Economic Development and Finance
Standing Committee Meeting Agenda
Monday, October 11, 2021
Immediately upon adjournment of earlier committee

Location:

You are invited to a Zoom webinar.
When: Oct 11, 2021 05:00 PM Central Time (US and Canada)
Topic: N/CD & ED/F Standing Committee Meetings

Please click the link below to join the webinar:
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Name	Absent
Commissioner Tom Burroughs, Chair	☐
Commissioner Brian McKiernan	☐
Commissioner Gayle E. Townsend	☐
Commissioner Harold Johnson	☐
Commissioner James Walters	☐
Jeff Bryant, BPU Member	☐

I. Call to Order/Roll Call

II. Revisions to October 11, 2021 Agenda

III. Approval of standing committee minutes from August 9, 2021.

IV. Committee Agenda

Item No. 1 – ORDINANCE AND RESOLUTION: LEGEND HOTEL, LLC, CID AND DEVELOPMENT AGREEMENT

Synopsis: An ordinance approving a Community Improvement District (CID) in the area of N. 98th St. and Parallel Parkway to assist in the construction of a new Fairfield Inn and a resolution approving a Development Agreement between the Unified Government and Legend Hotel, LLC, submitted by Katherine Carttar, Director of Economic Development.

The CID would add an additional 1.5% sales tax for visitors to the hotel and would be used to reimburse up to $1,528,714 in construction costs.
Tracking #: 211076

Item No. 2 - RESOLUTION: WAIVE CERTAIN FEES RELATED TO INFILL HOUSING EAST OF 78TH STREET
Synopsis: A resolution approving the waiving of certain fees associated with new construction of single-family homes and duplexes on vacant properties east of 78th Street for two years in order to spur new development, submitted by Katherine Carttar, Director of Economic Development.
Tracking #: 211079

Item No. 3 - REPORT: SECOND QUARTER BUDGET REVISIONS
Synopsis: Second Quarter Budget Revision Report, submitted by Reginald Lindsey, Budget Manager.

For information only.
Tracking #: 211075

Item No. 4 - REPORT: SECOND QUARTER BUDGET TO ACTUALS
Synopsis: Second Quarter Budget to Actuals Report, submitted by Kathleen VonAchen, Chief Financial Officer.

For information only.
Tracking #: 211078

V. **Public Agenda**

VI. **Adjourn**

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, August 9, 2021

The meeting of the Economic Development and Finance Standing Committee was held on Monday, August 9, 2021, at 8:41 p.m., remotely via Zoom and on-site. The following members were present: Commissioner McKiernan, Chairman (on behalf of Burroughs); Commissioners Bynum (substitute for Commissioner Burroughs), Townsend, Johnson, Walters, and BPU Board Member Jeff Bryant. Commissioner Burroughs was absent. The following officials were also in attendance: Melissa Sieben and Emerick Cross, Assistant County Administrators; Wendy Green, Assistant Counsel; Katherine Carttar, Director of Economic Development; Patrick Waters, Deputy Chief Counsel; Kathleen VonAchen, Chief Financial Officer; Andrea Parra, Deputy County Treasurer; Shaya Lockett, Small Business Liaison; Monica Sparks and Allie Facio, UG Clerk's Office.

Chairman McKiernan said before I call this meeting of the Economic Development and Finance Standing Committee to order, I want to announce that due to COVID-19, some committee members, staff, and public are attending remotely via Zoom as well as a few on-site. All participants joining by phone or by computer should mute their devices when not speaking to avoid background noise. During the meeting, please be sure that you announce yourself by name and title every time you speak so that the public who is participating knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General.

Due to COVID-19 requirements, in-person public comment has been limited to the public lobby of City Hall. The public is also allowed to participate by Zoom or can submit comments by email prior to the meeting, and those comments will be included in the record of the meeting.

Chairman McKiernan said, with all of that said, we want to welcome everyone to this meeting of the Neighborhood and Community Development Standing Committee. I do need to tell you that Commissioner Burroughs is working on some Kansas Legislature business this evening. He is out of town. So, you're going to have to put up with me for another meeting as I pinch-hit for Commissioner Burroughs. I'll ask the Clerk to call the roll, please.

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

Chairman McKiernan said, and we certainly do thank Commissioner Bynum for joining us. She is subbing for Commissioner Burroughs this evening and we sincerely appreciate you joining us in this committee meeting this evening.

I'll ask the Clerk, to the best of my knowledge there were no revisions to the agenda after it was initially published, is that correct? **Allie Facio, Clerk's Office**, said, that is correct.

Chairman McKiernan said, now, we have approval of our Standing Committee minutes. It looks like we have two sets. One from January 4th, corrected, and then—are we really approving minutes from that long ago? January 4th corrected and March 1st straight up. I'll ask the Clerk for some clarification on that. I guess I could just look in the agenda packet. **Ms. Facio** said, yes, I believe that's correct.

Chairman McKiernan said, okay. We have a couple of historical sets of minutes that we've dusted off.

Action: **Commissioner Walters made a motion, seconded by Commissioner Townsend, to approve minutes from January 4th and March 1st.** Roll call was taken and there were six "Ayes," Bryant, Walters, Johnson, Townsend, Bynum, McKiernan.

Chairman McKiernan said, pretty much ratted myself out as not thoroughly reviewing this agenda ahead of time, didn't I?

Item No. 1 – 21895…REVIEW: OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST

Synopsis: Review of the Unified Government's Other Post-Employment Benefits (OPEB) retiree healthcare benefits liability, its impact on the financial statements, and how formation of an OPEB Trust will reduce the unfunded long-term liability, presented by Kathleen VonAchen, Chief Financial Officer; and Renee Ramirez, Human Resources Director. Information provided for Commission review with a presentation to follow next month.

Kathleen VonAchen, Chief Financial Officer, said, we have decided to forward this agenda item on the Other Post-Employment in order to give you additional time to review it. Our plan is to make a formal presentation at the September ED&F Committee meeting.

Chairman McKiernan said, so, the inclusion in our agenda tonight is simply to make sure that we have the materials, which we can now review prior to your presentation. **Ms. VonAchen** said, that's correct. We'll come back in September.

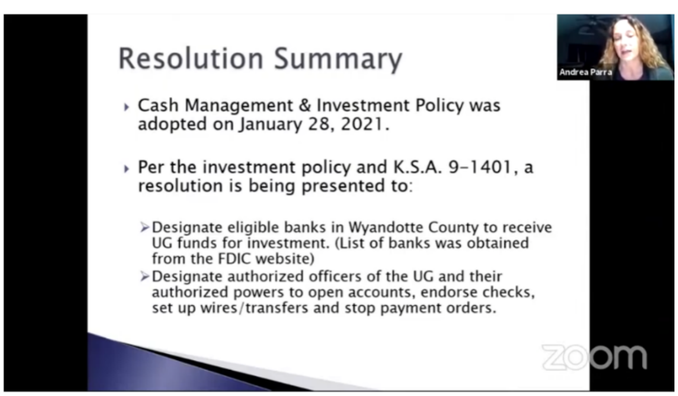
Chairman McKiernan said, thank you so much. In that case, we will consider Item No. 1 concluded.

Action: Information was provided for review only.

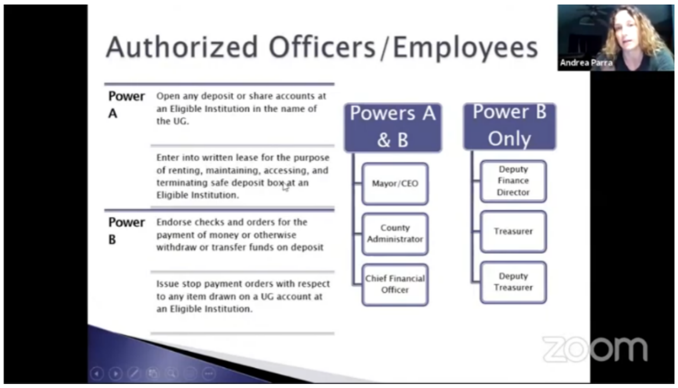
Item No. 2 – 21963…RESOLUTION: ELIGIBLE FINANCIAL INSTITUTIONS AND DESIGNATING AUTHORITY

Synopsis: A resolution designating Unified Government (UG) depositories and eligible institutions for purposes of receiving UG funds for investment and receiving requests for bids for investment of its idle funds, submitted by Rick Mikesic, Director of Revenue/County Treasurer; and Andrea Parra, Deputy County Treasurer.

Andrea Parra, Deputy County Treasurer, said, first thing is going to be—there should be the full resolution in the agenda packet that was provided. It's a twofer type of item, it's two pieces that are included.



What we're going to have is the first portion is going to be just us asking for approval for the designated list. I believe there's 17 banks that are considered active and eligible per the FDIC listed in the community, along with also a list of authorized officers for purposes of power and what we can and cannot do within the realm of that document.



More or less, the majority of what we're here to talk about is the powers that—the list of A and B and who can do what. Powers A would be any eligible officer could open an account and share accounts with any of those eligible institutions, the 17 that I referred to. Also, they can write into the lease for purpose of retaining, maintaining, accessing, and terminating anything such as a safe deposit box within those institutions.

