

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

SPECIAL SESSION, THURSDAY, MAY 13, 2021

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, May 13, 2021, with eleven members present online. Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO presiding. The following officials were also in attendance: Doug Bach, County Administrator; Bridgette Cobbins, Interim Assistant County Administrator; Alan Howze, Emerick Cross, and Melissa Sieben, Assistant County Administrators; Brett Deichler, Interim Unified Government Clerk; Misty Brown, Chief Legal Counsel; Patrick Waters, Senior Attorney; Ashley Hand, Director of Strategic Communication; Jeff Fisher, Executive Director of Public Works; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Alyse Villarreal, Debt Coordinator of the Finance Department; Katherine Carttar, Director of Economic Development; Stephanie Moore, Management Analyst for Economic Development; Sarah White, Public Works Project Manager; and Trenton Foglesong, Lead Wastewater Engineer.

MAYOR ALVEY said before I call the meeting to order, I want to announce that due to COVID-19, individuals are attending remotely as well as on-site. 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 participating knows who is speaking. This is critical given the number of remote participants in his current guidance from the Kansas Attorney General.

MAYOR ALVEY called the meeting to order.

MAYOR ALVEY said I would ask the Clerk to announce the meeting and call the roll.

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

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, May 13, 2021, at 5:00 p.m. by way of Zoom for an update on the Levees Project followed by a report on Economic Development incentives.

Due to COVID-19 the public will be able to observe or listen to the meeting live on YouTube or UGTV or through Zoom.

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

Mayor Alvey said tonight we have two topics. The first is a Levees Project Update followed by an Economic Development Incentives Report. I will ask Mr. Bach to present staff for the Levees Project Update.

Doug Bach, County Administrator, said, Commissioners, as you're aware, a couple of years ago we were awarded in the Kansas City region about a half million dollars to go toward repair of the levee systems around our area to protect our communities. Our staff, in coordination with the Corps, has been doing a lot of work on this, over this time period. So, we thought tonight would be a good opportunity to come forward and give you an update as to where we are on this project from the construction activities as well as get into a little bit of where we're at with some of the connecting trails that we're doing on the levee projects as well. First, I will recognize Melissa Sieben, Assistant County Administrator, who has been leading this project from staff.

Melissa Sieben, Assistant County Administrator, said we are really excited to be here tonight and I have two of our shining stars with me tonight. Sarah White who has been the Lead Project Engineer working with the Corps along with Trenton Foglesong, our Wastewater Engineer, who has been working with Sarah on the Corps project. Also, tonight on the call we do have available

to us Scott Mensing, with the Army Corps of Engineers who has been our guiding light through this project and him and Sarah go a long ways back with the Turkey Creek Project as well.

I'm going to turn it over to Sarah, but I want to explain this sort of gravity of what we're talking about tonight which is pretty impressive. This is considered a mega project with the Army Corps of Engineers and given that the Army Corps does a lot of things that we all probably see as very big, knowing that we are actually hosting a mega project within our community is pretty amazing.

I also have two other people that I want to thank, particularly Misty Brown and staff member James Bain who has been essential on a lot of this work. I'm going to turn over to Sarah who is our technical expert along with Trenton and they'll tag team on this first presentation about what's happening with the levee.



Sarah White, Public Works Project Manager, said tonight we're going to give you a project update on the Kansas City's Levees Project and, as Melissa was saying, this is considered a mega project but I think even in the Corps world a half million dollar project that is designed in less than three years is a huge deal.

This is a large project and the first and foremost purpose of the project was and is flood reduction. As you can see here, there are multiple partners on this project. The Corps is the Program Manager and the main designer on this project. Also, the consultant, HNTB, the design firm is another designer that is contracted through the Corps and did a lot of the levee design. The project partners are the Unified Government, Kaw Valley Drainage District, and Kansas City, Missouri.



The Kansas City's Levees Project is 17 miles of levee improvements, floodwall raises, relief well, renovation, flood pump station, rehab and repair. As you can see here, it covers the Argentine, Armourdale and Central Industrial District Levee units. This program is a fully federally funded project. It is over a half a million dollars, \$529M project. That includes construction, design, real estate acquisition, railroad agreement and, as you can see here, the total value of protection that Corps did their cost benefit analysis on was at \$9.5B

As you can see here, the different levee units talk about how many—we have a population that is protected by the levee unit, the structures that are behind each of these levee units as well as the property value. This is a really a great kind of overall summary of what all these benefits are with this levee project.

Another thing I would like to recognize is the partnership of this project. As we've said, this was a very fast moving project and not only was this designed in less than three years, I think it was more like 1.5 years, there was some time of feasibility to begin with. The Unified Government had a lot of tasks to complete in a very short time and with this partnership we were able to do everything necessary in order to bid this out—for the Corps to bid out this project on schedule and able to make sure that they secured those bonds because the money was allocated for this project, but it wasn't guaranteed. So we needed to be moving dirt as fast as we can.

This is definitely one of the, well, the largest UG projects and this is something—this amount of value coming into our community is huge, bringing in lots of future protection and development and economic stimulus for this project.

PROGRAM OVERVIEW

AT A GLANCE: ABOUT US

The Project

- \$529 Million federal investment
- 9 miles of levee improvements
- 7 miles of floodwall construction
- 1,000,000 cubic yards of dirt
- 90,000 cubic yards of concrete
- 90,000 tons of sheet piling
- 110,000 linear feet of H-piles
- 11 pump stations to be improved
- 6 pump stations to be removed
- 2 new pump stations
- 140 new relief wells
- 11 new railroad closure structures
- 16 road and rail bridges impacted

The Team

- Over 200 team members
- Design partnerships with multiple A/E firms, utilizing design-build, A/E design, and in-house design strategies
- 100 real estate transactions
- 150 utility crossings to be coordinated with local utility companies

The Community

- Over 30,000 residents in the leveed area, with over 25,000 jobs and 2,500 structures
- Non-federal partners performing numerous betterments to improve interior flooding and develop the trail system along the levee
- Over \$20 million in Small Business set-asides for the pump station improvements
- The program will provide a 200% reduction in flood risk

Economic Impact

Railroad Infrastructure

- Coordination with 3 Class I railroads: UPRR, BNSF, and Kansas City Southern. Also coordinating with Kansas City Terminal Railroad
- 2 major switching yards, with BNSF's Argentine yard the 2nd largest in the nation
- 2 transcontinental routes, each averaging 80-90 trains a day
- 345 million tons of goods pass through Kansas City by rail each year, projected to increase to 470 million tons by 2030

Commercial and Industrial Value

- \$9.5 billion in property and investments
- Nationally important warehouse, manufacturing, distribution, and transportation hub



Here is a program overview. One of the things to point out that is pretty amazing is the amount of fill that we have for this project, a million cubic yards of dirt. I don't have the calculation off the top of my head of how many truckloads that is, but it is a very large number and we are getting that dirt from three areas, or I should call it our fills, from three areas in Wyandotte County and so this is a big endeavor. I'll talk a little bit later about what that means for the public.

The team is another thing to point out. There were over 200 team members between the Corps of Engineers, between the project partners, between the consultants at both the Corps of Engineers and the project partners hired to assist us with this project, so there were a lot of people working on this project. The things the UG were very involved in were the easements and the utility coordination.

The other thing to point out is not only were we working with over 150 parcels and property owners and utility contacts, we have been coordinating with three of the railroads in this area. The levee units are all adjacent or intersecting of these rails and so coordination has been very intense and ongoing with the railroads for this project.

LEVEE AND FLOODWALL RAISES

Argentine, Armourdale, and CID Levee Raises

Project Description:

- ~5-foot raise to 16 miles of levees and floodwalls
- 9 miles of levees; 7 miles of floodwalls
- ~1,000,000 cubic yards of soil
- ~100,000 cubic yards of concrete
- Replacement of 12 railroad closure structures
- Coordinating ~150 utility improvements/relocations
- Installing ~140 relief wells
- Addresses underseepage and stability risks
- Reduces likelihood of flooding by 200%
- Contractor: Lane Construction
- Value: ~\$250M
- Status Update:

- Construction will begin ~June/July 2021.
- Construction will complete by April 2026.



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The project components, one of the main ones is the levee and floodwall raises, as I mentioned. In the areas where we have earthen levees, most of those will be raised approximately five feet. It changes in different areas. There's also floodwall raises, so we currently have floodwall and in those cases those floodwalls will be raised as well. I will say that the Corps has done an amazing job of lessening their impact on adjacent property owners. Part of their design was to look at minimizing their impact and so in some cases a levee raise would have impacted the property owner too much so they went back in with a floodwall instead. There was constant coordination between the design team and the property owners to make sure that the impact of this project, the benefits were there and we lessened our impact on them.

This project was bid out. It was advertised—well, they did a pre-qualification. There were nine contractors that were selected for the prequalified—for pre-qualification and out of those nine, I believe five bid on the project and it was a low bid project and that came in significantly under the Corps estimate at \$257M with Lane Construction which I think they're headquartered out of Connecticut. They have worked on local Corps projects here and just finishing up with, I believe, it's a KCMO project and I believe it's Swope Park. They are familiar with the area and they do have a really good reputation.

Construction, they're working through their scheduling right now and construction will start here at the end of this summer, they hope to be moving dirt and with a completion date of April 2026.

Now, I'm going to pass it over to Trenton Foglesong to talk about the Pump Station Repair & Replacements and the UG Betterments.

PUMP STATION REPAIR & REPLACEMENT

Argentine Pump Station Replacements

Contract

- Project Description: 3 pump stations
- Structural repairs to the existing Turner Pump Station (PS)
- Replacement of Argentine Main PS
- Replacement and Relocation of Strong Avenue PS
- Contractor: Michels Corporation
- Value: ~\$33M
- Construction Complete by November 2022



Argentine Main Pump Station Demolition

Armourdale and CID Pump Station Repairs

- Project Description:
 - Modify/repair 2 flood pump stations to improve structural stability and strength
 - Address floatation concerns
 - Increased pumping capacity at 4 pump stations (UG Betterment)
- Contractor: Supplied Industrial Solutions
- Value: ~\$17M
- Construction Complete December 2023



Osage Avenue Pump Station (Armourdale)



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Trenton Foglesong, Lead Wastewater Engineer, said just a real quick overview of how our stormwater system works with the rivers here. Of course, we all know rainwater hits the ground and flows downhill so it either flows over land or through pipes and so long as the river is down low, it goes out through some gravity pipes that we have and goes out to the river. As the river comes up, it would be contained and interior low-lying areas would be protected from the river flooding by this levee system, which is being modified, of course. So, at some point we start closing gates and valves so the river water doesn't come back up through those pipes and flood that interior area and that all works great as long as we don't get any rain, you know, the river continues to rise and everything is fine and dandy. But, if we get any rainfall, that would flow downhill and encounter those same gates and now that water doesn't have anywhere to go, so we have a series of flood pump stations strategically located to pump that rainwater, interior drainage water, up over the levee to the river to protect our citizens and area from being flooded by that interior drainage water.

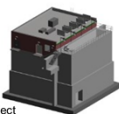
Most of those flood pump stations are constructed in or very close to the levee system, so when the Corps is looking at protecting everyone from the river flooding, the pump station structures themselves represent a potential mode of failure so most of what they were looking at doing was structural mods to those pump stations to reduce the risk of failure there. What we were able to do with them was also—well, work to try to get some betterments in with the pump stations.

Real quick on this page, this mostly just covers what the Corps was doing for the structural reliability standpoint. In the Argentine unit they were working on three pump stations, two of which were total replacements. One is the Strong Avenue flood pump station which was built in the levee that probably no one has ever seen it, but you will see the new one that's being constructed just on the east side of the South Patrol Police Station down on Metropolitan. The other one that's being totally replaced is Kaw Valley Drainage District Pump Station and it's north of there, just north of the Burlington Northern Railyard.

The other pump stations in Armourdale, they are touching five of our pump stations and demoing one that was still standing but not in service and then they're modifying one over in CID at the Kaw Point site.

