter 1 is—it's down a little bit. I would not say it's alarming by any means. We did earn at about right under \$700,000 for first quarter interest, based on some maturities we saw. Still strong. I don't foresee us having much of a difference when I come forth at the end of the year.



Next is just kind of where the portfolio is as a full. Just under about \$310M in cash, which is about eight maturities left. The certificates, then we have about \$10M in the US federal agencies that were established prior to Rick and I's tenure that are going to mature here over this summer. Then, we probably won't see any more of the agencies unless you were to decide, as a board, to go out for bid and get something to that nature. Kind of have to see where the rates go. Three institutions left holding strong. Capital Federal, Commerce Bank, and Security Bank of Kansas City are the three that we have left that are involved at this time.

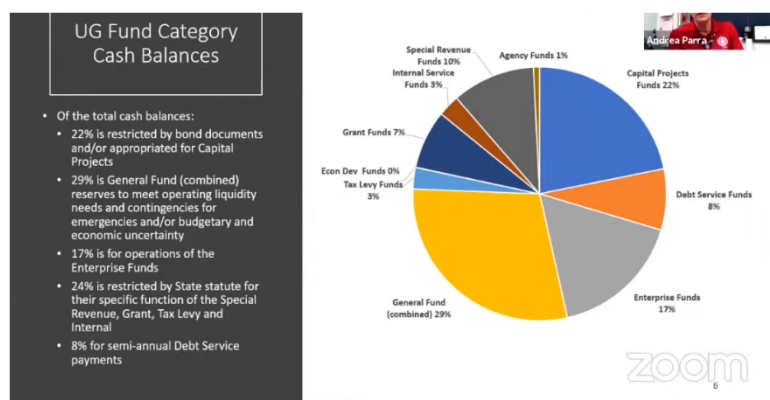
What transactions occurred in Q1 2021?

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q1	NA	UHS, Wyandotte Operating	0.250%	3/31/2021	92,252,232	92,252,232
Thru Q1	NA	UHS, Wyandotte Health Reserve	0.250%	3/31/2021	1,421,000	1,421,000
Cash Equivalents					93,673,232	93,673,232
Purchases						
8/18/2017	66000543	Commerce Bank	1.530%	2/17/2021	(2,000,000)	(2,000,000)
2/16/2018	115009569	Security Bank of KC	2.250%	2/16/2021	(5,000,000)	(5,000,000)
3/26/2018	70162254	Capitol Federal Bank	2.550%	3/26/2021	(5,000,000)	(5,000,000)
1/10/2019	115003065	Security Bank of KC	2.550%	1/11/2021	(5,000,000)	(5,000,000)
1/10/2019	115003066	Security Bank of KC	2.550%	1/11/2021	(5,000,000)	(5,000,000)
Call/Maturities					(22,000,000)	(22,000,000)
Total					71,673,232	71,673,232

Still planning to go out and kind of see where those interested banks are, as far as going out to get the new list of active bidders. That's still on our game plan for the summer. Next quarter, hopefully, to present that to you all.

Final, just kind of what transactions made up for this last quarter. As I mentioned, we had five maturities, all stemming back from late 2017, prior to Rick and I and into 2019. Then, we're operating the overnight health reserve is sitting.



Also, just to touch on the UG funds category. Of the cash balances, you see we've got 22% in the capital projects, another 29% is sitting in a combined fund for the General Fund. 17% in the Enterprise Funds, 24% is on the state statute restricted, such as special revenue, we've got tax levy, the Internal Service Fund, and then 8% for semiannual debt service payments. About all I had. I'm, of course, always available for questions if there's any this evening or at a follow-up later. Just let me know.

Chairman Burroughs asked, committee, commissioners, comments? Seeing none, I'll ask the Clerk if there were any comments or questions from the public. **Allie Facio, Clerk's Office**, said, no public comments were received.

May 3, 2021

Chairman Burroughs said, Ms. Parra, I would just state that I do know that the interest rates are quite challenging at this time, but thank you for keeping us in compliance in some of the most challenging financial times. So, we do appreciate the work of both you and Mr. Mikesic (inaudible) people of Wyandotte County, Kansas City, Kansas. It's not lost on us of the challenges you have, but thank you for keeping us in compliance. With that, I would ask, is there a motion? No motion necessary. Thank you, committee. This is not an action item; this is for information only. I would say that's a test, but I lost my way in my notes tonight, so thank you, committee, for not pointing that out.

Chairman Burroughs adjourned the meeting at 6:30 p.m.

af



Staff Request for Commission Action

Tracking No. 21888

Full Commission Meeting Date:

Committee: Economic Development & Finance

Date of Standing Committee Action: 06/28/2021

(If none, please explain):

Publication Required: No

<u>Date:</u>	<u>Contact Name:</u>	<u>Contact Phone:</u>	<u>Contact Email:</u>	<u>Department/Division:</u>
6/16/2021	Stephanie Moore	x5743	smmoore@wycokck.org	Economic Development

Item Description:

The Fourth Amendment to the KC Foodie Park Development Agreement and authorizing resolution, which modifies the deadlines for submitting redevelopment project plans for Phases 2, 3 and 4; the deadlines for closing on the Phase 2 Property, Phase 3 Property and Phase 4 Property; and the deadline for completion of the Phase 2 Minimum Improvements.