Then, Power B would be anybody that could endorse checks, order payments for money, do wires, transfer funds, deposits. We can also issue stop payments out of respect for anything in terms of the UG account for one of those eligible institutions. There on the right side of the screen, you can see where powers A and B and only power B would fall into play in terms of officer. Myself, I would be listed as a power B, along with the Treasurer, Rick, and then Deputy Finance Director. Anyone who would be listed as Powers A and B would be the Mayor/CEO, County Administrator, and then the Chief Financial Officer.

Other than that, there's not really much else to go over. It's a pretty explicit document that we were kind of brought forth today because it had been not approved in a few years. A few banks have left the community, a few new banks opened or changed names or different communities' recommendations. So, that 17, the list that we have to move forward with certification, get them interested in future investments. Anyone have any questions?

Chairman McKiernan said, thank you, Ms. Parra. We really do appreciate it. I guess I'll lead with a question. You mentioned that this list has evolved a little bit over time. How many of the banks that are on this list of 17 are continuing with us, do you know that?

Ms. Parra said, so far, actually, I have that answer as of this morning. I am up to 10 financial institutions that have certified the documentation that we provided through our annual certification process. The deadline was Friday. I am more than happy to extend. I have some discussions out there that I'm just waiting on those that can sign that type of certification and the financial institution to get back with me. Out of the 17, I'm up to 10, which is about the average since me and Rick played a role in that position. I think the most we've had is 13 last year, but we're up to 10 as of this morning.

Chairman McKiernan said, so, this list of 17 then is a list that we would consider to be a certified financial institution, but it does not necessarily mean that all of them will be. **Ms. Parra** said, that is correct, yes. They still have to go through an annual certification process that involves agreeing to the policy and procedure that we have that we update every year. Then, they become officially eligible to take into consideration for future investments of the community.

Chairman McKiernan said, perfect, thank you so much. Do any other members of the committee have any comments or questions for Ms. Parra?

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

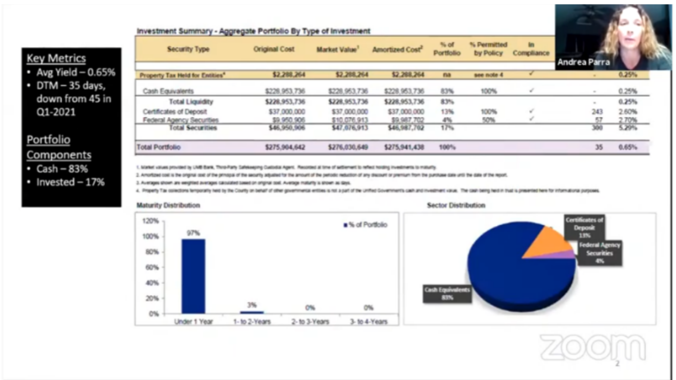
Chairman McKiernan asked, do we have any public comment from among the attendees? I see no hands up there. I'll ask the Clerk, did we receive any email correspondence prior to the meeting regarding this item? **Allie Facio, Clerk's Office**, said, no comments were received.

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

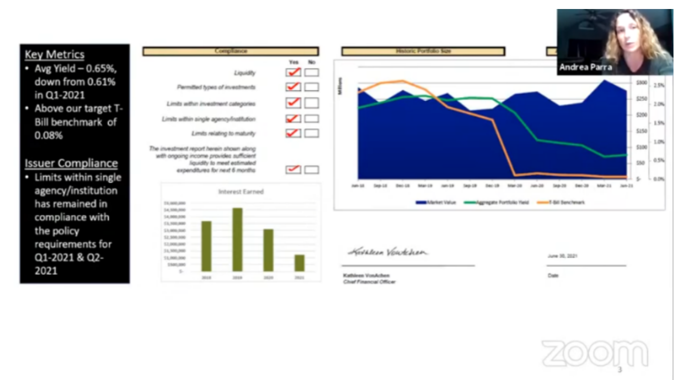
Item No. 3 – 21962…PRESENTATION: SECOND QUARTER 2021 CASH AND INVESTMENT REPORT

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

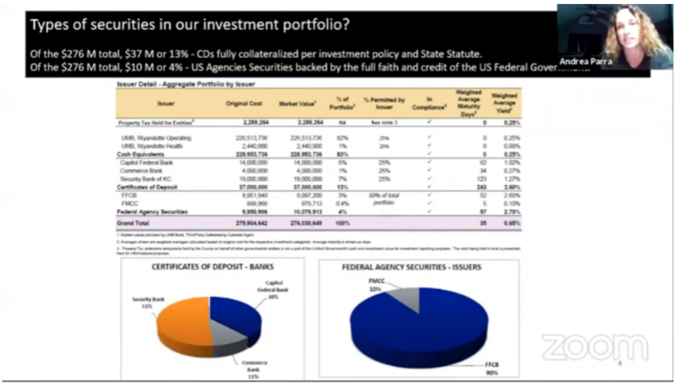
Andrea Parra, Deputy County Treasurer, said I'm here to present the Second Quarter's Quarterly Investment Report.



A few notes there, average yield is at 0.65%. Days to maturity did go down from 45 days in the first quarter of 2021 to 35 days. Then, in terms of where our portfolio stands, we're at 83% cash along with the other 17% in investments. As you can expect, things are going down and that cash number is increasing. There is no lot for us to go out for bid for at this time. Our overnight is just very strong and it's beating—we're exceeding in anything that we could possibly get at this time.



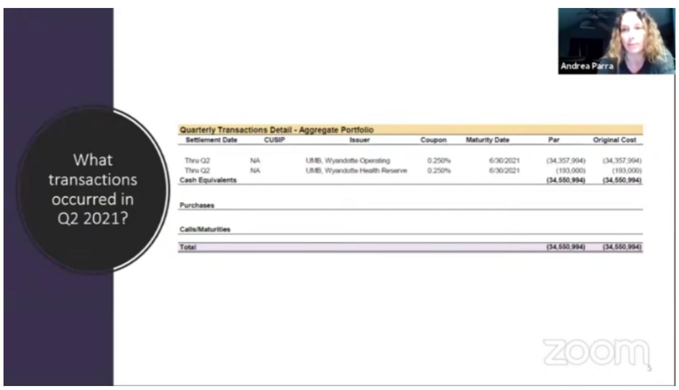
Next slide, again, mentions the average yield did go down, or excuse me, increased. It was at 0.61%, still way above the target T-Bill rate at 0.08%. I always like to be able to note and solidify something that we've in the past prior years had issues with, which is the issuer compliance. Still within those single institution limits. Quarter one, quarter two, I believe quarter three and quarter four of 2020 we were there as well. It's something that we take very seriously. It is a policy that we have and we want to make sure we keep that in compliance for every institution as best we can based on that procedure.



Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[2]	% Permitted by Issuer	In Compliance[2]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	2,288,264	2,288,264	na	See note 3	✓	0	0.25%
UMB, Wyandotte Operating	226,513,736	226,513,736	82%	25%	✓	0	0.25%
UMB, Wyandotte Health	2,440,000	2,440,000	1%	25%	✓	0	0.00%
Cash Equivalents	**228,953,736**	**228,953,736**	**83%**		✓	**0**	**0.25%**
Capitol Federal Bank	14,000,000	14,000,000	5%	25%	✓	62	1.02%
Commerce Bank	4,000,000	4,000,000	1%	25%	✓	34	0.27%
Security Bank of KC	19,000,000	19,000,000	7%	25%	✓	123	1.27%
Certificates of Deposit	**37,000,000**	**37,000,000**	**13%**		✓	**243**	**2.60%**
FFCB	8,951,940	9,097,200	3%	50% of total portfolio	✓	52	2.60%
FMCC	998,966	979,713	0.4%		✓	5	0.10%
Federal Agency Securities	**9,950,906**	**10,076,913**	**4%**		✓	**57**	**2.70%**
Grand Total	**275,904,642**	**276,030,649**	**100%**			**35**	**0.65%**

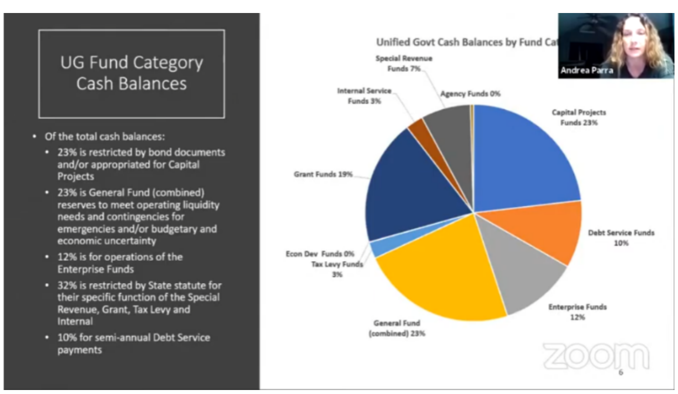
Next item is going to just be a little bit more detailed to the portfolio of that 83% cash, we've got 13% in CDs, about $37M. Our agency level is about 4% at $10M. There's only two investments left that are agencies that are going to both come up to mature here in the next year, I believe, or so. The rest are going to be some CDs with local institutions that kind of we set up or have been there for that long longevity investment from prior years.



Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q2	NA	UMB, Wyandotte Operating	0.250%	6/30/2021	(34,357,994)	(34,357,994)
Thru Q2	NA	UMB, Wyandotte Health Reserve	0.250%	6/30/2021	(193,000)	(193,000)
Cash Equivalents					**(34,550,994)**	**(34,550,994)**
Purchases						
Calls/Maturities						
Total					**(34,550,994)**	**(34,550,994)**

We actually didn't have anything mature or we didn't go out for bid and make any purchases this last quarter. Kind of just sitting there in that account right there, pretty strong.



Last but not least, kind of just to show you all where the funds are based on cash balances. 23% is going to be that restricted bond documentation appropriated for the capital projects. Another 23% in the General Fund for things for contingencies, for emergencies, also there's 12% in the Enterprise Fund. 32% in the restricted by the state statues, such as grants, tax levies. The other 10% will be the annual debt service payments that we make. That's all I have for you this evening.

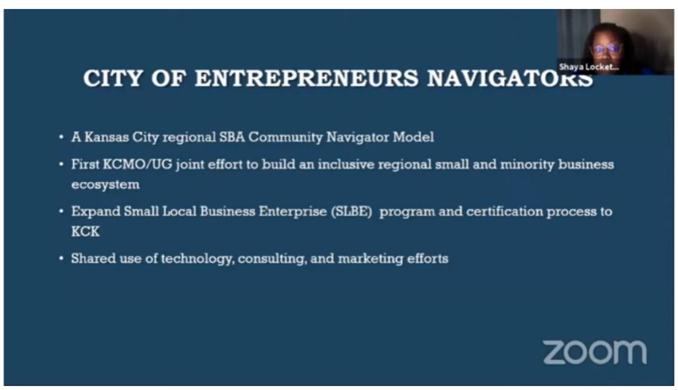
Chairman McKiernan asked, committee, any comments or questions for Ms. Parra on this report? This is, as always, for information only, but if the committee does have any comments or questions or want to explore further, we absolutely can do that. I don't see any hands raised from among the committee, so in that case, Ms. Parra, we thank you again for your presentation. Excellent, as always.

Action: For information only.

Item No. 4 – 21966…REQUEST: SBA COMMUNITY NAVIGATORS GRANT PARTNERSHIP WITH KCMO

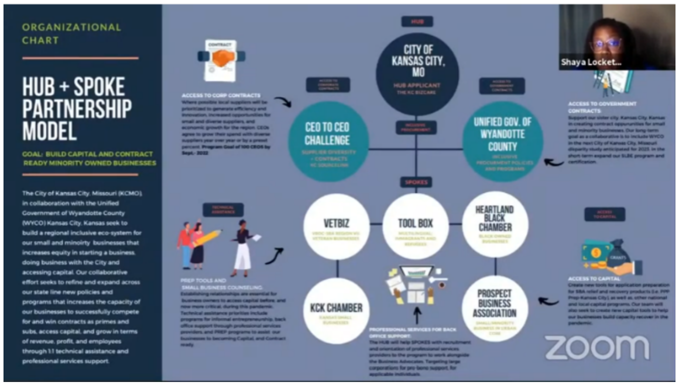
Synopsis: The Economic Development and Procurement Department are interested in exploring the possibility of participating as a consultant to the City of Kansas City, MO, in the SBA Community Navigator Pilot Program entitled "City of Entrepreneurs Navigator," submitted by Shaya Lockett, Program Coordinator of Economic Development; Katherine Carttar, Director of Economic Development; and Sharon Reed, Director of Procurement & Contract Compliance.

Shaya Lockett, Small Business Liaison, said, so, what we have here is the SBA Community Navigator's Grant. The SBA sent out a notice of funding opportunity for municipalities and government agencies to target outreach areas of businesses and underserved communities. Kansas City, Missouri, is the lead applicant on this grant and they applied for the $2.5M Regional Grant, and the Unified Government submitted a letter of interest as a partner in Kansas City, Missouri's grant application, which was due July 23rd. I'll kind of walk you through what that partnership looks like.



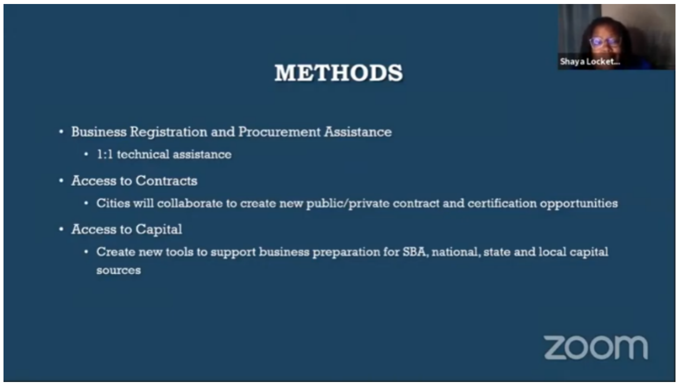
The overall goal of the grant is makes Kansas City a regional SBA Community Navigator model. This is the first joint effort between the city of Kansas City, Missouri, and the Unified Government to join our efforts and build an inclusive regional small and minority business ecosystem. A lot of the businesses that are in Kansas City, Kansas, and Kansas City, Missouri, both work across state lines, so by us joining forces, this allows us to help those businesses grow and get them some of the services that they need on both sides of the state line.

It will also expand the Small and Local Business Enterprise Program and certification process to Kansas City, Kansas. We currently don't have that established here. Then, there's also going to be a shared use of technology, consulting, and marketing efforts so there will be a broad marketing effort for businesses to know how they can receive the technical assistance that will be set up through this process.



This is just an organizational chart to show how the grant is set up. As I stated, the city of Kansas City, Missouri, is the lead applicant on this and SBA requested that we have a hub and spokes model. So, Kansas City, Missouri, is that hub applicant and the spokes are those agencies that are going to provide the technical assistance to the businesses. So, they will be the ones doing the one-on-one consultation with the businesses in both Kansas City, Kansas, and Kansas City, Missouri.

As you see listed on the bottom of your screen, there are five spokes: the KCK Chamber, Vetbiz, the Tool Box, the Heartland Black Chamber, and Prospect Business Association. These spokes will work with both the city of Kansas City, Missouri, and us at the Unified Government to make sure they are aware of our processes when it comes to how a business is registered, how a business can apply and do procurement with the city, and also prepare these businesses for procurement with organizations at the state and national level. Where we come in as the Unified Government is we are a partner agency to the city of Kansas City, Missouri, because this is a regional effort. KCSourceLink is also that partner agency, as well.



As I started stating, some of the methods that we will be using that we'll be focusing on are business registration and procurement assistance. So, those five spokes that were listed on the previous screen will help with that one-on-one technical assistance with each of the businesses. There will also be some professional services that we have contracts with to help with things such as legal and accounting services, as well.

The goal is to increase the businesses' access to contracts on both the local, state, and national level, and then SourceLink is working with CEOs of some of our larger companies to work with them on doing inclusive procurement with our smaller businesses in the area, as well. Through the technical assistance that these businesses receive, that will help them be prepared for access to capital on both the national, state, and local level, as well, through those various capital sources.

Line Item	Year 1	Year 2	Total
Small Local Business Program Coordinator (w/fringe)	$77,050	$77,050	$154,000
Technology (Qwally)	$50,000	$50,000	$100,000
Equipment (Computer, Laptops, Software, wi-fi for staff and public use)	$10,000	$2,500	$12,500
Supplies (copy paper, training material, postage)	$5,000	$5,000	$10,000
Total	**$142,050**	**$134,550**	**$276,600**

Here is an overview of the proposed funds that the Unified Government will receive. Most notably, there is a creation of position that will be covered for two years through the grant period. That position is a Small Local Business Program Coordinator, so they will help with a lot of the certification process, as well as some of the data that will be required for the purpose of this grant. We will also have access to Qwally for our CRM, and equipment and supplies will also be covered through the funds that the Unified Government would receive.

Lastly, this is just an overview of some of the key personnel that will be working on the grant project: the city of Kansas City, Missouri, the employees from the Unified Government, KCSourceLink, and then there's the directors from the five hub organizations. That concludes my presentation.

Chairman McKiernan said, I will have a couple of questions in just a moment, but first, I'll recognize Commissioner Johnson.

Commissioner Johnson said, Ms. Lockett, you mentioned that this would be a regional effort, but this is between just the two cities. Will there be other jurisdictions that will be a part of this, or that will have access to this, or will this be specifically for organizations and businesses in either Kansas City, Missouri, and Kansas City, Kansas?

Ms. Lockett said, the way it's written is Kansas City, Kansas, and Kansas City, Missouri.

Chairman McKiernan asked, any other comments or questions from the committee?

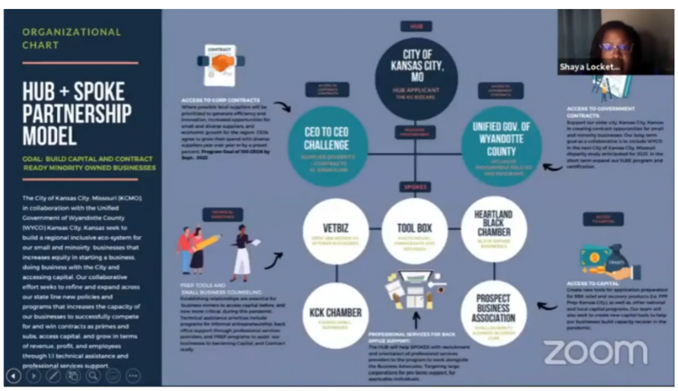
Commissioner Townsend asked, how will—just simply put—our participation in this program benefit small businesses on this side of the river? How are they going to be better off by our participation in this program?