UNIFIED GOVERNMENT PUMP STATION BETTERMENTS

- **Argentine Pump Stations (applies to 2 facilities)**
 - Increased capacity to 220% of existing capacity
 - 206,000 gpm total
 - Increased reliability
 - Completely replaced with KC Levee base project



- **Armourdale Pump Stations (applies to 5 facilities)**
 - Increased capacity to 170% of existing capacity
 - 170,000 gpm total
 - Increased reliability
 - New Electrical / Controls
 - New Piping / Gates / Valves



- **Central Industrial District Pump Stations (applies to 1 facility)**
 - Increased capacity to 190% of existing capacity
 - 44,900 gpm total
 - Increased reliability
 - New Electrical / Controls
 - New Piping / Gates / Valves



When we talk about Betterments, these are opportunities that we seized upon that served more our purpose and our objectives. They kind of went above and beyond what the Corps real charge was and that included things like new programmable logic controllers to control the pump operations. Most of the pumps ended up getting replaced by the Corps just by the nature of the project itself, but we paid additional monies to upsize those and that's one of the big wins we got here too. We kind of listed some of the capacities here. You can read them. We doubled the pumping capacity in the Argentine area, more than doubled. We added 70% in the Armourdale area and we nearly doubled it at the Ohio Pump Station, CID. What that means is when we get rainfall events that these pump stations will service, we're going to see a lot less water backup and a lot less flooding. I'm going to talk a little bit more on that here in just a second.

This was really a great partnership for the Corps to achieve their objectives and then we also got a lot of system renewal in these facilities that aged anywhere from 60 to 100 years old, so they were definitely due.

UG PUMPING CAPACITY BETTERMENTS

Base Capacity	+	Added Capacity	=	Total Capacity
275,000 gpm		210,000 gpm		485,000 gpm



When we talk about capacity upgrades, here's the numbers, 275,000 gallons per minute was kind of the base pumping capacity that the Corps was going to provide us. What we were able to do was add 210,000 gpm to it so there's the total. That's pretty impressive.

UG PUMPING CAPACITY BETTERMENTS

Base Capacity (275,000 gpm)	+	Added Capacity 210,000 gpm	=	Total Capacity 485,000 gpm
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How much is this?
How much did we gain?

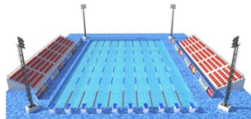


So, what is that? I don't even know that I know what a 1,000 gpm really looks like, I'm sure you guys don't.

UG PUMPING CAPACITY BETTERMENTS

Base Capacity (275,000 gpm)	+	Added Capacity 210,000 gpm	=	Total Capacity 485,000 gpm
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In Olympic Size Swimming Pools per Day (660,000 gallons)

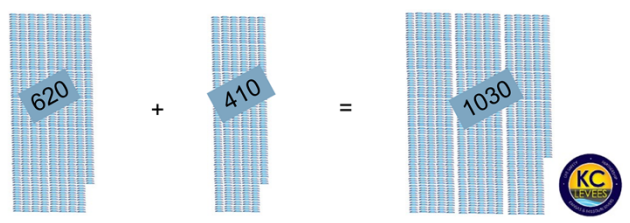


So, we thought we would present it in a little bit different way. So, how many Olympic size swimming pools per day can be pumped now?

UG PUMPING CAPACITY BETTERMENTS

Base Capacity (275,000 gpm) + Added Capacity 210,000 gpm = Total Capacity 485,000 gpm

In Olympic Size Swimming Pools per Day (660,000 gallons)

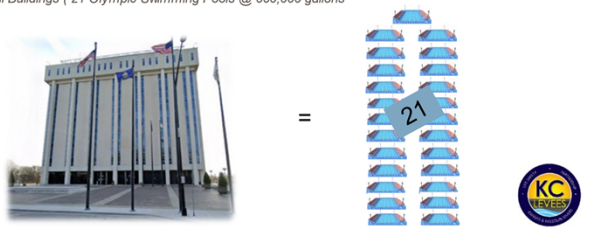


The base case from the Corps was going to be 620 at those pools in a 24-hour period. We added 410 for a total of just over 1,000.

UG PUMPING CAPACITY BETTERMENTS

Base Capacity (275,000 gpm) + Added Capacity 210,000 gpm = Total Capacity 485,000 gpm

In UG City Hall Buildings (21 Olympic Swimming Pools @ 660,000 gallons each)

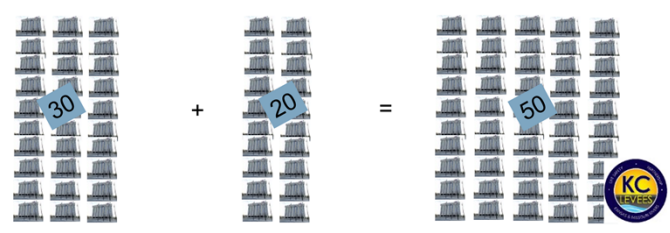


Another way to look at it would be how many—if City Hall was a tank of water, how many City Halls are we going to pump. So, City Hall is about 21 Olympic size pools, so if the base case was going to be 30, we added 20.

UG PUMPING CAPACITY BETTERMENTS

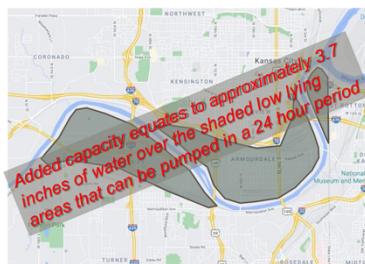
Base Capacity (275,000 gpm) + Added Capacity 210,000 gpm = Total Capacity 485,000 gpm

In UG City Hall Buildings (21 Olympic Swimming Pools @ 660,000 gallons each)



So now in 24 hours we're going to be able to pump 50 City Halls worth of water. I just thought that was a fun way to present that a little bit different.

UG Pumping Capacity Betterments

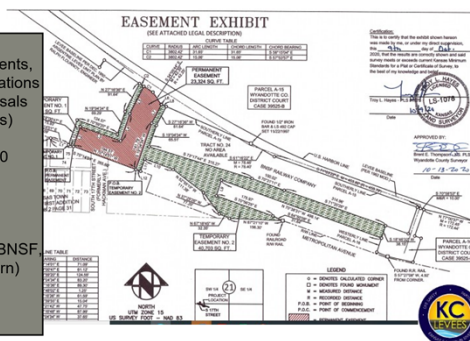


Putting that back down to the low-lying areas, if you took that water and spread it out over the shaded areas here which is Argentine, Armourdale and CID, it added, just the betterments added almost four inches of water now that we can pump out of that area in a 24-hour period. I think that's a great thing we should all celebrate along with the reliability.

Ms. White said I would like to mention that the UG Betterment with the pump stations that Trenton was talking about, if we were to do those on our own, it would be—Trenton was saying probably somewhere, you know, \$50M to do that and the bid prices came in for those a little over \$4M. As you can see utilizing this contract, putting in these betterments is both a benefit to our community as well as a cost savings to our budget and something that we're able to do within the next five years.

UG TASKS

- LERRD- Land Acquisitions, Easements, Right-of-Way, Relocations (Utilities), and Disposals (Hazardous Materials)
- Real Estate- over 150
- Exceeding \$10M
- Utility Relocations
- Permits- Railroads (BNSF, UP, KCT, KGSouthern)
- HRWA Investigation



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The other items that I mentioned earlier, the UG Project partner is that we need to do are called LERRD and those are land acquisitions, easements, rights-of-way, relocations which fall under utilities, disposals and investigations of hazardous waste.

We had a really great real estate team which included Orrick & Erskine and their law firm as well as James Bain in our Legal Department. Like I mentioned, we had over 150 real estate easement acquisitions. Tim met with each property owner to discuss the project, to sign the documents and another great thing the Corps did, by minimizing their impact on the property—the surroundings properties, out of over 150 easements, there was only two total property acquisitions which if you think about 17 miles of, you know, a half million project only two acquisitions is just an amazing win for the area.

We were able to get all of the easements that we needed. We did—those easements that the UG did pay over \$10M on those; however, we are able to get reimbursed by the Corps and we are in the process right now of submitting those reimbursements. Because this is a fully funded project, we are eligible for reimbursement on everything besides public easements. Everything that we acquired is going to be reimbursed to us. In normal federal cost share projects, it's a 35/65 split. So, if you did the math on a \$550M project, with 35/65, you can see that we also got a huge win for having this fully funded.

The other item that the UG is coordinating is the utility relocations. When the design started on this project, both the Corps and our consultant, HNTB, who acted as our agent met with all of the utilities to look at all the different areas where there were conflicts and work with them to get the relocation plans in place. Some of the relocations need to happen before construction starts and some of the relocations need to happen during a project. Once we get a schedule from the contractor, we will continue coordination through monthly coordination meetings with the utilities. Another item to mention is that a lot of these utility relocations are covered by the federal project so they will be getting reimbursed for some of the utility relocations and we went through all of that analysis to determine that.

The other big thing that we've been working on is the permits and the agreements with the railroad. Any work being done within the rights-of-way we have permits that we go through. The last item is the hazardous waste investigation and disposal. We only had a few sites that we looked at. We will be responsible for that during construction as well, so we have a consultant that will be helping us with that.

PUBLIC OUTREACH



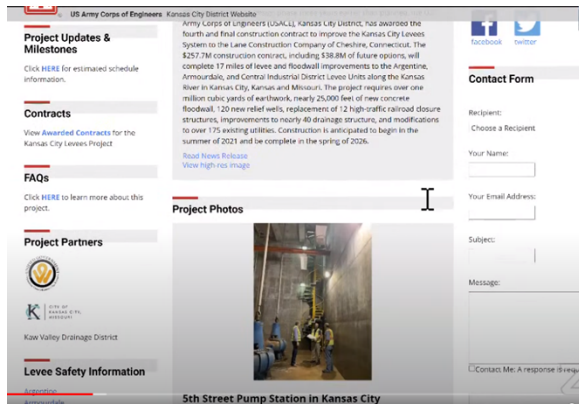
<https://www.nwk.usace.army.mil/Mega-Projects/Kansas-City-Levees/>

Another big item coming up is the public outreach. The public outreach that has happened, that has already occurred over the past 1.5 years, has mainly been with the property owners by getting the easements and then with the utility contacts that we have. The next phase of public outreach that we are going to be undertaking is the public. As I said, we will be bringing in a million cubic yards of fill to be placed along these 17 miles so there will be a lot of truck traffic. We anticipate there will be a lot of calls coming in, a lot of questions from people asking what's going on. We want to set up a plan where we provide information to the commissioners, we provide information to the Mayor's Office, to our call center, so that everyone is kind of continually updated and will be able to answer the questions or to point them in the right direction.

I want to point out that the Corps of Engineers have set up, and I hope this works, a really great website and we've been working with them on making sure that these are the things that we see as very important to have on the website. One of the things that I think is really great that they have added is this interactive map and our hope here is that—**Ms. Sieben** said we're not seeing the PowerPoint.

A screenshot of the US Army Corps of Engineers Kansas City District Website. The page features a header with the Corps logo and project title. Below the header, there are three main sections: 'Project Information' with a map of the project area, 'What's Happening' with a photo of a construction site and a sign that reads 'ADVISORY: HIGHWAY 271-271A RIVER WALL PROJECT', and 'In The News' with a list of recent news items. At the bottom, there is a 'Get Social' section with links to Facebook and Twitter.

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Ms. White said this is the website. It's going to have a lot of information. It already has a lot of information and the Corps will be updating this with current construction photos and information. They also have a contact form where people can ask questions or submit complaints or anything there. One of the things that we did have them add is this interactive map with the hope—their plan is to have areas where they're currently under construction and kind of the timeline for that when you could plan to see them entering into an area. So, I think this will be very helpful for us to have linked on our website and be able to navigate—you know, people can navigate and find out when they can expect construction to be happening in their area especially with this being a five-year construction project. That seems very important.



The last thing here is just the project status that we've kind of talked about is that all of the projects now have been awarded. We have the pump station projects going on, they're in construction, earth is being moved, things are happening and then the levee raise contract awarded and construction should be starting here at the end of summer.

We'll pause now for any questions or comments on this portion before we move into the Betterment section.

Ms. Sieben said, Sarah, I think that's your cue to keep moving.



Ms. White said one of the items that Trenton mentioned was the ability for betterments. One of the things that kind of came about right at the beginning is having the levee be an asset and not an obstruction to the river.

LEVEE BETTERMENTS - RECREATION

- The following recreational enhancements have been designed and included into KC Levees bid package for pricing
 - Trail surfacing
 - Trail access points
 - Amphitheater concept

- Trail surfacing and access improvements reached 100% design.
- Amphitheater concept was determined technically feasible but paused prior to 90% design.
- Identified need to align the riverfront vision with the Armourdale Area Plan and discuss options with stakeholders and the Commission.

One of the things that we looked at right at the beginning was kind of the riverfront vision and looking at what we could do with the project for recreation. The following things that have been designed into the project currently that went out to bid, would be the levee trails. We requested and designed upgraded trail surfacing so in some spots that is concrete and then in some spots that is an enhanced aggregate that is used for trails. We also, during design, coordinated our desired access points for trailheads and to access the levee trails.