The Fourth Amendment extends each of these deadlines by approximately 6 months, the original deadlines and new dates are highlighted.

Staff Recommendation: Hold until such time the developer commences construction on Phase I.

Action Requested:

Hold until such time the developer commences construction on Phase I

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Fourth Amendment to KC Foodie Park Development Agreement (Food Service Center) 6 2021, Resolution Approving Fourth Amendment to KC Foodie Park DA 6 2021

FOURTH AMENDMENT TO KC FOODIE PARK DEVELOPMENT AGREEMENT

THIS FOURTH AMENDMENT TO KC FOODIE PARK DEVELOPMENT AGREEMENT (this "Amendment"), is made and entered into as of this ____ day of July, 2021 (the "Effective Date") by and among the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS** (the "UG"); **SCAVUZZO'S, INC.**, a Kansas corporation d/b/a Scavuzzo's Food Service Company ("Scavuzzo's"); **SCAVUZZO'S FOODIE CAMPUS, LLC**, a Kansas limited liability company ("Assignee"); and **KC FOODIE PARK, LLC**, a Delaware limited liability company (collectively, the "Developer", and with the UG, the "Parties").

RECITALS:

A. On September 26, 2019, the UG and Developer entered into that certain KC Foodie Park Development Agreement (as amended from time to time, the "Original Development Agreement"), which Development Agreement was joined by Scavuzzo's, whereby Developer proposed to acquire, design, develop, and construct the Project on certain real property located in Wyandotte County, Kansas, which is generally bounded on the north by State Avenue, on the east by Interstate 635, on the south by Interstate 70, and on the west by North 47th Street, as legally described on Exhibit A attached to the Original Development Agreement (the "Project Site"). A Memorandum of Agreement [KC Foodie Park Development Agreement] dated as of March 31, 2020 was recorded with the Wyandotte County, Kansas Register of Deeds (the "Register of Deeds") against the Phase 1 Property on April 1, 2020 as Document No. 2020R-04590.

B. The Original Development Agreement has subsequently been amended by that certain First Amendment dated as of December 12, 2019 (the "First Amendment"), that certain Second Amendment dated as of March 12, 2020 (the "Second Amendment") and that certain Third Amendment dated as of August 27, 2020 (the "Third Amendment"). Collectively, the Original Development Agreement as amended by the First Amendment, Second Amendment and Third Amendment may be referred to herein as the "Development Agreement." Capitalized terms which are not otherwise defined herein shall have the meanings assigned to them in the Development Agreement.

C. Among other things, the Development Agreement contains certain deadlines, including without limitation, deadlines to propose redevelopment project plans for Project Areas 2, 3 and 4 of the Project in Section 4.2(g) and deadlines to close on the Phase 2 Property, the Phase 3 Property and the Phase 4 Property in Section 5.1. For a number of reasons, Developer has requested extensions of these and other deadlines in the Development Agreement as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Incorporation of Recitals.** The Parties understand and agree that the Recitals set forth above are hereby incorporated as though more fully set forth herein.

2. **Amendment of Development Agreement.**

A. Modification of Deadlines to Propose Redevelopment Project Plans for Project Areas. The Parties hereby agree that Sections 4.2(g)(i), (ii) and (iii) of the Development Agreement shall be deleted in their entirety and replaced with the following:

- (i) Project Area 2 Deadline: **January 15, 2022** ~~July 15, 2021~~ (the "Project Area 2 Plan Deadline");
- (ii) Project Area 3 Deadline: **January 15, 2023** ~~July 15, 2022~~ (the "Project Area 3 Plan Deadline"); and
- (iii) Project Area 4 Deadline: **January 15, 2024** ~~July 15, 2024~~ (the "Project Area 4 Plan Deadline").

B. Modification of Property Closing Deadlines. The Parties hereby agree that Section 5.1(b), (c) and (d) of the Development Agreement shall be deleted in their entirety and replaced with the following:

- (i) Phase 2 Property Closing Deadline: **June 30, 2022;** ~~December 31, 2021;~~
- (ii) Phase 3 Property Closing Deadline: **June 30, 2023;** ~~December 31, 2022;~~
and
- (iii) Phase 4 Property Closing Deadline: **June 30, 2025.** ~~December 31, 2024.~~

C. Modification of Completion Date for Phase 2. The Parties hereby agree that Section 6.11(b) shall be deleted in its entirety and replaced with the following:

- (i) Substantially Complete the Phase 2 Minimum Improvements within **twenty-four (24)** ~~thirty-six (36)~~ months after the Closing on the ~~Phase 4~~ **Phase 2** Property;

3. **Miscellaneous.** In connection with this Amendment, the Parties hereby agree as follows:

A. Any capitalized term used herein that is not specifically defined herein shall have the meaning provided in the Development Agreement.