Ms. Lockett said, through us participating in the program, it allows us to help our businesses grow and scale up. As they're able to get access to procurement, whether it's through the Unified Government or on a national level through federal contracts, they're able to increase the number of jobs that they have for community members, and it also increases their revenue.

Commissioner Townsend asked, if we become a partner or a consultant, what will that enable us to do for our small businesses over here? By virtue of this program, will they be made aware of more business opportunities? Will they be given more resources in terms of money or funding? What is the day-to-day aspect of how we can help our small businesses on this side? That's what I'm just really trying to understand, how they will be better off for our participation in this.

Ms. Lockett said, the resources—it allows us to work directly with the spoke organizations to help them become versed on our policies and procedures. Those spoke organizations that are serving both Kansas City, Kansas, and Kansas City, Missouri, are able to provide that information to them, as well. They're able to help them with the contracts and filling out information for that, they're able to help them with getting the access to the capital that's often needed to scale up.

Commissioner Townsend said, okay. Could you put that slide up that shows the spoke organizations again?



So, who are these organizations? I'm trying to identify. So, by virtue of us joining as a consultant, will that enhance the KCK Chamber's ability to help? **Ms. Lockett** said, yes. **Commissioner Townsend** said, …Heartland Black Chamber, is that what we're saying?

Ms. Lockett said, yes. So, each of the spokes will have a dedicated staff person to assist the small businesses with that technical assistance. That's a component of the grant. Each of these organizations will get up to $250,000 in funding to help administer this program over the two-year period.

Commissioner Townsend asked, and by those organizations getting that, what, that helps them do more outreach? Does any of that money actually become available to help the small businesses directly?

Ms. Lockett said, so they're directly helping them through the technical assistance that they're providing them, with the registration processes and things of that nature.

Commissioner Townsend said, registration for…**Ms. Lockett** said, business registration, getting them registered with our Procurement Department so that they're able to bid on different contracts. Also, helping them with accounting services to make them bankable and able to receive various loans as they are trying to grow their business.

Commissioner Townsend asked, and but for our participation as a consultant, we wouldn't be able to do that currently?

Ms. Lockett said, so, through the joint effort, it brought in the organizations that are serving Kansas City, Kansas, as well. Such as the KCK Chamber, the Tool Box, those are primarily Kansas City, Kansas, organizations. So, that's where the partnership comes in. We are still able to provide technical assistance, but not at the level that we would be able to through this grant application.

Commissioner Townsend asked, and does this cost us anything?

Ms. Lockett said, there is no cost to the Unified Government outside of our current staff time that will assist. There is a dedicated staff person who will be coming on.

Chairman McKiernan said, Ms. Lockett, I don't see any other hands up from among the committee at the moment, so I'll follow up. Can you move ahead one or two slides? The one with the pictures of the people.

So, talk me through this. Basically, what I understand is we're applying for this grant. This grant's going to pay for an administrative—the bulk of the grant would pay for an administrative salary to help our helpers. Am I kind of getting that right?

Ms. Lockett said, and also to do the small and local business enterprise to help with the certification process.

Chairman McKiernan said, so, I'm going to take The Tool Box because I'm most familiar with Mr. Munoz and how he's operating to try to be a small business advocate and to try to help people get prepared to be better advocates for themselves. So, at the very bottom, it says professional services team. Does that mean he has one of those, or this grant helps him access a larger team than he currently has?

Ms. Lockett said, the grant helps access. So, there is that back-of-office professional service support that is provided through the grant to all of the spokes. So, accounting services, legal services, they will have access to those that are paid for through this grant.

Chairman McKiernan said, move up one level from there. It says full-time Small Business Advocate. It has that repeated five times under the five spokes. Is that one advocate?

Ms. Lockett said, each organization will have their own advocate. So, each spoke is required to hire a dedicated staff person that's paid for through grant funding to work with the businesses in both Kansas City, Kansas, and Kansas City, Missouri.

Chairman McKiernan asked, so does that lead me to believe that this grant allocation is much larger than you have indicated in the RFA? **Ms. Lockett** said, no. What our portion is, or—the entire grant is $2.5M.

Chairman McKiernan said, so each of these spoke organizations, then, will get additional support with grant funds to hire all of those five people? **Ms. Lockett** said, yes.

Chairman McKiernan said, so, all of those little pawns, if we were playing chess, the blue and white little people there, those are additional positions added for each of the five spoke organizations by additional grant money that we're not considering here tonight. **Ms. Lockett** said, correct.

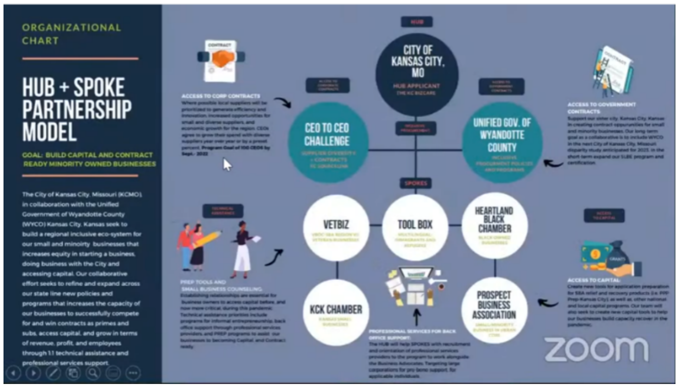
Chairman McKiernan asked, so, our job—and I'm going to circle back to where Commissioner Townsend was a moment ago—our job then, is to help facilitate from our position a little higher up the ladder?

Ms. Lockett said, what we are looking for the Unified Government to do is to create that inclusive procurement to work with the Procurement Department on certification processes, as well as working with our spoke organizations to collect the data to work with the businesses as they funnel them to us to navigate through the Unified Government process, as well.

Chairman McKiernan said, I just noticed in my attendees list is Nia Richardson, who is pretty much right up here at the top of this flowchart. So, what I'll ask is if staff can bring her over to the panelist list. I'm assuming that Ms. Richardson has some additional information to contribute to our discussion.

Ms. Lockett said, she can help answer questions, as well. She is the lead for the Kansas City, Missouri, side.

Nia Richardson said, if you would, Shaya, go back to the hub and spoke model, I can explain because I missed part of Shaya's discussion because I was trying to get out of my office.



So, I don't know what all she kind of explained to you, but this is for—the Small Business Administration put out a Community Navigator Pilot Grant. So, this is a national competition. Kansas City, because you can only have one lead, went after the grant as the lead for, I think it's a tier-two city, state, local, or regional initiative. So, the idea was to create a regional initiative with our sister city to help small businesses.

What I do for the city of Kansas City, I'm the Assistant to the Director for Small Business and Entrepreneurship, and I run what's called our KC BizCare Office. We are the essential model for this hub and spoke deal. This is exactly what we do. So, we provide technical assistance for business registration, permitting, and licensing. As I am doing the work of one-on-one technical assistance of helping someone understand how to get registered with the state, get your EIN, everything that they would need to qualify to actually get a business license for us—I don't know what your guys' requirements are—and then also to become a vendor with the city, to be certified with the city, which offers some access to contracts and capital. Without these essential steps or essential tools, these businesses cannot do so.

So, in the pandemic, we were able to not only build new technology from our office that allows us to get data about our small businesses, but also to provide services virtually for our small businesses in the form of guides, checklists, or whatever they need. To give an example of the impact that we have in Kansas City, Missouri—which we also impact Wyandotte County businesses that do business on our side of town—annually we would see somewhere between two to three thousand people a year in our office and that's a team of three people. In the pandemic, we saw that many just months into it and since the onset of the pandemic, in partnership with our business license office, we have licensed well over 3,500 new businesses in Kansas City to help our businesses pivot.

What we are also trying to do is help them access to become a vendor with the city so they can access contracts and also be certified with the city. The idea behind this model is that partnering with KCK/Wyandotte County businesses can get certified with the city of Kansas City and get opportunities and small business contracts or minority, women-owned business contracts, but the opportunity is not reciprocated. I know that first-hand because before working with the city—and I've only been here two and a half years—I used to work for a small business doing exactly that. It's very, very hard to figure out how to even do work with the Unified Government for our small businesses, whether they're Wyandotte County-based or Kansas City, Missouri-based.

So, in conversations with Shaya and many of the other people who are listed there, we were already in discussion to figure out how we, as a sister city, could support Shaya—because she's pretty much me on the Kansas side—through via the technology, via getting her data to promote and support small businesses. What you see in front of you today is a way, through inclusive procurement, which is how do we as cities leverage our procurement power to grow small businesses and close the racial wealth gaps in our community. We do that via contracts.

So, right now, Kansas City does certify Wyandotte County businesses for our minority, our women, and our disadvantaged business, which are race and gender programs. We have a race and gender-neutral program, which is our small local business enterprise, which allows us as cities to break up big contracts, set aside contracts, which you cannot do under the minority, women-owned, and disadvantaged business. What it also does is it allows our small businesses to compete amongst peers and have some prime contracts. Minority, women, and disadvantaged participation only allows you to participate as a sub in most cities. So, this also creates an opportunity for that.