Mayor Alvey said Commissioner Bynum has her hand up.

Commissioner Bynum said I realized I did have a question after you moved on. First of all, thanks for all of this incredible work. It's really mind-boggling. With regard to all of the work being done in Part 1 of the presentation, since that's all federal money I guess we can know that all of those workers are being paid prevailing wage. Would that be true? **Ms. White** said I don't know if I can answer that. Scott Mensing is on the phone with our Corps. He is the Program Manager. Since they contract out the construction projects, maybe he can answer that.

Commissioner Bynum said the follow-up question is, I would like that answer tonight if we know it. The follow-up question might need a little bit more research, but with that level of investment and so many people engaged, do we have any idea or can we get to some idea of how many Wyandotte County residents might be participating in the employment that has to be going on with such a large project? I realize that may need some work, but if I can know that first answer, that would be great.

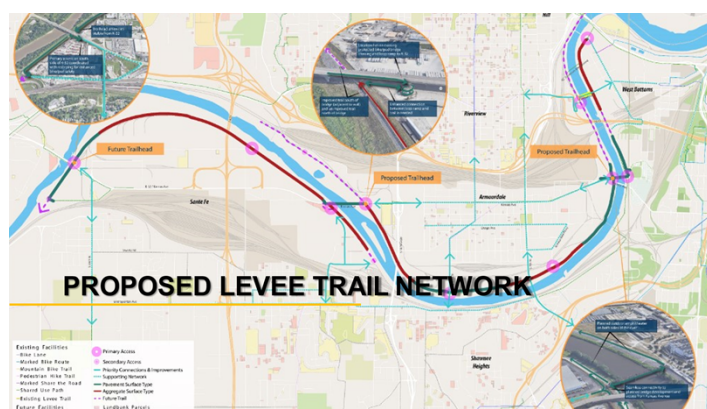
Scott Mensing, Program Manager for the Corps, said I'm not a contracting officer or an attorney so I don't like to pretend I'm one either, but the Corps is required to follow the Davis-Bacon Act which dictates our wage rates. It's hard to get into how it relates to prevailing wage and union rates but our specs do include the Davis-Bacon wage rate that our contractors are required to follow. **Commissioner Bynum** said thank you.

Mr. Mensing said regarding your second question regarding the amount of local interest that is—or locals that are potentially employed by the project, specifically by our contractors, I do not have that information. We do not have—at least at this point, not on a large levee contract. We may have it to a certain extent on the three pump station contracts, but that's more by company, not so much where the employees of the subcontractors live. The three contractors that we have are Lane Construction which is based out of Connecticut, it's a global company. Michels Construction is doing the Argentine pump stations, they're based out of Wisconsin, but I know they're using Kissick—they are using a lot of local subs and the other, Armourdale CID pump station is Supplied Industrial Solutions and Goodwin Brothers. The same thing, I know they're using a lot of locals. Honestly, I don't believe I'm privy to the information to know exactly who they're using, but I will dig into what I can. I know I don't have information for Lane because we were asked that question yesterday and I do not have it, but I will follow-up with Melissa and Sarah and get you all what I can for the other three contracts.

Ms. White said I'll go ahead and move on with the levee trails. We did request for the upgraded trail surfacing. We also requested for upgraded gates so that those would be pedestrian gates that would not allow vehicle traffic unless it was maintenance vehicles, so we hope that makes everything safer and restricts vehicles on the levee.

The other thing is we worked through design on how to create a fully connected system and one of the things that we were able to get in the project is some of the trails do dip down under bridges more towards the river, so we were able to get that added into the grading which was a significant cost savings. Those numbers were estimated with their engineers estimate and the bid prices did come in at \$2.7M so we're very excited about that.

One of the other things that we did look at is how to bring people to the river and what kind of event space we could have there. We looked at an amphitheater concept that I know Melissa is going to go into a little bit later, but we did—HNTB was our designer on that and they designed something that was technically feasible with the levee project and not have any negative impacts on the river. We got that to 90% design; however, we did pause that because we realized the other items going on at the time with the Armourdale Master Plan that we wanted to make sure that we were aligning the vision for the riverfront area and make sure we discussed options with the stakeholders and the Commission.

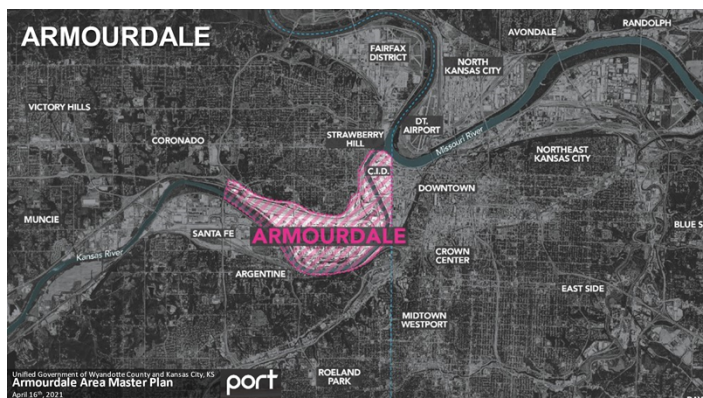


This came out of our master plan that we did for the levee trails. We did this pre-COVID last year and we have a lot of really great input through survey and a public meeting on the proposed levee trail network. These items were included into the project. The next steps on this is to work on the design of the trailheads and the other amenities on the levee trail that we'll be able to put in after the levee project comes through in five years.

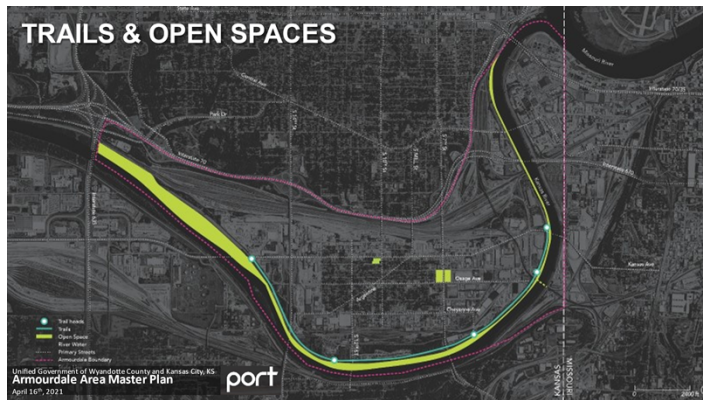
I would like to also point out that we have a partner with Proctor & Gamble that wants to build a trailhead off of their location and we're working with them on designing that to kind of memorialize them being in the area for, I believe, over 150 years. We have a lot of exciting things going on with the trails as well as some grants from MARC.



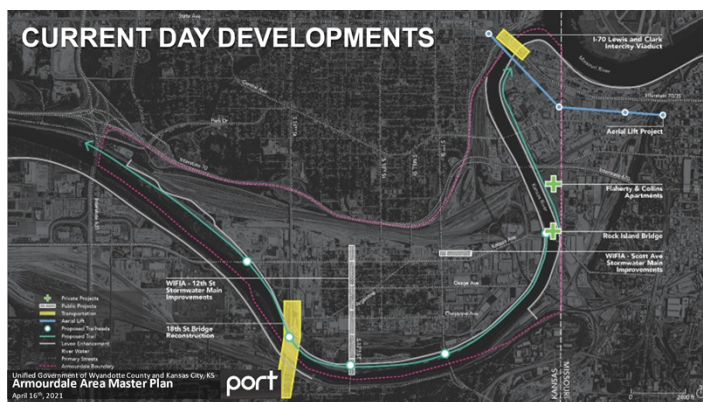
One of the other things going on...



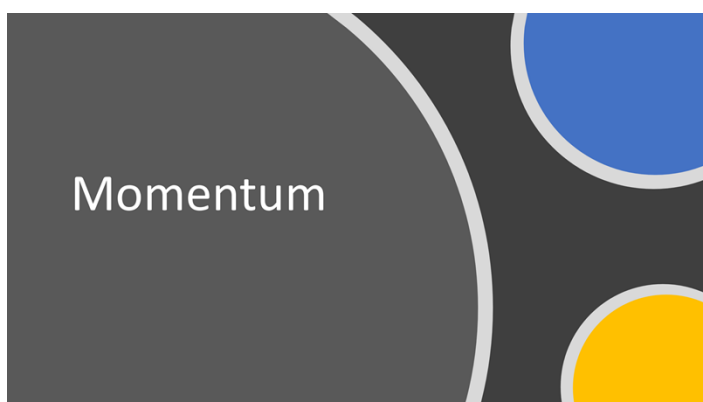
I'm not going in-depth with the Armourdale Master Plan but we were able to participate in some of the Steering Committee meetings and really got to understand kind of the history of the area and hear from citizens on, you know, what the vision is for Armourdale.



A lot of the things was the connectivity and how the levee trails is a form of connection between this area and we hope to accomplish that with this project.



Then there is also a lot of other developments going on in the area.



I'm going to go ahead and pass this over to Melissa and she can talk about kind of the momentum in the area.

MOMENTUM



Ms. Sieben said we are obviously working on a whole litany of things as a Unified Government and a governing body and with our development community, Yards Phase II right now as well as our next project we're going to talk about with flying truss, the Rock Island Bridge development. These are kind of catalytic ideas or events occurring along the waterfront and we wanted to make sure that what we were doing with the Levee Project, our design team, the Army Corps, HNTB, and others that have been working with us to make sure that whatever others visions were that we were able to make sure that we could make those dreams come true as well as providing the amenities that folks visioning with us in the Armourdale Master Plan are talking about as well.

VISIONING KCK'S RIVER FRONT

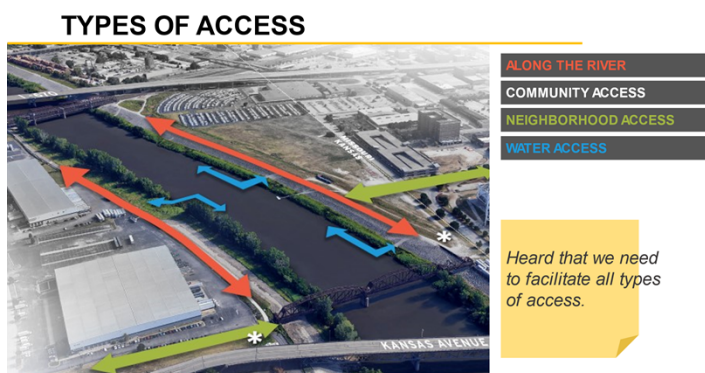
- Understand the history of the area, concept feasibility and construction needs
- Identify necessary access type(s)
- Seek project inspiration
- Define potential park and open space alternatives
- Discuss programming options for recreational spaces

We've done a lot of work, we've also seen a presentation, some of you, in the last couple days with Casey DC, the design group out of K-State about the history of the area, understanding what's feasible within the spaces along the river and what kind of construction issues and needs we'll have. All this identification has been going on in the background. Looking at access types noted for just access for the levee trails, what we need there but we also have to marry that with the access that we need to do the maintenance on the levees with Kaw Valley's work. Then, looking for inspiration on sort of what those public spaces might be and alternatives for how we might

define our potential public spaces along the river. Then, of course, as Sarah noted, recreational programs whether it's kayaking on the river, trails, races, outdoor live events; things of that nature.



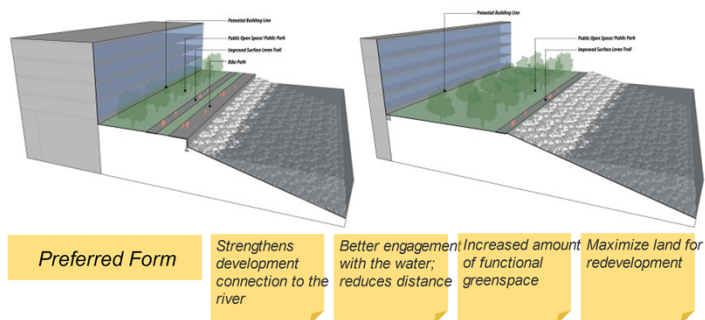
Here are just some inspirational photos of things that we've all been looking at. I know that many of you talked about other places that you've been and seen and we've been talking about that with folks that we're working on with this project and we'll be continuing to talk about those. These are just different cities on here, I believe, Louisville, Baltimore, and a few others that I'm not recognizing. But I know that there's a lot of riverfront development going on in old historic industrial areas within the United States and I think we're trying to leverage that with this project making sure that can happen through design and engineering as well as working with our community groups and partnerships.