B. Except as specifically modified by this Amendment, the Development Agreement shall be and remain in full force and effect in accordance with the terms thereof.

C. It is the intent of the Parties that the provisions of the Development Agreement, as amended by this Amendment, shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in the Development Agreement, as amended by this Amendment, or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified, deleted or interpreted in such a manner as to afford the party for whose benefit it was intended the fullest benefit commensurate with making the Development Agreement, as modified, enforceable and the

balance of the Development Agreement shall not be affected thereby, the balance being construed as severable and independent.

D. The Parties hereto declare and represent that no promises, inducements or agreements not herein expressed have been made; the Development Agreement, as modified by this Amendment, contain the entire agreement between the Parties hereto; and the terms hereof are contractual and not mere recitals.

E. This Amendment shall be binding upon and inure to the benefit of the Parties hereto, and their successors and assigns.

F. This Amendment may be executed in counterparts.

G. This Amendment shall be construed in accordance with the laws of the State of Kansas.

[Remainder of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the Parties have executed these presents as of the day and year first above written.

UG:

**THE UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS**

By: _____
David Alvey, Mayor/CEO

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on _____, 2021 by David Alvey as Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires

IN WITNESS WHEREOF, the Parties hereto have executed these presents as of the day and year first above written.

DEVELOPER:

KC FOODIE PARK, LLC, a Delaware limited liability company

By: _____
Richard Scavuzzo, Manager

STATE OF _____)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2021 by Richard Scavuzzo as Manager of KC Foodie Park, LLC, a Delaware limited liability company.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires

IN WITNESS WHEREOF, the Parties hereto have executed these presents as of the day and year first above written.

ASSIGNEE:

SCAVUZZO'S FOODIE CAMPUS, LLC, a Kansas limited liability company

By: _____
Richard Scavuzzo, Manager

STATE OF _____)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2021 by Richard Scavuzzo as Manager of Scavuzzo's Foodie Campus, LLC, a Kansas limited liability company.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires

IN WITNESS WHEREOF, the Parties hereto have executed these presents as of the day and year first above written.

SCAVUZZO'S:

SCAVUZZO'S, INC., a Kansas corporation d/b/a **SCAVUZZO'S FOOD SERVICE COMPANY**

By: _____
Richard Scavuzzo, CEO

STATE OF _____)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2021 by Richard Scavuzzo as CEO of Scavuzzo's, Inc., a Kansas corporation d/b/a Scavuzzo's Food Service Company.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires

RESOLUTION NO. R-____-21

**A RESOLUTION ADOPTING THE FOURTH AMENDMENT TO KC
FOODIE PARK DEVELOPMENT AGREEMENT.**

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG"); KC Foodie Park, LLC, a Delaware limited liability company ("Developer"); and Scavuzzo's, Inc., a Kansas corporation d/b/a Scavuzzo's Food Service Company ("Scavuzzo's") entered into that certain KC Food Park Development Agreement dated September 26, 2019, as subsequently amended by that certain First Amendment dated December 12, 2019, that certain Second Amendment dated March 12, 2020, and that certain Third Amendment dated August 27, 2020, which also included Scavuzzo's Foodie Campus, LLC, a Kansas limited liability company ("SFC"), as a party (collectively, as amended, the "Development Agreement");

WHEREAS, the Development Agreement contains certain deadlines, including without limitation, deadlines to propose redevelopment project plans for Project Areas 2, 3 and 4 of the Project in Section 4.2(g) and deadlines to close on the Phase 2 Property, the Phase 3 Property and the Phase 4 Property in Section 5.1;

WHEREAS, for a number of reasons, Developer has requested extensions of these and other deadlines in the Development Agreement; and

WHEREAS, the Governing Body has determined that it is advisable to enter into the Fourth Amendment to KC Foodie Park Development Agreement with Developer, Scavuzzo's and SFC attached hereto as **Exhibit A** (the "Fourth Amendment").

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

Section 1. That the Governing Body hereby approves the Fourth Amendment in substantially the form attached hereto.

Section 2. That the Mayor is hereby authorized to execute in the name of the UG, the Fourth Amendment, and the County Administrator and other officials and representatives of the UG, including special counsel, are hereby further authorized and directed to take such actions and to execute any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. This Resolution shall be effective upon adoption by the Governing Body.

[Remainder of page intentionally left blank; signature page follows.]

**ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS
THIS _____TH DAY OF _____, 2021.**

David Alvey, Mayor/CEO

ATTEST:

Unified Government Clerk

(Seal)

EXHIBIT A

Fourth Amendment

[To be attached.]