So, the idea is, one, to create access to capital—I mean, access to contracts through inclusive procurement through our sister cities, so businesses can thrive on both sides of the state line through government contracts. Again, partnering with KCSourceLink, which is via KC Rising, that are doing the CEO-to-CEO challenge, getting those corporations to dedicate spending more with small and diverse businesses. So, that's the gist behind that. Those five spoke partners can cross both state lines—the state line for both. So, each of them offer support, some dedicate on the Missouri side, some dedicate on the Kansas side, but both can cross over.

So, the idea is that we're taking our tools, sharing with our sister city, and saying hey, here's what you can do to understand your businesses, get support for your businesses, and here's how we build an ecosystem that works for our businesses, setting us at the top and at the center of the hub as cities because no one can certify a business. No one can give you a business license, but us as cities. So, that's the gist behind all of this.

The grant amount is $2.5M. We will be allocating money to Wyandotte County for their staff and their technology needs. We will share a consultant to help provide recommendations for the SLBE Program, and then the idea is by 2023 that they join in with the city of Kansas City as a part of our disparity study since we're already doing the data on Wyandotte County businesses in hopes that we can expand our certification to the Unified Government, which means there's no extra thing that you guys have to do in creating a certification office. We're already certifying them for you, except our certification but create the contract opportunities for our businesses to be able to go after and thrive. So, that's the gist of it.

Chairman McKiernan said, alright. I do appreciate that. So, at their core, the five spokes, each have—it's the wrong word, but I'll use it—a target audience. They have a population that they work with primarily. **Ms. Richardson** said, correct.

Chairman McKiernan said, if I understand it correctly, each of those five spoke organizations, at their core, they're still doing the same thing they've always done. They're still working with the same folks they've always worked with, but they have—to use an old term—they've turned it up to 11 in terms of their ability to provide service and support and they've broadened the horizons for those clients that they currently work with. Would that be correct? **Ms. Lockett** said, yes. **Ms. Richardson** said, we are helping them to build capacity and to build up their service capabilities for that, yes. That's correct.

Commissioner Bynum said, thank you, Ms. Richardson and Ms. Lockett, for the excellent presentation. I think it's going to be very beneficial for folks on both sides of the state line, and I believe we do have plans to participate with Kansas City, Missouri, in the disparity study. So, that is fantastic and, Mr. Chair, I'm wondering, is this an item for a motion?

Chairman McKiernan said, this is an item for a motion. It comes to us as an action item. We are being asked to approve and advance to Full Commission for the meeting of August 26th. It's not a resolution, it is simply a strategic partnership, grant application, and statement of interest.

Action: **Commissioner Bynum made a motion to approve the strategic partnership and grant application and statement of interest.**

Patrick Waters, Deputy Chief Counsel, said, so, we will need to enter into what they call an inter-state compact with the city of Kansas City, Missouri, on this. Because of some of the deadlines associated with this project, I know that Economic Development wanted to get this going. I think our hope is that we are currently working with the city on that agreement, in that as you advance this to Full Commission, either it will be ready by Full Commission or shortly thereafter. It can be fast tracked to a commission meeting that's ready to go, but there will be—before the final vote, we will have a formal document that basically has all this information in that written form.

Chairman McKiernan said, okay. So, Mr. Waters, in our agenda packet, we have a three-page document that basically outlines the highlights of this strategic partnership to be signed both by Mayor Alvey and then by a representative from Kansas City, Missouri. Is that serving as a placeholder for a more extensive document that will come later? **Mr. Waters** said, correct, yes.

Chairman McKiernan said, then, in that case, I would ask Commissioner Bynum if she is comfortable that her motion is to approve this placeholder document in anticipation of a more thorough agreement. **Commissioner Bynum** said, yes, I will make that as my motion.

Action: **Commissioner Townsend seconded the motion.**

Chairman McKiernan said, we have a motion and a second to effectively approve this strategic partnership pending the receipt of a more technical document. Roll call, please.

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

Item No. 5 – 21965…RESOLUTION: SETTING A PUBLIC HEARING DATE TO CONSIDER ADVISIBILITY OF CREATING THE LEGENDS HOTEL CID

Synopsis: A resolution setting a public hearing date of September 16, 2021, to consider the advisability of creating the Legends Hotel CID, submitted by Katherine Carttar, Director of Economic Development; and Patrick Waters, Deputy Chief Counsel.

Patrick Waters, Deputy Chief Counsel, said, so, on July 23rd, we received a petition for a CID from an entity called Legends Hotel CID. This is for property located at 1925 North 98th Street, basically by the Freddy's out west, if you're familiar with that area. The developer proposes to build a hotel out there. I do not know the name, if they have made the name public, so I won't state that today. I'll let him state that if he wants to. This is a little bit different from most that you see because we do not have a development associated with the petition. The reason for that is that currently, Administration is not in favor of this CID as proposed.

However, under state law, if a valid CID petition is submitted, then we legally have to hold a public hearing on it and give the owner his right to make his case. So, we reviewed it, and the CID petition is proper and valid and so we are here to set a public hearing. I think the developer is here tonight and could answer questions, but our intent would be that they would give a full presentation on the public hearing date and make their case at that time.

The one change on the date, on this Thursday's Commission meeting, you will have a resolution requesting to merge the September 16th meeting with the September 9th meeting, so we actually ask that the public hearing be on September 9th instead of September 16th. The plan would be to merge those two meetings. I see Mr. Ranat is here to answer any questions that you may have as well.

Chairman McKiernan said, let me back up just for a second here. Patrick, what options do we have here? If the law says that if it's a valid CID application that we've got to go ahead and hear the presentation and hold the public hearing, is there—what's the point in bringing it here to this committee?

Mr. Waters said, sure. So, we wrestled with that ourselves. Really, the reason is we have to set a public hearing, but it's your choice as to when that date is. So, the resolution is you saying we're good with that date.

Chairman McKiernan said, that certainly does clarify. We're going to have the hearing one way or another. It's just a question of what date we have it on. So, at this point, I would ask the developer if you would want to give us some background and clarification of your intent of the public hearing.

Rubin Ranat said, so, we are building an 88-room Marriott property franchise, which is Fairfield by Marriott, right near the former Schlitterbahn, which is soon to be Homefield development. What our main request for a CID is due to the substantial increase in cost in developing a hotel and generating employment for individuals in that area, citizens in that area. So, in order for us to accomplish and develop this hotel, which will be a great attraction to the area, we're requesting the CID.

Chairman McKiernan said, I do see, as I look at the proposal here, that you're proposing 1.5% capped on top of existing—we do have a CID further west. It doesn't extend this far east, does it, Patrick? **Mr. Waters** said, no, I don't believe so.

Chairman McKiernan said, so, this is just on top of any base—and this is a sales tax? **Mr. Ranat** said, yes. **Chairman McKiernan** said, this is on top of any base sales tax that currently exists. This would be another 1.5%, which would probably take the sales tax here to 12.5, 13%? **Mr. Ranat** said, that's correct.

Chairman McKiernan said, and again, you said this, I'll just reiterate it. You're seeking this because—and this is for construction, then. This is a CID to assist with construction of the hotel. **Mr. Ranat** said, that is correct.

Chairman McKiernan said, and it's basically to close the gap between what you're going to be able to generate from the hotel and the cost of building it. **Mr. Ranat** said, that's exactly right.

Chairman McKiernan asked, does any other member of the committee have comments or questions about this? I see Katherine or Patrick, either one. CIDs, 22 years, is that correct? What's our length of time on this? **Mr. Waters** said, you're right, 22.

Chairman McKiernan said, so, somebody's calculated, I assume, that this 1.5% over 22 years will generate the gap. **Mr. Waters** said, Mr. Ranat will hopefully give a full presentation on the hearing date and can have those numbers and show that.

Chairman McKiernan said, because if it generates more than the gap, then my question would be how would it be reinvested in the property?

Mr. Waters said, well, let me say this. If when the commission holds the public hearing, if the commission feels that it's a project that they are in agreement with, we will request at that time to go back to staff and negotiate an actual development agreement. Those are the kind of details that really need to be worked out in a full-fledged development agreement. So, we would ask on September 9th that if the commission is in favor, to allow staff to negotiate that.

Chairman McKiernan asked, well, committee, the question before us is are we agreeable to a September 9th date for a CID presentation and public hearing?

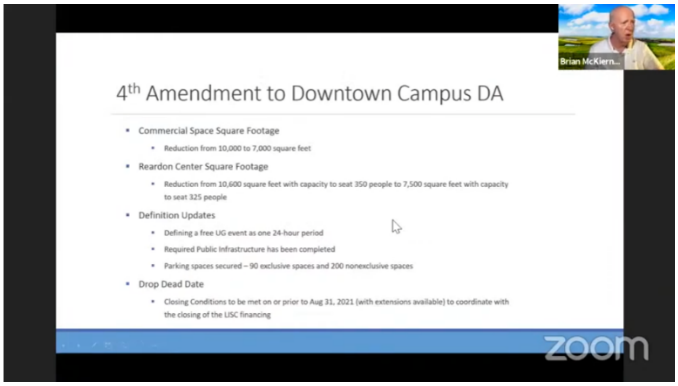
Action: **Commissioner Johnson made a motion, seconded by Commissioner Townsend, to approve the resolution setting a public hearing date for September 9th.**

Chairman McKiernan asked, any other questions or comments from the committee? Seeing and hearing none; roll call, please.