One of the things that we've noted throughout this process and our conversations is that people want to be up and along the river. We want to have access for our community to the river. Those are things we've been hearing when we've been out in the different conversations that we've had whether it was on the trails—a couple years ago now I think it was, or with the Armourdale Plan,

neighborhoods want to feel part of the river as well as folks want to have access to the water if they so choose.

LEVEE AND FUTURE DEVELOPMENT FORM



We also started looking at, with the development community, sort of their preferred way of interacting with the river for development. What we found are a couple of things are important for how we shape our work going forward and that is to really be connected to the river and not have the levee or levee wall be an impediment to how we interact. These are things we're going to be working on with Sarah's team and Scott's team at the Corps of Engineers as well as our partners with HNTB and then folks like Flaherty & Collins with the Yards II and others that come along in the future on how we interplay with the river and continue to make it feel part of our community instead of something that's hidden behind a wall.

OPEN SPACE & PARK CONCEPTS



Just a lot of concepts that we were thinking about and looking at and I would encourage all of you to continue to do that as well. There's lots of things we can have. Various design spaces that we talked about that have very specific intentional purposes. Two spaces that are activated by programming so they may look open a lot of the times and then have major events occur at them

and then you have other places where you have elements that are more park-like where they kind of have the recreational features that are fairly defined or defined in a way that you can explore them.

OPEN SPACE & PARK CONCEPTS



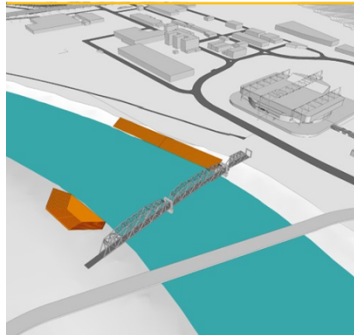
The things that we've been hearing through these conversations is that there is a balance that we probably need to strike as we do this work between areas that can be activated in a variety of ways through programming and those that have some permanent elements that truly lend themselves to a type of functionality.

PREFERRED PARK ELEMENTS



Here's some of the preferred elements we've been hearing with our engagements with the community and with our business partners. Things like action with water that's not the river necessarily but adjacent to it. The amphitheater which we've discussed already here and the ability to have things to do with eating because we know that's always our favorite way to recreate.

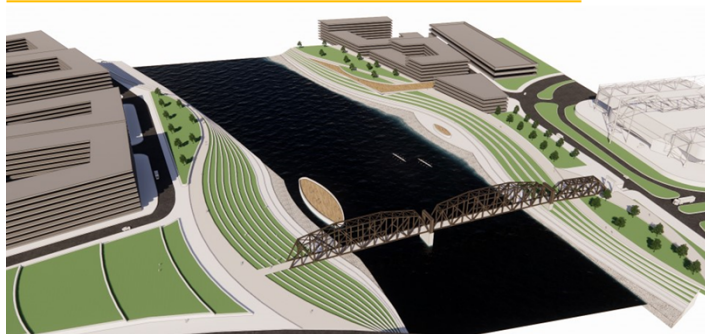
AMPHITHEATER - EVENT SPACE



- Desire and benefit from large event space/amphitheater
- An earthen levee creates a better condition for future development
- A riverside amphitheater directly engages with the river
- A traditional bowl form for seating provides additional water storage in the river

This here is a design of single work that's been being done that Sarah mentioned that we've had tested as part of the program up to this point with the levee raise to ensure that we weren't having an adverse impact on the whole purpose of this entire project which is flood protection. That's the heart of everything that is being worked on at all times. You can see by using an earthen levee we have an advantage to be able to create these kind of elements that get you down closer to the river. As noted on the last bullet here, a bowl form is the best form for not raising water levels.

NEXT STEPS



This will just open it to questions. Sarah has maybe a couple comments on next steps on what we're doing to round out our engagement at this point of the project. I'm sure Doug will have some comments as well.

Ms. White said the next steps of our engagement include presenting to you guys some of these ideas and then we are in coordination with the development that is going on in the area with the Yards II, the Rock Island Bridge, and now the KC Boat Club that is located already in this area. We have coordination meetings and we are working at how do we collaborate on these spaces, these shared spaces and make sure that all of our visions are intersecting and not conflicting. Then,

kind of our role in the UG is to act as a liaison to this Corps and to the KC Levee's project that is going to be happening and working through schedules, making sure there's not major conflicts between all of the different developments and projects going on.

Ms. Sieben said, Doug, that is our presentation for the evening.

Mr. Bach said thank you both and Trenton as well. A very good presentation, good information on where we're at. As you can see there's been a lot happening with this project and I think as noted early on when Sarah was going through it, that the Corps was moving on this project at a fast pace to design, get it in place and moving forward where they are today has been a monumental effort and it is on track and moving forward. We're really excited about what's happening and excited about some opportunities here for our ability to engage the river in a way we never have before.

Mayor, at this time we will take any questions you may have.

Mayor Alvey asked, any comments or questions from the Commission? (There were none).



Mr. Bach said we'll move on to the next part of our presentation, our Economic Development Incentive Report. This is a report that we did last year for the first time in this kind of detail. You received with your agenda packet on Monday about a 60 sum page report that went into great detail of what was being—what we have in addition to a PowerPoint that we're going to step through this evening. I will say this, as we look at a year of 2020 as one where we dealt with a pandemic and we had a lot of very difficult times in the world of economic development. And I guess I'll

say, like we solved the Levee Project, a lot of work continued to happen in a lot of other areas even though we had many staff and resources devoted to the pandemic, the area of economic development saw a lot of progress as well and we're able to show some of those to you now as well as some of the older projects we have and how they're performing.

With that, I'm going to turn this over to Kathleen VonAchen, our Chief Financial Officer, who is going to lead the team in the presentation this evening and then we will follow it up with other members of the team.

Kathleen VonAchen, Chief Financial Officer, said the team that will be presenting tonight is myself, Alyse Villarreal, who's in the Finance Department, Debbie Jonscher, Finance Department, Stephanie Moore, who is in Economic Development and we have a guest coming who is on leave right now, but has come just for this presentation, Katherine Carttar, and so she is going to take it from here.

Economic Development Incentives Report: Introduction

Purpose: To drive development and meeting community goals, while being fiscally responsible

- Grow the economic base
- Raise household income
- Add quality job opportunities
- Bring desired amenities

Katherine Carttar, Director of Economic Development, said I look forward to getting back and working on some more projects. This is, as both Doug and Kathleen mentioned, our second year that we've done this incentive report and I think it's particularly important to see for a variety of reasons, but one of which is that economic development, just at its nature, is such a wide reaching area of what a city does. Not only does it reach a bunch of different departments within the city, so the Economic Development Department, my team, works with Finance, Legal, Administrator's Office, as well as Wyandotte EDC as well as Chambers, KCADC, etc. The list goes on, but also the economic development really hits every single one of the Commission priorities. So, a variety

of projects reduce bight, increase safety, increase community health, increase economic prosperity for sure so you can see our purpose really is to hit these community goals across the entire KCK.

Has the UG been successful?

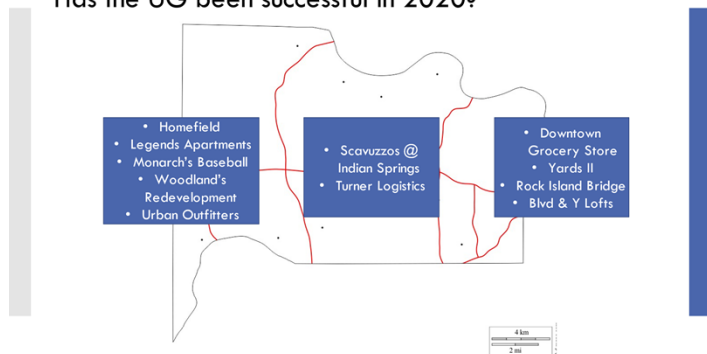
Yes! Always challenging to directly tie benefits back to the offering of incentives but Wyandotte County/KCK has undoubtedly seen investments increase as a result of incentive packages.

- Wyandotte County has seen \$5.5 billion of announced capital investment since 2009
- Wyandotte County's median household income has increased by nearly \$10,000 since 2007

So, has the Unified Government been successful? I think that is a resounding yes. As Doug mentioned, this has been a very challenging year, 2020, for many reasons, most pandemic related, but in terms of development things we had a number of things already in the hopper and moving forward, but then also it kind of opened up a different focus in terms of distribution logistics, things that we were already experts in and then those were some areas where, you know, just kind of happened that distribution and multi-family were two of the areas that banks were still lending, things were still moving, and this was a great time to really take advantage of what KCK needs were and what we are particularly good at.

The really kind of exciting thing is that in 2020 we had nearly, and it kind of depends how you define whether we're just over or just under, but about, we'll say, approximately a billion dollars' worth of investments in KCK and Wyandotte County in that year which is pretty much the largest we can think of as far as we've gone back and tracked particularly a year that does not include any GM kind of a giant investment there or even really—there was the Proton building at KU but no massive investments there. This really shows kind of a wide variety of different projects across the city.

Has the UG been successful in 2020?



One of the things, and I'll just kind of give a really brief overview, and then we'll kind of dive into each of these in much greater detail but really the goal of economic development and I think what a city's purpose is, is to make sure that there is development and things happening across the entire city. We don't want to focus on a specific area or specific type of development so we're pretty excited just by how 2020 turned out, that there really is great investment across the entirety of our city and county as well as a variety of different levels. You see these massive projects particularly out west. We've got Urban Outfitter's with over 2,000 jobs and \$403M worth of investment. If you've gone by there, you can see that they are moving and they already have foundation going in and building as well as something like Homefield, over 1,000 jobs. A variety of different levels of investment but this first kind of phase that we'll be moving into here shortly is about \$90M and that does not include all the ancillary retail and things that will be coming along with this project.

Then there are the very significant projects that are more scattered throughout the city, so having another Menard's, a Menard's at 18th & I-35 another great project. This is a site that would not have been able to really develop almost anything else. You really needed something that had a lot of capacity for some significant site costs as well as KCKCC, their student housing is another great project as well as other housing multi-family projects more in the core of the city especially downtown. The Merc opened up. You know we've got a lot of kind of smaller projects that have dotted throughout the entire city that really are focused on that community-based neighborhood level so the Merc opening.

Junior Achievement is another great project down in Rosedale that we'll see. Just about every elementary school child in the entire metro will come experience that location and be in KCK which is a great way to expose the entire metro area to all the great things we have going on here as well as something like Splitlog. A very humble project but one that as soon as we're kind

of back to normal I anticipate I'll see many of you there and we'll kind of keep having meetings at that location now which will be larger and more spread out.

What you'll hear as we get into this presentation is we do have a variety of tools and I think the big thing is how we use these tools and really what we've been focusing on is how to use these tools to best community benefit. This is not about just getting investment, but this is an investment that will pay dividends and help the community in those goals that were previously stated.

With that, I will turn it over. I think Stephanie has the next section.

Economic Development Incentive Tools

Property Tax & Sales Tax Based

- Neighborhood Revitalization Act (NRA)
- Industrial Revenue Bonds (IRB)
- Tax Increment Financing (TIF)
- Community Improvement District (CID)
- Transportation Development District (TDD)
- Sales Tax and Revenue Bonds (STAR)

* Based on new, incremental taxes

** Tools can be layered

This is just a list of all the different tools that you'll be hearing about today. I will mention that there are others on this list that are much smaller such as what we used for Splitlog. They received a small business grant, not incredibly significant, \$10,000, but that was enough to get them over the hump and make that a significant investment. With that, I will turn it over to the group and it's great to see everyone.

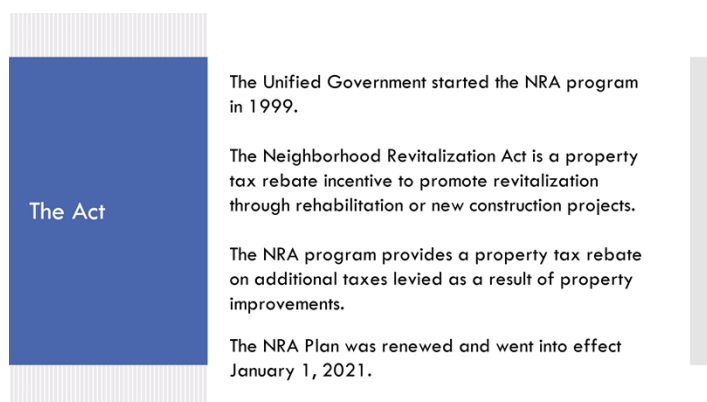
Mayor Alvey said Commissioner McKiernan has his hand up.