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

Item No. 6 – 21970…RESOLUTION: 4TH AMENDMENT TO THE DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the 4th amendment to the Downtown Campus Development Agreement which better defines some requirements, reduces the square footage of the Reardon Center, prioritizes the distribution of CID proceeds, and extends the drop-dead date, submitted by Katherine Carttar, Director of Economic Development.



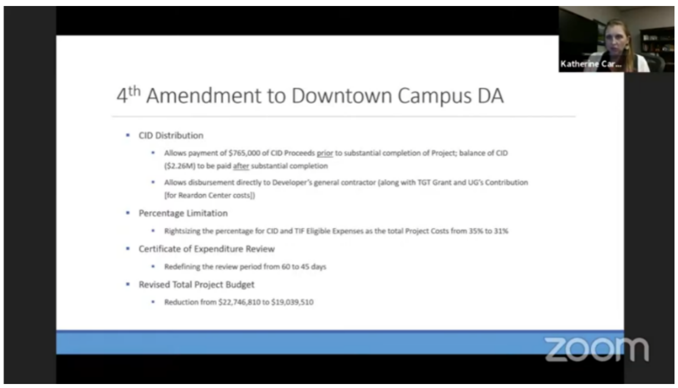
Katherine Carttar, Director of Economic Development, said, as you can see on the screen here, I've just put some bullet points. There's quite a number of things in this amendment. A lot of it, as you can see—we'll kind of quickly go through and then pause for any questions—as you can see, a lot of this is clean up as this project has progressed and evolved. So, there has been a decent amount of time since the original development agreement was approved. Since then, there has been a global pandemic, there have been quite large increases in material costs, etcetera. So, some of that goes into, now that Mr. Lanier and his team have really homed in on their financing and gone through planning, just some kind of clean up in some cases, and then some clarifications in others.

So, I'll just go through a few of these. I think there will be one that we'll want to dig in a little more onto. Just for us redefining the commercial square footage, it's slightly smaller. One of the things we've seen is just that retail commercial square footage, you just don't need as much as we'd perhaps like, but it's just not really necessary. We want to make sure that Mr. Lanier is very successful in actually renting out these locations.

Another would be also a reduction in the square footage of the Reardon Center itself. So, this would go from about 10,600, which was a requirement in the original development agreement, to 7,500. However, the actual capacity of the seating area would remain almost unchanged. So, it would only be going from 350 people to 325. So, that means it's really kind of the added space, the lobby space, that is fairly unutilized at probably most convention and conference centers that you've attended. So, really trying to home in on what is the primary space and need for this location.

Also, just some kind of definition updates. Making sure when we are saying that the UG receives a free event day, that that's kind of—an event day is considered 24 hours. Just making that clear. That the infrastructure that we had promised in the original agreement that was corresponding with the grocery store, that has been completed, as well as parking. Going from a previous determination of how much parking now having a better sense of exactly what is needed, really defining that as 90 exclusive spaces and 200 non-exclusive spaces.

As well as pushing the drop-dead date. So, this is when all the closing conditions are completed. Pushing this just out a month. There are some extensions available just in case things kind of change. It's a moving target, a bit. This really is coordinating with LISC, and they are receiving pretty substantial amount of financing through one of LISC's programs. So, making sure that is coordinated so that they can close and they can close with us at the Unified Government.



The slightly more complex one is the CID distribution. So, this all has been in the original document, so one of the things that we're defining is this is the CID that has been in place now since, I believe, 2013 is the year that comes to mind. I could be slightly off, but it's been around for a number of years. There is about $765,000 currently in that fund that has been earned in that fund and is sitting there. We had in the original development agreement that this would come post-completion, and what we're contemplating in this amendment would be that this would be—that first payment could be this $765,000. So, this could be used to get construction moving, and we could pay it directly to the general contractor. This, of course, would be—seeing all the cost (inaudible) and going through that process. Rather than have the extra steps, since this will be—could be one lump sum to the general contractor adding that language in.

As well as kind of rightsizing. We always have a percentage limitation, so the CID and TIF, so that public investment has to be less–significantly less–than the total project cost. So, when we're looking at that public/private ratio, we had originally 35%. We are trimming some of that fat and moving that to 31% of the total project cost, as well as redefining the review period–the review period–to get that reimbursement from the CID or the TIF from 60 days to 45. So, again, trying to just get things moving, trimming some of that fat.

Then, the revised total project budget has decreased by about a little over $3.5M due to some of the changes in the square footage. That was a lot. If there are any questions, I would be happy to entertain those.

Chairman McKiernan said, Committee, if you have questions, I'll recognize you in just a moment, but Katherine I do have a few. So, in the packet that we were given, it says Exhibit A, Fourth Amendment, to be attached. Then you go to the very next page, and it says Fourth Amendment. Is it still to be attached or did we put a blank placeholder there that we no longer needed? In my agenda packet, it's page 174.

Ms. Carttar said, I'm not really sure how your packet is determined or put together, but there should be…**Chairman McKiernan** said, well, it's immediately after…**Ms. Carttar** said, …then there's the amendment.

Chairman McKiernan said, we've got the RFA, then there's a resolution page, and then there's the signature page for the resolution. The very next sheet of paper in our packet says Exhibit A, Fourth Amendment to be attached.

Ms. Carttar said, so that would be the next page, which is the nine-page amendment.

Chairman McKiernan asked, so, it's not to be attached. It's actually already there. **Ms. Carttar** said, they're actually separate documents, so I think that's where in your packet it gets a little wonky.

Chairman McKiernan said, run that by me again. They're separate documents, what do you mean?

Ms. Carttar said, so, we upload them separately. So, this is really just a printing issue.

Chairman McKiernan said, somebody put a placeholder in there, and then we didn't remove it. Okay, got it. Now, let's move on to Exhibit H. It's the financials. **Ms. Carttar** said, yes.

Chairman McKiernan said, I see in the column marked Total Costs, you've got $19,039,510 as the new, revised, total project cost. Then, we have TIF Eligible, and CID Eligible, and Sales-Tax Redirection in our next three columns. Please tell me the significance of those totals, down at the same line as $19,039,510, and then help me understand what caps and two asterisks in red means, and the numbers at the bottom of each of those three columns.

Ms. Carttar said, so, the cap is something that was put into the original development agreement. We put this any time that there is a TIF, CID, very similar to the conversation we were heading down with the hotel in this last bit. So, if there is more generated than there is actual expenses, there's kind of two different things you can do. One, you can only get reimbursed for eligible expenses, so that's kind of a cap in and of itself. If there is additional expenses and revenues, however, we have talked about that 31%. That ratio between what we've agreed upon between the public and private contribution to the project, that's where we get these caps in this case. So, we've put these caps in place. That's a hard and fast, no more than that amount of funding can come out of either the TIF or the CID. In this case, we're anticipating that it would be quite a bit less than…

Chairman McKiernan said, okay. So, if I work my way across on the same line as projected total estimated project cost, $19,039,510, and I work my way across. The first column's about $3M, and then there's about $21.5M, and then there's another $3M. Are those supposed to total $19,039,510? **Ms. Carttar** said, no…**Chairman McKiernan** said, because they don't.

Todd LaSala, Stinson Leonard Street Law Firm, said, Commissioner, one of the things we do with these budgets—the Unified Government has really always made developers get very specific about where they want to spend CID money and TIF money, so we have them do this this way to articulate where we would allow expenses to go and then we always have a cap.

So, you'll recall with TIF, the eligibility criteria in the statute, pretty narrow, right? So, the cap and the number of eligible expenses that we would agree to here, they're almost right on top of each other. When it comes to CID eligibility, that statute is pretty wide open about where you can spend the money. So, there's an awful lot of money that's available when it comes to CID, despite the fact that you've got a $3M cap. There's like $22M of expenses, or $21M that they could spend things on. It's nonetheless capped at $3M.

So, those things don't necessarily need to total, but the important thing from our perspective is these are the only line items that the developer could spend money on in the CID column, and only items they could spend money on up to the caps in the TIF column. So, that's why we do these budgets this way. We're really trying to manage where we would allow incented money to go.

Chairman McKiernan said, so, what we're saying, take the CID Eligible column—and I apologize, I'm pretty slow. If we come all the way to the bottom, it says $21,600,000. That is, out of all the possible costs, that's the total that would be eligible for CID reimbursement. Is that correct? **Mr. LaSala** said, yes.

Chairman McKiernan said, so, $21.6M is eligible, but only $3M of CID generated funds will actually go toward the project. **Mr. LaSala** said, that's correct.

Chairman McKiernan said, okay. Then, move to the left. TIF eligible. We're projecting that only $2.9M is the amount of expenses that are eligible to be reimbursed by TIF, but we're willing to go to $3.0M if, I guess, the TIF generates more money than we think it will?

Mr. LaSala said, this is more about the expense side, Commissioner. So, it's really—this is really about maybe one of these expenses comes in a little higher than what's on this budget. We've given them a little flexibility up to the cap when it comes to TIF.

Chairman McKiernan said, so, then far right, Sales Tax Redirection. $2.9M is eligible in terms of $2.9M worth of expenses are eligible for this particular reimbursement, but we're only going to allow $1M of sales tax to be redirected toward that project, those costs. **Mr. LaSala** said, absolutely right.