Commissioner McKiernan said, Katherine, it is good to see you and I know you have it on some of the later slides in this presentation, but I just want to remind you and remind all of the team that a billion dollars of development is really good, but a lot of that is money that churns around us. I want to make sure we always do when we talk about development, we want to talk about the economic impact on us in terms of increased revenues, in terms of other things that flow into the county that we can use for the provision of city and county services. So, a billion dollars is a great

number but people have to realize we don't get a billion dollars, that's money that just waves around us so let's always just keep that in mind.

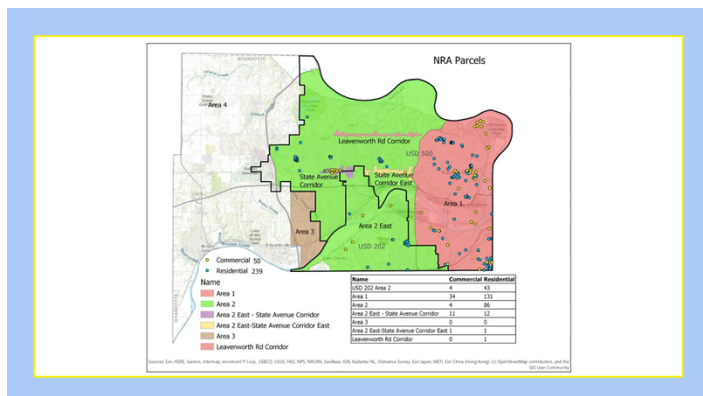


Stephanie Moore, Management Analyst for Economic Development, said I'll go over some of these incentive tools starting with the NRA, the Neighborhood Revitalization Act.



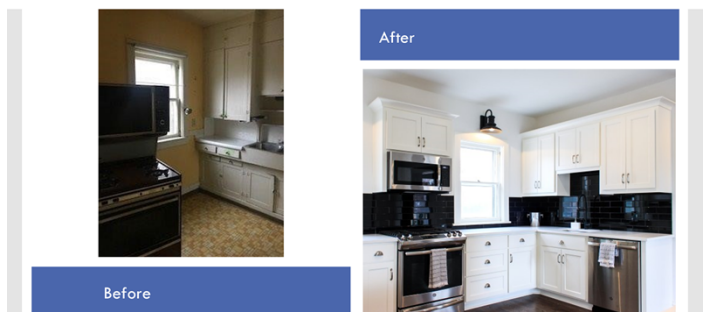
We just renewed the plan, so you guys might be familiar with some of this. It started back in 1999 as a way to revitalize through rehab and new construction projects for both single-family and commercial. It's a great tool to use for a wide variety of projects throughout Kansas City, Kansas. What it does, it provides a tax rebate on those additional taxes levied from the result of those improvements for that construction. We just renewed it for five years and it went into effect January 1st of this year.

This talks about the pre-construction value at \$52M and then after construction and after everything has been appraised, we've gone up to \$136M so that's a 3x increase, that's a lot of return on investment. The UG also get taxes so we're not giving it all back, we still get some taxes out of that \$1.16M.



I want to show you the map again because I'm going to give you some examples of—some recent examples of residential and commercial. The ones I picked are actually in Area 1, so you'll get to see two of those coming up next.

Residential Renovation



This is my favorite one. It's a beautiful renovation in Rosedale. The one on the left looks, you know, that's the before, a very historic kitchen and then we've got the after picture. It reminds me of HGTV, that was like their sale pitch, the ad for that house. It's quite beautiful.



We'll move on to a commercial. So, this is success tracking and it's right on the border of KCK and KCMO over the James Street Bridge, so I got the before, the during and the after of that project. So, it can help commercial, it can help single-family, a great, great program.



We'll move on to the IRBs and that's the Industrial Revenue Bonds.

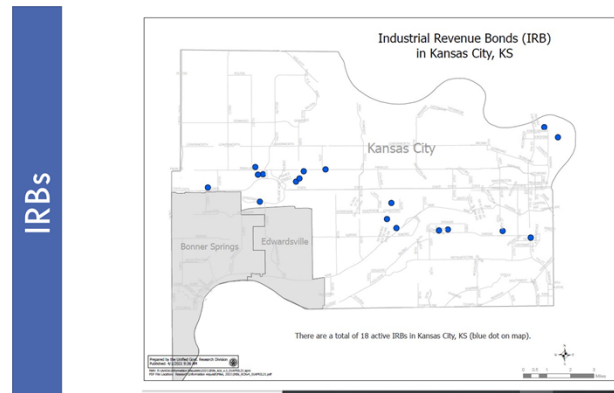


You guys just approved that policy last month, so this might be familiar as well, but it's to create a positive business environment and stimulate economic growth and development in order to

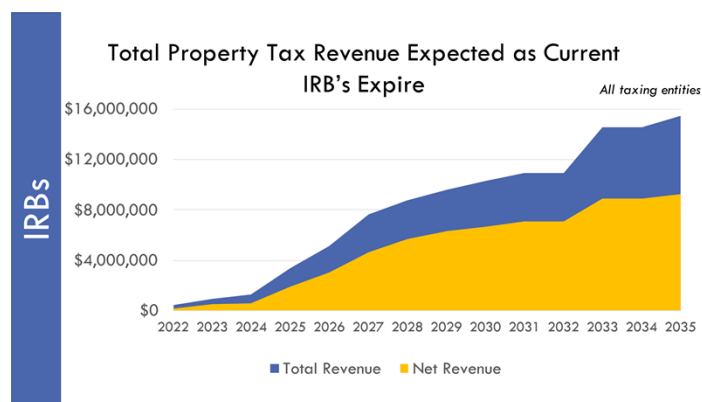
encourage capital investment, employment opportunities, and quality services for the benefit of the entire community.



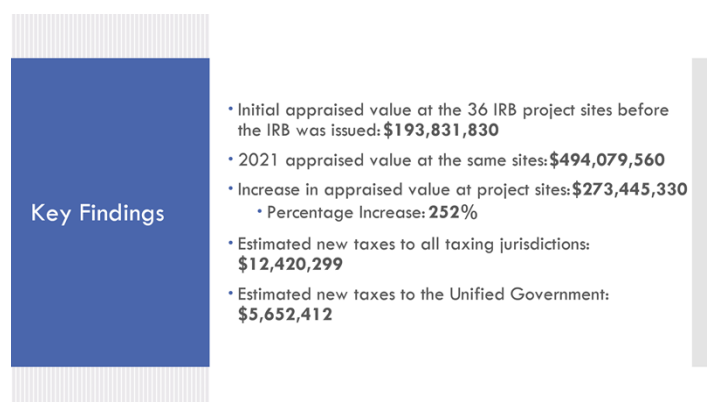
Here's just a snapshot. We picked 2006, so over the last 15 years we've had 36 IRBs issued, 30 of those are still active and then we have 6 graduated. We just kept those on the list just to keep it round, so \$941M in issue, but the UG is not accountable for that. It does not impact our budget or any of our books. It's just a tool that we use to help increase in investment.



This next slide is a map so this is going to look a little weird because there is only 18 dots. That's because some of our locations like PQ down in Armourdale, they have about 14 separate IRBs, separate series. Mike Grimm and I were going back and forth on how to show you guys the dots and try to be—so there's not 30 dots on the map.



This is a really good graphic to illustrate the expected revenue back to the UG as those IRBs graduate and come back on to the tax rolls. This is for all of the taxing jurisdictions, so it would include the school districts and the Unified Government. Finance put that slide together for us. I think it's a really good impact to show the benefit.



This has a lot of information on it but let's just take it slow. The 36 projects, the initial appraised value before they started was \$193M and then we look at 2021's appraised value, that brings it up almost 252% to that \$494M. That increase is quite substantial. It's a great program. Then, we look at the estimated taxes coming back to the jurisdictions, about \$12M and then \$5M comes directly back to the Unified Government.

I'll take any questions at this point. If not, I'll pass it on to Alyse.

Development Projects

Alyse Villarreal, Debt Coordinator of the Finance Department, said I work on all the financing of the CMIP debt projects but I also get to help out economic development. In my department we assist with like reviewing the development agreements, developing and evaluating the performance before you guys approve the projects and we also administer the payments of many of the incentives. So, for the bond issues we'll administer the payment for bond trustees if we directly receive the money and then we also administer the PayGo payments. We review all of these projects periodically. Every time there is a property tax payment or even monthly for those that have incremental sales or CID sales, TDD sales tax pledges, we're reviewing them every month.

Case Studies of Projects receiving Public Incentives

CIDs
TDDs
Sales Tax Rebates
TIF



This slide shows how—what Katherine was saying earlier, how we have projects spread all throughout the county which is really important for us. Each one of these have been through thorough evaluation and negotiations by the Economic Development Department. To construct a development agreement with an incentive package, it's really tailored to each and every one of the projects. So, comparing one project to another, it's not always apples to apples because there's different—not just different incentives pledged, but also different levels of incentives pledged.

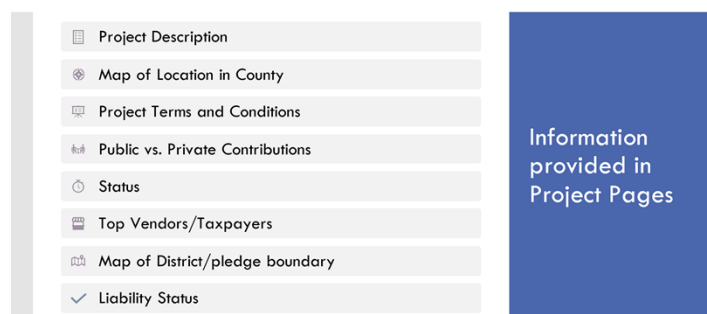
Some have 100% property tax increment pledged and others they tailor it back after a certain amount of years.

Before we continue, can we go back up to slide 5 real quick? Stephanie already touched on the NRA and the IRB incentives, but I just wanted for anybody who's not familiar with these incentives, I wanted to make sure that it's understood what we say when we mean TIF, CID or TDD. Tax Increment Financing, just the quick and dirty for it, the taxing jurisdictions, we set a base prior to the project and the taxing jurisdictions continue to receive the base and then the increments that's generated from the project, it can either all be pledged or a portion of it can be pledged. So, when we talk about that increment, that's the increased value in either property, sometimes also sales, that goes for the project.

Then, CID and TDD, Community Improvement District and Transportation Development District, those are additional taxes that are levied in the district and each one has a statute that governs what the proceeds can be spent on. TDD is a lot more restrictive than CID. There's also a section of the statute that allows it to be not an additional sales tax in the district, but rather an assessment that's levied along with the property taxes and we have one of those projects later on.

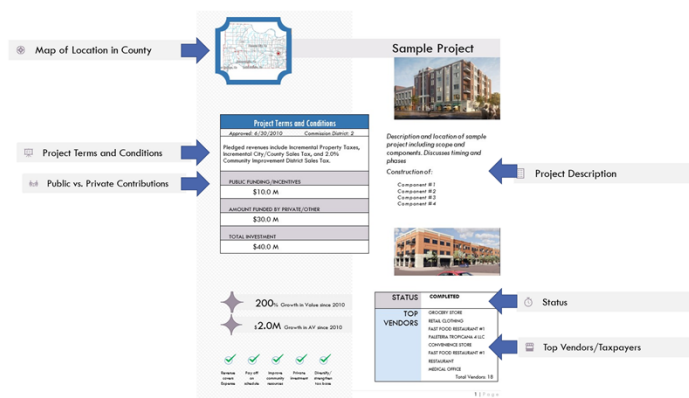
Sales Tax and Revenue Bonds, most everybody is familiar with, like the Home Build Project, for example, that's a partnership between the state and local for sales tax revenues, the increment is pledged to the project.

We can go back down to where we were.



The report that you received, it contains a whole section of project pages. Each has some basic information about a project. We've got the project description, the location in the county so you

can orient yourself, what was pledged, a very simplified terms and conditions if you really want the detail on that, the DA is the best place for that. Also, how much was public vs. private contribution, the status of the project, top taxpayers, vendors in the area, and the liability status.



These next two slides just kind of are an example of the project pages so that if you leave here and you are thinking about a project and you want to know exactly where to go, we've tried to keep it pretty basic and that way we just get to the bottom line. If you have questions, you can see exactly how the project is doing.

In the upper left-hand corner we have where its at in the county, a little indicator there. We have the project terms and conditions along with the public and private contributions below that. We've got some key facts sometimes below that and then we've got some little checkmarks below that I'll speak to a little later.

On the right-hand side we try to include pictures of the project along with a simple description, the status is below that and then the top businesses in the district.



The next page, and sometimes the third page too if there's that many incentives pledged, is a map of each district or pledge boundary. That way you can see exactly where we're talking about. The bottom section is where you're going to want to refer to when you want to see how the project is doing. This is the section where we include a box like where it says TIF with the blue square, that's the basic information about the district, when it was created, how long it runs through, what's pledged, and how it's financed. The purple section, the purple box below, is called the Bond Performance or the project performance box and that's where we give you the details on what's pledged or what kind of payments we're making and how those are doing.



Here's where we talk about how—when we evaluate project performance, we're coming from the perspective of is the project paying off its liabilities. If the project is PayGo, then there's no risk to the UG, no risk to the taxpayers. I mean other than the question about whether or not we're using the highest and best use of the land or something similar to that, similar or a better development would occur had we waited, those types of questions are taken into account before the project is approved, so for PayGo purposes we're considering no risk.

Special Obligation Bonds, those are backed solely by revenues within the project area and so they're only a limited risk to the UG because no additional revenues outside of that is pledged.

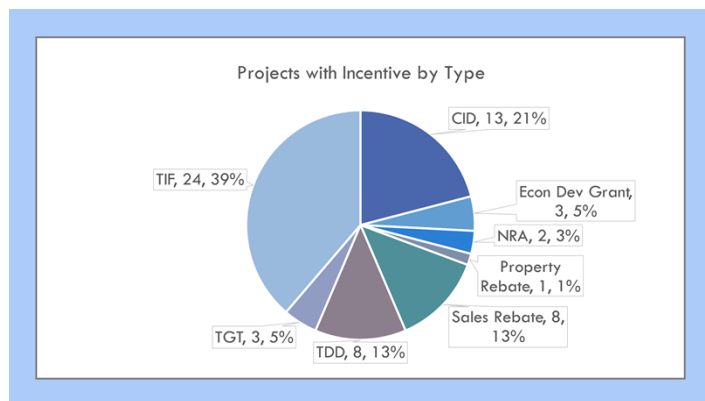
Special Obligation Annual Appropriation Backing and General Obligation also known as GO Bonds, those are the most risky for the UG because we pledge revenues outside of the district. So, for a General Obligation Bond if we finance the project and the project revenues don't come in, then we must use our full taxing power to pay the debt service on those. We always try

to go toward PayGo and in very special circumstances we'll do Special Obligation Bonds and, you know, it has to be very special to move along that continuum.



These are the categories that we're evaluating by these are the check boxes at the bottom. Does revenue cover expense, is the project going to pay off on schedule, did it improve community resources, was there significant private investment, and does it help to diversify and strengthen our tax base. This update really focuses on the first two because the last three are really criteria that are considered prior to project approval. A project wouldn't be approved if it wasn't desirable for the community, if there wasn't a significant private development that wouldn't otherwise occur without these incentives and if we didn't believe that it would contribute to the community, so those are kind of given unless the project is brand new.

Debbie and I are going to switch back and forth. That way it's a little—it's not just my voice, we have a little bit of variety. Debbie, I believe you have the next few slides.



Debbie Jonscher, Deputy Chief Financial Officer, said this next slide is showing the number of projects we have by the type of incentive. The largest group that you can see is property tax TIF

projects. There are 24 and as we said TIF projects are where the new TIF increments is generated from the development and then what is pledged towards the project.

The next group are Sales Tax project incentives. We have 13 CID projects and 8 TDD projects and the CID and TDD sales tax that's generated by this additional tax is what is pledged toward the project. The 8 projects that are sales tax rebates, the sales tax rebates are where you have a sales tax that's being generated or the new incremental sales tax that's collected because of the development is pledged to reimburse eligible expenses. So, this is not an additional tax such as a CID or TDD.

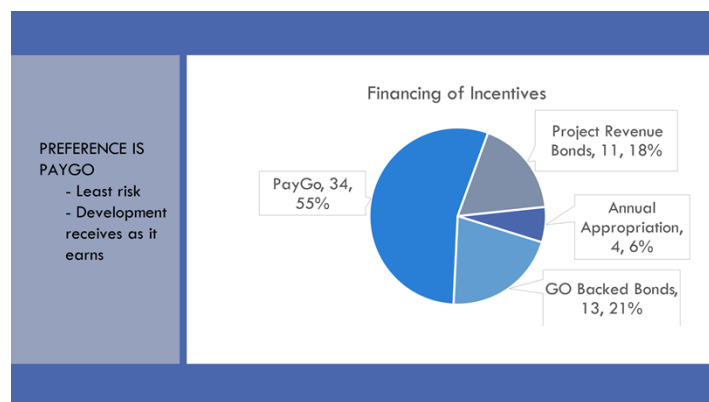
We have three economic development grant projects and these are bonds that are issued under our Home Rule ordinance. We have three projects that have Transient Guest Tax revenues pledged and these would be developments that have hotels being built within the project. We also have two NRAs and one Property Tax Rebate project.

Mayor Alvey said, Debbie, you said there are two NRA projects? **Ms. Jonscher** said yes. **Mayor Alvey** asked, are those just commercial projects, industrial, or also—**Ms. Jonscher** said in a couple slides I've got a list of all of them and I'll look at those two when we get there.

Commissioner McKiernan said just to clarify, when we say pledged to the project, we mean additional tax revenue that's generated but is not coming to us in the short run. We have pledged to defer collecting that money for a period of time so that we can get that development created in whatever area it's going to be created in. For example, earlier when Stephanie showed that slide, that \$5.6M of additional tax revenue was going to flow into the UG, I think it's important that we emphasize that's not today. That is going to come in gradually over time as the incentive that we give for a project or as the increment that we pledged to the project gradually gets less and less with more and more coming to us. I think it's important that people understand this is a long game. We've got to be in this for the long haul because while we get the amenities quick, the additional tax revenues may not come as fast and may seem to more trickle in over time. **Ms. Jonscher** said that's right. For instance, on a TIF project, once the project plan is approved, there's a 20-year time period in which we can collect that increment for a project. Once the 20-year clock is finished or if we get—there is debt issued and we collect enough TIF revenue to payoff the debt early and

closeout the TIF District, then those revenues would start coming back to us and be distributed to all of the taxing entities.

Ms. Villarreal said that's right. I would also like to add that on TIF projects there's a certain amount that's not pledged to the project. There's 20 mills for the school districts, so for school districts they get to realize a portion of that immediately once the project is developed whereas we do have to wait for that to come in. For the CID and the TDD type projects, those are sales taxes that are implemented for a period of time to reimburse the project and then those end up going away and we don't actually receive those revenues unless it's to reimburse us for some public costs that we put into it.



Ms. Jonscher said this slide looks at how the projects are financed, so we've got each of the projects listed. You can see we have 34 projects that are PayGo. As Alyse said, our preference is to do PayGo because this provides no risk to the city. We don't issue any bonds; we're not paying any funds upfront. The project is reimbursed as the pledged revenues are received and any shortfall that would occur with the revenues would fall to the developer of the project, not the Unified Government.

We have 11 projects that are financed with the Revenue Bonds. The bonds are issued at the beginning of the project to fund the projects upfront and then pledged revenues are then collected over the life of the debt service and used to pay back the bonds. If it's a Special Obligation or TIF with no GO backing, there is no risk to the Unified Government.

We have 4 projects that have an Annual Appropriation on their debt and as with an Annual Appropriation we also have 13 projects that are backed with General Obligation debt and

for these projects if revenues are not sufficient for the project, then there is risk to the Unified Government to have to make up those payments.

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

This next slide is the one showing the list of projects and what type of incentives are on each project. Since the incentives can be layered some projects, as you can see, have multiple incentives tied to them and, Mayor, I believe you were asking about the two NRA projects. They are Northwood and Wyandotte Plaza. **Mayor Alvey** said okay, so I just want to be clear, anybody can qualify for an NRA for their single-family home and so this is just development projects that have come through our office—okay, thank you for the clarification.

Mr. Bach said within the NRA provision there's a special projects and those require special action by the governing body to go through so they're called out so those become kind of a special district and they can go—the time can be extended up to 20 years if we want to on something like that but it does require special action different from our approved NRA cycle that can go out to homeowners and small businesses. **Mayor Alvey** said thanks for the clarification.

Ms. Jonscher said I will also point out the two projects, the Northwood Project has multiple incentives. It not only has the NRA; it also has a CID and a Sales Tax rebate. Wyandotte Plaza also has the same, a CID, an NRA and a Sales Tax rebate.

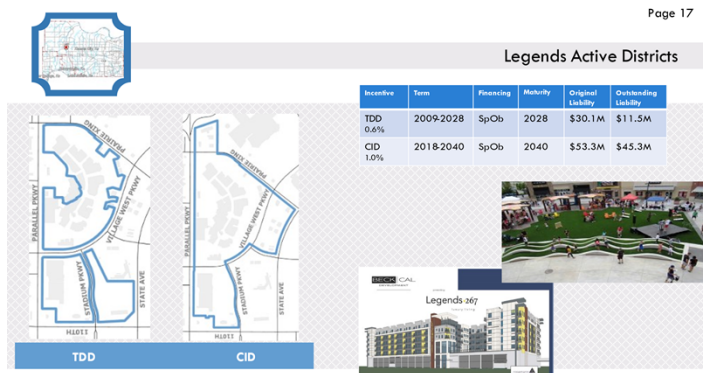


This one shows the new and also inactive projects that we have. The new projects are projects that are at the beginning phases of development. They're included in the report and we do have information on them, but there's not enough—they're not far enough along in the project in order to give any type of performance at this time. Those projects are the Downtown Campus, which is redevelopment of the Reardon Center site, the Menards at Epic TIF at 18th & I-35, the Yards II which is an apartment project located within the Riverfront Development TIF, and Urban Outfitters which is the distribution and fulfillment center to be located at 118th & State Avenue.

There are five inactive projects listed here. The first one is 38th & Leavenworth Road. As you will note, there is a pending termination and that is on tonight's full commission agenda. This project or TIF District had a project plan that was approved but there was never any development. Eventually the land was sold to a new owner who then applied for an NRA and did a development on the property, so we are terminating that TIF so that we can proceed with the NRA on that project, so you'll see that on the commission agenda tonight.

The other four TIF areas have no project plans approved although we do have—I believe there is a couple of them, Turner Vista and Bethany, I believe, there is some—I believe we are looking at information on some of those areas but there are no project plans approved.

Now I'm going to turn this back over to Alyse and she is going to start talking about some of the projects.

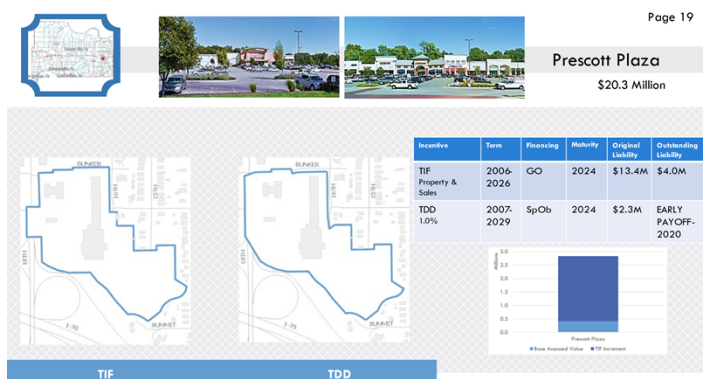


Ms. Villarreal said the Legends Active Districts is our first project and we've ordered these in kind of chronological order according to when the project plan was approved. Before I begin, I want to note that we referenced the page number in the upper right-hand corner so that you can follow along in the report if you wanted to. The Legends project actually contains a couple of incentives that are still active. I think there was probably quite a bit more before but I'm not well versed on those.

The TDD is older than the CID and most everyone is familiar with the Legends, but in case there is anyone listening that isn't, it's an outdoor mall that has a ton of retail and food shops and a movie theatre. It's a really neat place to go. It's located in the western part of our county near I-435 and it's just a nice shopping center. The TDD was implemented back in 2009 and this financed the parking garage, it financed some road improvements, Hutton Road, Stadium Drive and the Legends parking lot too. Those are financed with Special Obligation Bonds so those are the bonds that are backed by the revenues from the project area. Revenues are covering debt service and actually the bonds are structured where each October any excess revenues are used to further redeem the bonds. Last year \$395K of excess revenues were used to redeem bonds ahead of schedule and this one is set to mature in 2028.