Chairman McKiernan said, way back in the day when we first started considering this, we had a slide that we looked at that considered--even though it was deferred for a while—that considered how much revenue we were going to get from this particular project over time. I don't think it started ramping up until it was in the outer years. If we could see that again, that would be spectacular because I guess my question is, has that amount or that timing changed since we first approved this development agreement?

Mr. LaSala said, the deal has not changed, so you're remembering correctly, Commissioner. When we get to, if I get specific about this, year maybe 12, 13. Is it 13, Katherine? **Ms. Carttar** said, yes.

Mr. LaSala said, the developer starts scaling back the amount of increment that is available to it to try and hit this $3M cap. So, then the UG starts grabbing that increment, if you will, in year 13, and the UG's share increases each year after year 13. So, I don't know if we have it tonight, but when we get to Commission, I know we can replicate that slide and update the numbers and make sure the deal on the TIF is still in place.

Chairman McKiernan said, I would appreciate that because one of the things, and I hate to keep pounding this drum, but I will because I think it's an important drum. I want to see what revenues we are going to generate eventually into the General Fund to help support the infrastructure, both built infrastructure and personnel infrastructure, that are going to be around any development, not just this one. So, I would love to see on what timing and what amount this project is going to generate revenue that we can put into the General Fund and then use to support that infrastructure. **Mr. LaSala** said, absolutely.

Commissioner Johnson said, I want to know, will the number of apartment units decrease with these modified numbers? Very simply.

Mr. LaSala said, we can confirm with the developer if he's on, but I believe the answer is no. We have not made any changes here to the number of apartments and the way that the apartment piece of the project is described. So, I believe the answer is no, there will be no change.

Chairman McKiernan said, I thought I saw Mr. Lanier in our panelist list earlier. Mr. Lanier, if you wouldn't mind, could you clarify for Commissioner Johnson in terms of the number of apartments in the finished project?

Willie Lanier said, that is correct. The number of units will not change. We did extend or add additional units above the required and minimum amount of our developer's agreement, so we are at 92 units. So, we are exceeding what we were required to do, but we will maintain that unit count with the revised project.

Chairman McKiernan said, fantastic. Thank you for clarifying that.

Mr. LaSala said, and Commissioner, that is above the requirement in the development agreement, which says 70 to 85 units. So, if he delivers 92, he is overdelivering relative to the written requirement in this development agreement.

Chairman McKiernan said, overdelivering is a beautiful thing. **Mr. LaSala** said, indeed.

Chairman McKiernan asked, does anyone else on the committee have comments or questions?

Action: Commissioner Johnson made a motion, seconded by Commissioner Townsend, to approve the resolution.

Chairman McKiernan said, let me just clarify with Mr. LaSala and with Ms. Carttar that this fourth amendment better defines some of our requirements, like some of the things we've just been discussing. We acknowledge in this fourth amendment that the size of the Reardon Center Conference space will shrink, and we acknowledge that that will probably be in the public gathering spaces, not necessarily in the meeting room spaces.

Then, it'll prioritize the distribution of the CID proceeds because that gives us that early bump that we were talking about earlier. Then, extends the drop-dead date and remind me again what that date—is it on the slide that's on the screen?

Ms. Carttar said, it is not, but it is actually July 31st of this year, so it was last week. **Chairman McKiernan** said, and we're extending it to what? **Mr. LaSala** said, August 31st.

Chairman McKiernan said we have a motion and a second to approve the fourth amendment as submitted. Any other comments or questions from the committee?

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

Item No. 7 – 21971…RESOLUTION: THE 4TH AMENDMENT TO THE KC FOODIE PARK DEVELOPMENT AGREEMENT

Synopsis: A resolution approving the 4th amendment to KC Foodie Park Development Agreement to primarily extend planning and construction deadlines, submitted by Katherine Carttar, Director of Economic Development.

Katherine Carttar, Director of Economic Development, said, fundamentally, what this fourth amendment does is extends, again, some of those completion dates. As you all recall, the Scavuzzo's Foodie Park, there was a number of different phases that corresponded to specific dates for the start and commencement and completion of those that we had very specifically defined. So, as you can see in the amendment in your packet, all of those dates—you can see what that change is. Then, I'm actually going to pass it over to Mr. LaSala to explain specifically one point about the financing.

Todd LaSala, Stinson Leonard Street Law Firm, said, as you know, there were very robust discussions about this at the last ED&F meeting, as Katherine said. You may recall, we already had some dates in the amendment that you saw last time for the second, third, and fourth phases. What wasn't in the amendment you saw last time were extensions of the dates for phase one. So, those are there now. Essentially, they are these.

For commencement, which I think was originally back—the date was in April. We are saying that the developer within ten days of signing this agreement will do two things. They'll start putting up silt fencing and do erosion control and they'll commence demolition of the hardscape and any other improvements out there.

Then, the second part of commencement will be that by the end of the year, December 31st of '21, they will commence in earnest, which is defined as getting building permits, starting work, and undergoing a continuous program of construction. So, that would happen by the end of the year. This also, I believe, pushes out the completion date to July 1st of 2023 for Project Area 1. There are two other components that are added to this amendment that were not in the one that you saw at the last ED&F meeting.

One, given the context for this amendment and the delays we've had with this project, we've negotiated two additional provisions and negotiated with developers about two additional provisions. One is that we would tighten the remedies in case they missed those dates when it comes to Project Area 1. The remedies would be tightened in this way. There is a notice and cure period in the development agreement. We would shorten that period from 60 days to 20 days and you'll recall that you also have reversionary rights, the ability to take the property back in the event of default. There was a very long 12-month cure period when it came to reversionary interest and the developer would agree to reduce that period from 12 months to 60 days.

There is also a financing condition that's attached to commencement of construction. There's a bunch of good reasons why this is a smart thing for us to require of the developer, but put very simply, it's to ensure that they show us proof of financing so that we can see they have all the money they need when they start in order to finish the project. So, they have to, essentially, come to us, show they have a deal for the equity and at least a loan commitment from a commercial lender with kind of normal financing conditions. They have to show those things to us so that we know that when they start, they have the money to finish.

This financing condition has been the subject of a lot of conversation. We have reason to believe that the developer still doesn't love that provision and may tonight come to you and ask you to remove it or negotiate further about that. We would discourage that. If they do that—I kind of hope they don't—but if they do, I'd like you to—I would ask that you come back to us so we can tell you all the reasons that that's important.

Chairman McKiernan said, thank you, Mr. LaSala. We would ask if—I would ask if any members of the Committee have comments or questions. I have several, so I can pinch-hit for you and give you time to collect your thoughts.

So, I'm just going to reiterate. One of our problems here on the Committee is that we get a lot of this information very quickly, and we get it right before we make a decision. You all have been thinking about it, mulling it over, and rationalizing it for a much longer time, so I'm pretty much going to state back a lot of what you just said to make sure I got it right.

So, if we approve this fourth amendment, then it says that within ten days, they have to start—and basically, it's horizontal construction at this point—put up a silt fence and start tearing up the old asphalt and the old underlayment. Then, they have to begin in earnest, that means vertical construction, not just tearing stuff up and putting a silt fence, vertical, out of the ground construction by 12/31.

Mr. LaSala said, Commissioner, I want to be a little clearer about that. There is still more site work and grading and things to do when they get to 12/31—let me be clear. The ten-day requirement, it's really demolition, silt fencing, erosion control, that's it. So, they're not going to be out there rough grading the site, doing site utility work, all that other horizontal stuff. They do not intend to do that immediately after we sign this. It's really just erosion control, silt fencing, and demolition. That's it.

When we come to December 31st, at that point they have to get permits, they really have to get out there and start it, and you're right. Vertical construction is part of the equation. It probably won't happen immediately on January 1st. They're going to be doing all of that horizontal work first, digging foundations, but importantly, the 12/31 date is about beginning a—and these are the words in the agreement—continuous program of construction. So, when we get to—ten days in, they're going to start, do a finite amount of work and stop. When we get to 12/31, they're going to get out there in earnest and continue until they finish.

Chairman McKiernan said, okay. This project, in my estimation, is very much like this similar one. It's like we've been waiting two-plus years on both of these projects. We're in our fourth amendment on both of these projects, and frankly, I personally would like to see some progress on both of these projects that we're just not seeing. So, if 12/31, okay, they start applying for permits, do we have any estimate of when this might go vertical, we might actually start to see vertical construction?

Mr. LaSala said, we do. There is a construction schedule, and the developer may have that handy. He may be able to tell you when they think they're going to be done with footings and foundations and go vertical. If not, I think Katherine and I can probably find that while we're talking, but there is a construction schedule. The developer may have to tell us if it's still current because I think it contemplated commencement by now. So, I think we have to ask them that question.

Chairman McKiernan said, well, and then I see substantially complete the Phase 1 minimum improvements on or before now, July 1, 2023. What do we qualify as minimum improvements here?

Mr. LaSala said, that would be a defined term that will include the completion of the food service center, which is the 266,000 square foot building. It'll include parking improvements and other related improvements. It does not include the retail that's on Phase 1. That defined term includes the infrastructure that's related to the 266,000-foot building, parking, signage, etcetera.

Chairman McKiernan asked, does it include the building? **Mr. LaSala** said, it does.