For the CID, which is more recent, it started in 2018 and it puts an additional 1% sales tax. It's financing a 650 stall parking garage that's adjacent to the existing one and connected to it and it will have a 350 unit luxury apartment complex on top. It also financed some improvements at the Legends Outlet like the video board that's on the smoke stack, the shade structures and façade improvements and there was some repair that was needed to the escalator and I think it was enclosed and so that's the west lawn area which is the family-oriented area over in the Legends area.

These are also financed with a separate issue of Special Obligation Bonds that mature in 2040. Those bonds are structured differently than the others. They're structured as term bonds which means that we don't have a set schedule. As revenues are received, we use them to redeem the bonds.



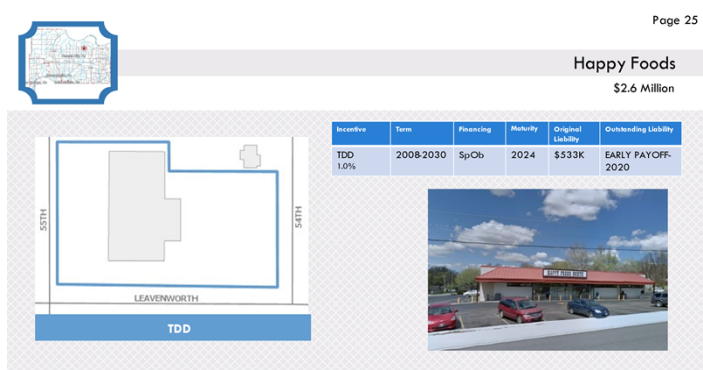
This slide is for Prescott Plaza which is near I-70 & 18th Street Expressway and it redeveloped an old truck stop into a grocery store with some inline retail and some pad sites. There's both a TIF which pledged incremental property and sales tax and a TDD which adds an additional 1% sales tax to the area. The TIFs financed with GO bonds that mature in 2024 and revenues are meeting debt service needs.

The TDD was financed with Special Obligation Bonds that paid off four years early this year in 2020, so thank you to everyone that shopped and supported our local development and you can make a note, that if you need groceries or want to go out to eat, the sales tax rates in that area dropped by 1% and your continued support is going to help us payoff the TIF obligations.

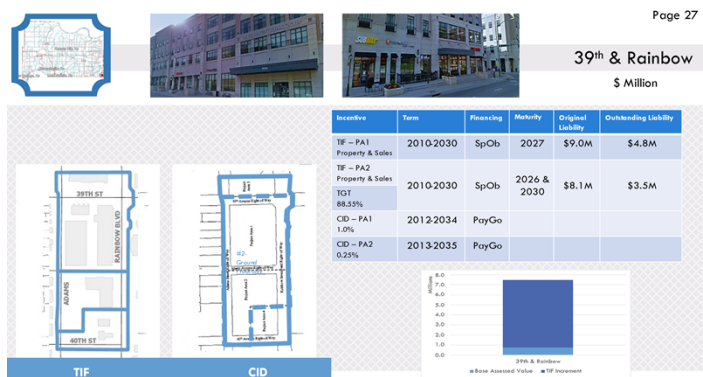


This slide is Plaza at the Speedway, so we're switching back to the other end of the county near the Legends. This is the redevelopment of a very large area of land that contains a lot of retail. I've included a lot of the logo's at the top, Walmart, Kohl's, Sam's Club, there's food, restaurants such as Olive Garden, Chick-fil-A, Red Lobster and there's also the Homewood Suites Hotel out there. Incremental Sales and Property Tax has helped finance this development and that portion is financed with Special Obligation Bonds which also use excess revenues to redeem bonds ahead of schedule. This one matures in 2027 and revenues are covering debt service.

There's also three TDDs here. The whole area basically has a .6% extra sales tax on it but in the areas where TDDs number 1 and 2 overlap, it's actually 1% because one is .6 and one is .4. The TDD 1 and 2, the revenues from those businesses go to support Special Obligation Bonds that were used to help finance this. Those use excess revenues each November to redeem bonds and so far \$1.6M of excess revenues have been able to be used to redeem bonds ahead of schedule. These bonds were originally scheduled to mature March of 2032 and because those excess revenues were taken from the later whereas some of the others, the trustee has the option of which maturity to take it from, but this one, they are taken from the end of the issue. This issue has matured to advance, the maturity date to September 1, 2031 and so as we keep getting excess revenues, we expect that to potentially keep it advancing and payoff early.

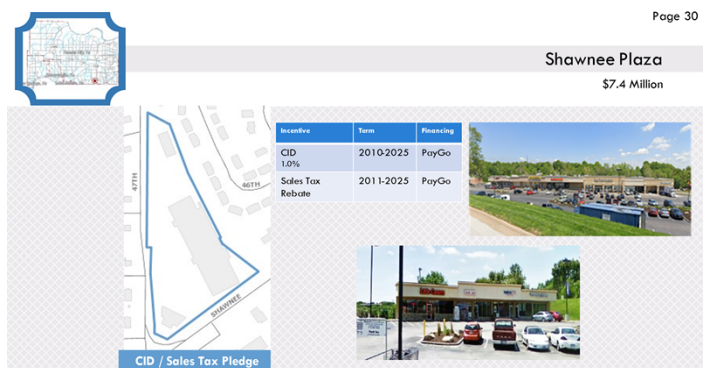


The slide is another success story of local support. This is a grocery store in the middle section of the north section of our county and its debt has paid off four years early also in 2020. So, if you need groceries—for residents in the area or anyone that frequents this store, it will be 1% cheaper.



This next project is the 39th & Rainbow development. This is a commercial redevelopment of almost 10 acres near our KU Med Center. The TIF incentive is financed with Special Obligation Bonds which also since there's a hotel that's part of this development, we've also pledged Transient Guest Tax, 88.5% of Transient Guest Tax revenues. This is divided into a couple of project areas. Project Area 1 which is the north section was bonded in 2012 and matures in 2027 and it's on schedule. Project Area 2 was bonded in 2013 and then refinanced in 2016 to obtain interest savings and is actually in two series. One is a fixed rate and one is a variable rate. The fixed rate matures in 2030 and the variable rate matures in 2026 and both are on schedule.

Now I will pass it back to Debbie for a few more projects.



Ms. Jonscher said the next project is Shawnee Plaza. This is located at 47th & Shawnee Dr. This is a \$4.9M Pay-as-you-Go project. It had \$1.7M in public incentives. I will note that on the slide here, the presentation, it shows \$7.4M but it is actually \$4.9M and in the Economic Development Report it does show \$4.9M, so that was a mistake on our presentation.

This project does have a 1% CID and Sales Tax rebate, both go through 2025. As I said, it is a PayGo project so there were no bonds issued, no obligations from the Unified Government

and all the risk is to the developer. We'll just note that the project—we are getting revenues on the project. It's not performing compared with the projections when the development was done and it's the incremental sales that are not performing as projected. The incremental sales are only on the grocery store and the CID is for all the sales within the district. For instance, I think the cap on the incremental sales was \$1.1M and I think through December of 2020, we paid very little and we distributed very little in incremental sales. However, on the CID I think it was projected to be at \$1.8M and currently we've distributed about \$1.1M for the CID.



This project is Sporting and the location for this is 110th & State Ave. It included construction of road improvements to Village West Parkway, France Family Drive, State Avenue and Prairie Crossing. It also included construction of a surfaced parking lot across from the stadium on Kansas Speedway property. Special Obligation Bonds were issued in 2010 and mature in 2031. These bonds do have an annual appropriation so the Unified Government is responsible for debt service payments if the revenues are insufficient. There is a CID, a TDD, and a ticket tax that are used to pay for the ground lease for Kansas Speedway property and also the debt service on the bonds.

If you recall, in January of 2021, the Commission approved an increase in the ticket tax from \$2.25 to \$3.50 because revenues were not covering those expenses. We also refinanced the bonds in the fall of 2020 which generated approximately a savings of \$1.2M over the remaining life of the bonds; however, the way it's structured that savings occurred within the first two years. This is one project where we will be monitoring the revenues over the next several years to ensure that they are covering the expenses.

Mayor Alvey said, Debbie, hold a moment.

Commissioner Burroughs said I apologize. My questions went back to the slide dealing with, and I apologize I made some notes I need to get back to them if I can. I just had two questions. I'll go to the 39th & Rainbow slide, the PayGo. When do we get a report? Do we get a report annually about the CID, the PA1, the PA2, will we get those annually to see that they are performing as they should? That was one of the questions that I had, so I'll pause while you provide me an answer for that one. **Ms. Villarreal** said the CID's for both of those are structured as PayGo. When you say report, what are you meaning?

Commissioner Burroughs said well, we talked about—I'm just wanting to ensure that they are going to perform because I don't see any maturity or anything like that. Will they be able to meet their financial criteria or do they just get the excess dollars through those years, the additional dollars that come in? I'm sorry, I lost my question a little while back when we kept going. Maybe it would have fell right in place. **Ms. Villarreal** said I think I know what you're saying. For the CID, we're making those payments, as PayGo payments to the developer and in order to get those payments, the developer has to submit cost certifications which have to be reviewed and approved to determine that they actually incurred eligible costs from the district. We would only pay out costs up to the certified amount and then I think for CID and TDD if there were—because they do extend 22 years, if there were excess revenues, I think that we could negotiate if there were extra improvements that need to be done in the area, and anybody can correct me on this, whether or not those revenues could be used, those excess revenues could be used to cover those or not. But, yes, we only pay out up to the certified costs.

Mr. Bach said I believe also there is a total cap on the maximum amount of CID revenue they can get over the life of the project. This may not have it. I know we've been putting it in most of them recently and this, obviously, goes back seven or eight years since we went through this development deal so maybe there's not a cap on these. Do you see that Alyse, within the deal points? **Ms. Villarreal** said I would have to read the development agreement for this one. **Mr. Bach** said but I think our answer kind of hit it from the standpoint that it's the amount of money that's generated to it and we've been working to put—this was probably one of the very first CIDs we did. It may have been the very first CID we did, but the ones we've done for the past five or six years, I know we've been putting a total cap to the project as to how much somebody could receive in the chance that the project performed way above what was projected.

Commissioner Burroughs said, Doug, thank you for that explanation. That's exactly what I'm getting to. I look back at this Sporting and recognize that we did have to meet some of the financial obligations in reference to the, I'll call it the parking lot issue, that we had to put dollars into. This goes back to the Legends area of the CID. If we put a cap on it, that gives us a number in which to work with. If it's just an open-ended contract, that was my concern. If it does perform more so, then I would hope that we would have a way to capture that revenue instead of continuing to let it go out. Thank you. I'm finished.

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Legends Honda

\$14.7 Million



Incentive	Term	Financing
Property Tax Rebate	2015-2027	PayGo
Sales Tax Rebate 0.9%	2015-2027	PayGo

Ms. Jonscher said the next project is Legends Honda. This is located on the north side of Parallel between 99th Street & 100th Terrace. It was a \$14.7M project. This project does have a 10-year property tax rebate from the city and county tax through 2026. It also has a 10-year incremental sales tax rebate through 2025. It is a PayGo project. We did not issue bonds for this project. Originally, a second dealership was contemplated for this development, but was not implemented partially due to the addition of the auto mall that's in the adjacent STAR District, so instead the land was repurposed and a car wash and an overflow lot were added. There was also land that was sold for the construction of the collision center.

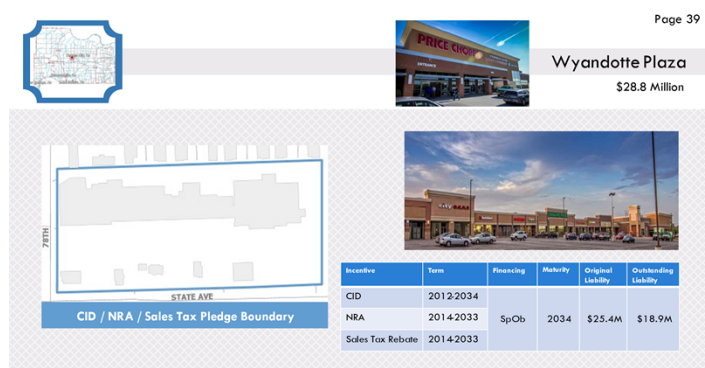
The project is meeting projections. Currently, total reimbursement is capped at \$2.6M and we distributed \$2.1M so far.



The next project is Metropolitan Avenue and this was a redevelopment at 24th & Metropolitan. There are two developed project areas. Project Area 1 has the Dollar General and grocery store and Project Area 2 has the Walmart Neighborhood Market as well some undeveloped pad sites. Project Area 1 has a TIF and Sales Tax rebate. There is a \$1.6M general backed TIF Bond issue on the project and it also has a 1% CID that was issued to pay for project expenses that were not financed with the bonds. The CID expense is expected to be paid by 2025.

Project Area 2 TIF has an \$8.5M GO backed TIF Bond. For both of these, the revenues are exceeding the debt service payments and we are using that to reduce the liability on the bonds. We do expect that we will collect enough revenue to pay the debt service probably about five years earlier than what was projected.

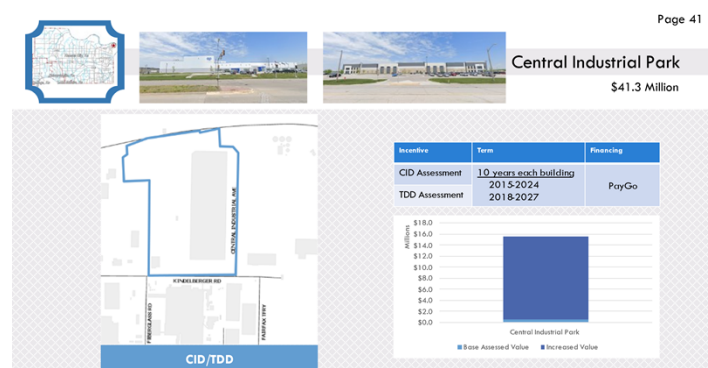
Now, I'll turn it back over to Alyse.



Ms. Villarreal said Wyandotte Plaza which is one of the projects that has NRA as an incentive is located at 78th & State Ave. It was a demo and reconstruction renovation of the shopping center there. These have Special Obligation Bonds that were issued back in 2012 which had an Annual Appropriation backing which the CID, the NRA, and the Sales Tax rebate, they are all pledged to

those bonds. These bonds were refinanced in 2016 to remove the Annual Appropriation backing once the project had been established and then also an additional \$5M was added to that for additional improvements.

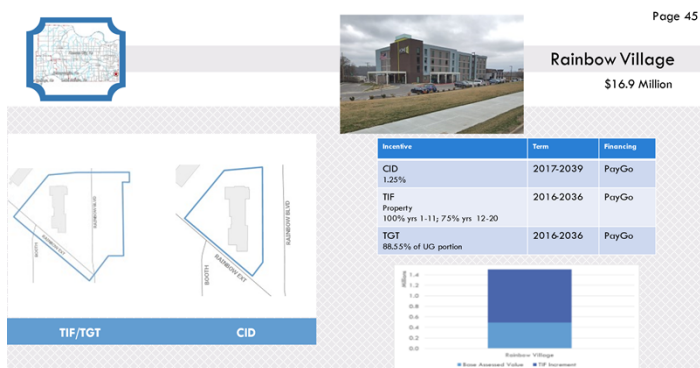
Right now, the bonds are underperforming compared with the revenue study projections and all three sources are underperforming, but we're not concerned yet because the projections contemplated an early payoff in 2027 and there's an additional seven year buffer period where the bonds mature in 2034. So, we still expect them to pay off on time.



This is the project that has the CID and TDD assessment, so the additional—the CID assessment is an additional \$1.05 per sq. ft. assessment to each building and the TDD assessment is an additional .15 per sq. ft. Those are charged to each building for 10 years per building. Central Industrial Park, I should tell you what it is. It's the development and construction of approximately a million square feet of industrial and manufacturing space. It's at the former Fairfax Plant site. Here, also, environmental remediation was needed so that's part of the reason that there's an incentive. Two buildings have been built totaling almost that million square foot and the first building, which is the smaller building, it runs through 2024 and the second larger building runs through 2027, so the CID assessment is being distributed as PayGo to the developer as it's received and then the TDD assessment is being accumulated for improvements in that area.



The Northwood Plaza, this is the other one that has the NRA. It's a shopping center at W. 47th Ave. & Mission Road and all the incentives on this are Pay-as-you-Go. There's an additional 1.1% CID sales tax, the NRA and then Sales Tax rebate as well that's going to—as distributions to the developer for incurred costs.



Rainbow Village financed the acquisition and redevelopment of two acres on Rainbow Extension & Rainbow Blvd. The existing structure was demoed except for Applebee's and the Home2 Suites Hotel was built adjacent connecting to the Applebee's restaurant. Here's there's an additional 1.25% sales tax in this district, also incremental property taxes are pledged for the first 11 years and then that pledge is reduced to 75% in year 12. Since this development has a hotel, the Transient Guest Taxes were also pledged and it's 88.55% of the UG portion of the Transient Guest Taxes that are pledged. All these incentives are also PayGo.

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Development Boundary

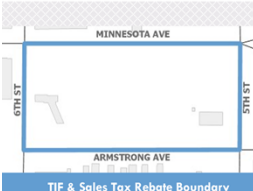
Turner Logistics

\$155 Million

- Minimum Square Footage- 1 Million SF
 - Building 1 Certified- \$407k SF
- Reconstruction of Turner Diagonal by Kansas Turnpike Authority- \$30.3M
 - \$13.8 Federal Funding
 - \$7.5M KDOT contribution
 - \$7.5M UG contribution
 - Recapped from UG portion of PILOT and property taxes
 - \$1.5M Developer contribution

Ms. Jonscher said the next project is Turner Logistics. This is located at I-70 & Turner Diagonal. It's a \$155M project with a \$7.5M public incentive. This development is a logistics center which includes industrial distribution and manufacturing space. The project does include seven acres and 2.7M square feet of improvements. There is a minimum requirement of one million square feet of building space and it's anticipated to bring 2,500 new jobs. Each building has a 10-year tax abatement; however, PILOT payments are scheduled to be made once the buildings are completed. They are still in the construction phase and one of the seven buildings has been constructed.

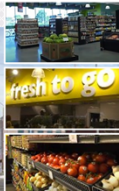
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TIF & Sales Tax Rebate Boundary

Downtown Grocery Store

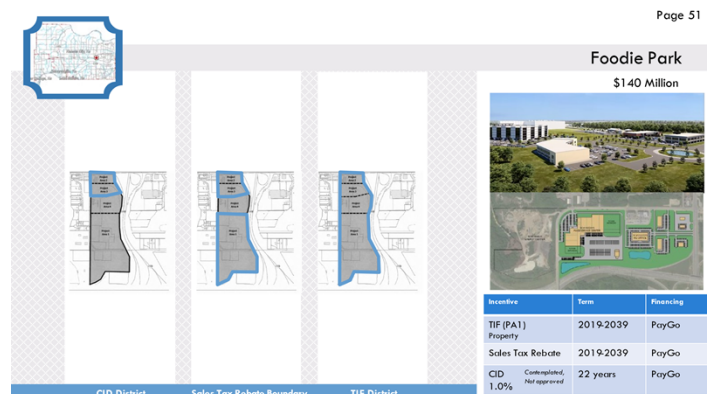
\$7 Million



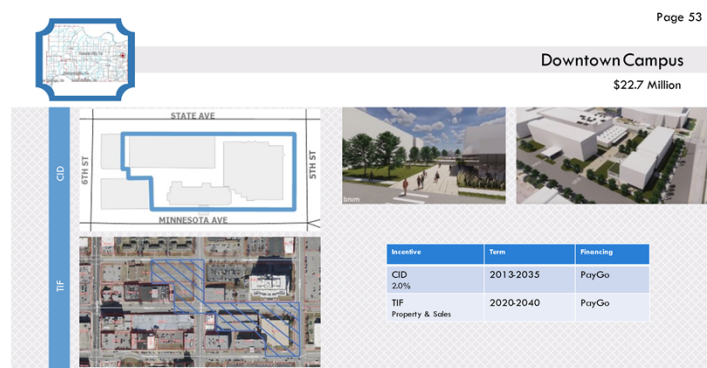

Incentive	Term	Financing	Maturity	Original Liability	Outstanding Liability
TIF Property	2019-2039	GO	2024	\$1.7M	\$1.7M
Sales Tax Rebate	2019-2039	GO	2024	\$531K	\$531K

The next one is the Downtown Grocery Store located at 5th & Minnesota. This is a 14,000 sq. ft. grocery store. The Unified Government owns the building but it's under a management agreement with the Merc to operate the store. It's a \$7M project. Pledged revenues include a property tax TIF, Sales Tax, Private Placement Bonds through LISC. All three of those are backed with GO Bonds, new Market Tax allocations and cash contributed by the Unified Government. The store did open on July 30, 2020 during the middle of the pandemic. There was an impact, you know, people started working remotely versus being at work downtown, but we have seen some

improvements and our hope is as restrictions are lifted and people start returning to work in the downtown area that sales will increase. The entire redevelopment district has four project areas. The grocery store is in Project Area 1. The other three project areas have no approved projects in them at this time.



This next one is the Scavuzzo's Foodie Park. This is on the old Indian Springs development site at State Avenue & I-70, so \$140M project with \$34.7M in public incentives. There are four phases to the project. Construction scheduled to start in 2021. The first phase is a food service center and a solar field. Phase 2 includes some retail and entertainment along State Avenue. Phase 3 is office, hotel, and retail. Phase 4 is the headquarters office building. Pledged revenues include property tax TIF, Incremental Sales Tax, and 1% CID. The project is still in Phase 1, so we didn't have anything to report on the performance at this time.



This next one is the Downtown Campus, the Lanier Project, located between 5th & 6th Street & State Avenue & Minnesota Ave. It's a \$22.7M project with \$8.3M in public incentives. It includes demolition of the Reardon Center and new construction of a 10,000 sq. ft. commercial space with

apartments, a fitness center, and a multi-purpose meeting space plus revenues including a 2% CID, 1% Incremental Sales Tax. We have pledged \$1M of Transient Guest Tax funds as well as UG cash is \$1M which comes from the Reardon Center Maintenance Fund. There is also an anticipated IRB for sales tax exemption only. Once again, this project is in the beginning phase so we don't have anything to report on performance yet.

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Urban Outfitters

\$403 Million



880K SF omni-channel distribution center

- 225-240 units
- 6,000 sq. ft. retail

Amenities include:

- Health & fitness center
- Outdoor kitchen and grills, patio space
- In-unit/washer/dryer
- Dog park



Ms. Villarreal said similar to the Downtown Campus, the next few projects are projects that haven't begun, so we're just giving you a brief description even though you probably know them very well because you've seen multiple presentations on them.

Mr. Bach said, Alyse, I'm going to jump in. I know, Mayor, we are probably at a point where we have to allow time to rollover for the 7:00 p.m. meeting. Since the Commission has those and I think what's left here are all brand-new projects that have just come before the Commission within the last year, I might allow if there are any questions because I know we usually need about 10 minutes to rollover.

Unless you ladies have something else you wanted to throw out there quick to close up, great job with the report. This is excellent information and well done. I will open it up for them if anyone has any questions and we'll certainly follow-up if there's other things.

Commissioner Burroughs said you did state, if I heard correctly on the Downtown Campus, you only have the CID. You don't have the other incentives that have been projected to go to this project listed. Do we get an updated sheet once the project is breaking ground or are we just to add these on personally, write them down, because you have Transient Guest Tax, that is a one-

time contribution as I understand. **Ms. Villarreal** said that's right. In the report it details the Transient Guest, the contribution, and the sales tax exemption, the IRB because those are just contributions and there's no sort of revenue recoup on those. We didn't list them in the PowerPoint, but we can. We most certainly can. **Commissioner Burroughs** said I would ask that they be submitted so that we see the amount of investment that the local government has contributed through the policies that we put forth whether it be a TDD or the sales tax, that we see those figures also. **Mr. Bach** said, Alyse, you did say they're in the full report that we issued to the Commission. **Ms. Villarreal** said yes. **Mr. Bach** said maybe you could pull the page number for the commissioner so he can have that. **Ms. Villarreal** said page 53. **Commissioner Burroughs** said I appreciate that. I'm writing that down, page 53, but if somebody was looking at these slides, they wouldn't see those values in there so I just wanted to ensure that that was. Thank you.

Commissioner Philbrook said I want to thank you for all the hard work you guys have done to put this together. This is like a yeoman's job. I don't know how you guys did it, but I'm happy to see we have you folks working for us that understand all this and that can present it in a manner in which I can understand it and people to be able to go back and pull this up and look at it and go, oh my gosh, is that where the money went and how are we getting the money. It is very complicated and thank you again. This is the second year that you guys have presented this and this year just tops last year and I didn't know you could do that, but you have and just keep going at this rate and you might accidentally have us all understanding how all this stuff works. Thank you for your money crunchers because I sure couldn't do it. God Bless you and thank you for your hard work.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:53 p.m.

Brett Deichler
 Interim Unified Government Clerk

dt

May 13, 2021