Chairman McKiernan said, so, by July 1, 2023, we'll have the first building. **Mr. LaSala** said, that's correct. That's what's required.

Chairman McKiernan said, remind me again. When does ownership of this—now, remind me again, let me make sure I understand what we're talking about. We broke this large parcel up into four sub parcels, correct? **Mr. LaSala** said, correct.

Chairman McKiernan said, and they're currently on the furthest south of the parcels, at the curve of 47th Street into Orville. **Mr. LaSala** said, furthest south. I think that's correct. **Ms. Carttar** said, yes, that's correct.

Chairman McKiernan said, and right now, they have effectively an option. Like, in Land Bank they have an option on that property. No.

Mr. LaSala said, they own it. **Chairman McKiernan** said, they own it. **Mr. LaSala** said, we closed, and they were supposed to have commenced in April, Commissioner.

Chairman McKiernan said, so, they have fully paid us for that parcel. Now, we can get it back and you said that we've tightened our remedy here. So, we can get it back if they fail to meet the agreements or the deadlines that we've set up in this fourth amendment.

Mr. LaSala said, that's correct. **Chairman McKiernan** said, and we can get it back sooner. **Mr. LaSala** said, that's correct.

Chairman McKiernan said, and we get it back with—what changes hands when we get it back? We just get it back?

Mr. LaSala said, that's right. We do not have to pay to get it back. We may have to fight to get it back, but what the development agreement says—I mean, if they're in default, as a practical matter, we may have to fight to get it back, but it will be very clear contractually. In a worst-case scenario, they don't start, nothing happens. You'll terminate the incentives, right? You'll default them, terminate the incentives, and you'll go demand the property back. Eventually, we've got to get a deed from them to get it back, but the contract is clear that to exercise a reversionary right, we don't have to pay for it. We are entitled to get the property back.

Chairman McKiernan said, but the timing is hazy as to when that might actually happen.

Mr. LaSala said, that's right. The timing in the agreement without this amendment is that they've got a year to cure. They could still—even if you turn off the incentives—they could still go build the thing, open it on time, and again, as long as they do that within a year of being in default, we don't get the property back.

So, the way it's written today, we have to wait a year to go demand the property back. This would shorten that period of time to 60 days. Given the context of this thing, at how long it's taken, we think that's appropriate, and the developer is agreeing to that.

Chairman McKiernan said, but what I've heard you say is that's a hazy 60 days. It might be 60, it might be more.

Mr. LaSala said, we'll be entitled to get it back 60 days. The contract gives us the right to it within 60 days. If the developer is in default, and they won't comply with the contract and won't give it back at that 60-day marker, we'll have to go to them to enforce the contract.

Chairman McKiernan said, and when is it they need to show proof of financing?

Mr. LaSala said, by closing. I'm sorry, by commencement. December 31…**Chairman McKiernan** said, of 2021. **Mr. LaSala** said, correct.

Chairman McKiernan said, I apologize to the rest of the Committee for taking so much time here and asking these questions. I have liked this project; I have rooted for this project from the beginning. I'm concerned as this has dragged on with no apparent progress. I get it, we had a COVID year in there, but I'm concerned.

I'm concerned that we have locked up a parcel of land—now we've got the other three parcels, and we can still pretty much do whatever we want with those if this doesn't move forward, but I'm at a point where I'm just concerned about our apparent lack of progress on this site. Do other members of the committee have comments or questions for Mr. LaSala or Ms. Carttar?

Jeff Bryant, BPU Board Member, said, not so much questions, more comments. I would agree with that, I was concerned from the beginning with this project. A company that doesn't actually have property currently in our county. They're a renter in our county. Moving from that to such a large project to me still seems pie in the sky.

I'm more than hopeful that this does happen. It's imperative that something goes in, I believe, into that old space. I think that that's needed for Wyandotte County to turn the corner and truly believe that we are moving into a new era. Even with the Legends, I think that there are a lot of people closer to and east of 635 who just don't see the progress. I think that this would hopefully shed some hope for further development in our area of town. But I am skeptical, even today, so I do hope that this will be the fourth and final adjustment to this. That's all I have.

Commissioner Johnson said, I think this is a record for timing for these collective…**Chairman McKiernan** said, is it a good record?

Commissioner Johnson said, I don't know, I don't know. I really wasn't going to say anything, but I do think that I grow weary. Not only just tonight, but I grow weary in general for what has taken a long time. I think that, and I just want to say this for the record, while I appreciate the efforts of the Scavuzzo's in this area and their commitment to this property, and while I do understand that we don't have a long list of other suitors, as I'm aware of, I think at some point we have to draw a marker. I'm just saying for the record that once we—if we get past this line, this new marker of December the 31st of this year, we're really going to need to have to put something in place that will either move us in a different direction or incentivize our partners to get this done.

We, as commissioners, are privy to the information that is shared by our constituents in the community and the community just simply does not believe that this is a real project. It's hard to continue to tell them and share with them that this is, in fact, a real project when we continue to have these types of conversations. My final comment is that I trust and I hope that we have been as accommodating as we can as staff in terms of trying to make sure that this gets done and that we're not part of the reason why this thing is getting held back ourselves through some form of bureaucracy, and that this issue is strictly on the side of our partners, the Scavuzzo's.

My final comment, I lied. My final comment, I do think we need to have some proof of ability to finance now. In my prior career, that was so important. I found out when we got over here that we did not require those things, but I do think in light of these circumstances, that proof of financing is something that we should consider. Thank you.

Commissioner Bynum said, I'm just going to make a couple of brief comments in an attempt to bring this back over to a more positive conversation. Scavuzzo's is a locally owned company that survived a pandemic that hit restaurants. So, their company serves the restaurant industry. I don't know of an industry harder hit during a pandemic that is still ongoing more than restaurants, so I'm giving a little bit of grace there to this locally owned, family owned business that has proposed what is a really good project on this property.

I would ask us, as we contemplate things like this, to look back on other developments that also are moving along at which you could call a slow pace. We have a project out west that, frankly, was brought to me when I was a brand-new commissioner, and that was six years ago, and that project has not turned a shovel of dirt. So, I just hope that we can keep the big picture in mind here as we continue this conversation. Thank you, Chair.

Chairman McKiernan said, I want to be clear. I'm rooting for this project. I want this project to succeed beyond our wildest imagination. Any other comments or questions from the committee or do we have a motion?

Action: Commissioner Johnson made a motion, seconded by Commissioner Townsend, to approve the resolution.

Chairman McKiernan asked, any other comments from the committee? Any public comment from among our now dwindled attendee list? I don't see any hands up among that list. I'll ask the Clerk; did we receive any emails about this project before the meeting? **Allie Facio, Clerk's Office**, said, no comments were received.

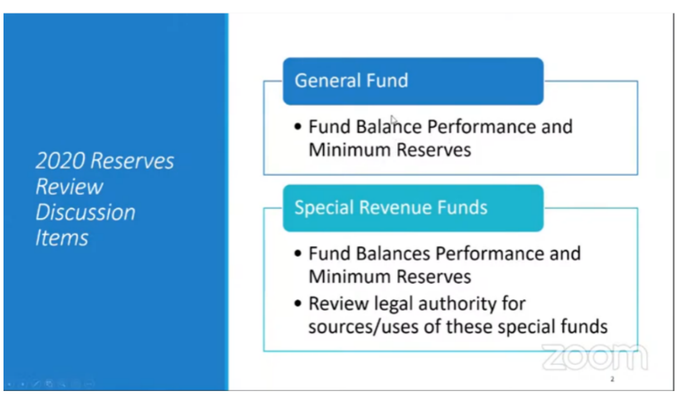
Roll call was taken on the motion and there were six "Ayes," Bryant, Walters, Johnson, Townsend, Bynum, McKiernan.

Item No. 8 – 21964…REVIEW: 2020 YEAR-END FUND BALANCES

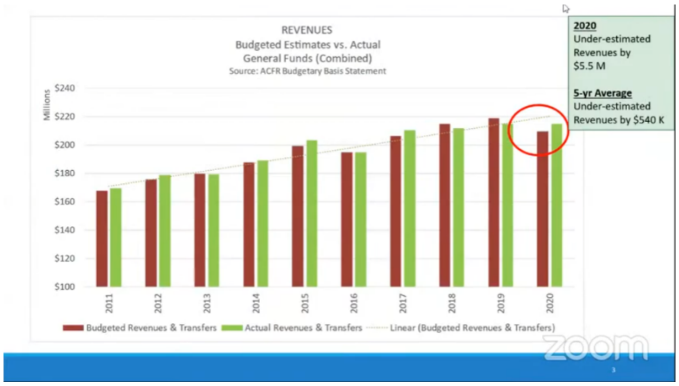
Synopsis: Review of 2020 Year-End Fund Balances and Target Minimum Reserves, presented by Kathleen VonAchen, Chief Financial Officer.

Kathleen VonAchen, Chief Financial Officer, said, I look forward to making this as quick as possible. This is a presentation we give annually to give the committee and all the commissioners an idea of how many of the other Special Revenue funds performed last year. These funds are often found at the back of the KAFR, and we don't talk about them a lot.

So, during the budget process, there's always a lot of discussion about our General Fund, and our Sewer Fund, our Stormwater Fund, but a lot of these other funds we don't take a look at. So, this is our opportunity to look at how they're doing.



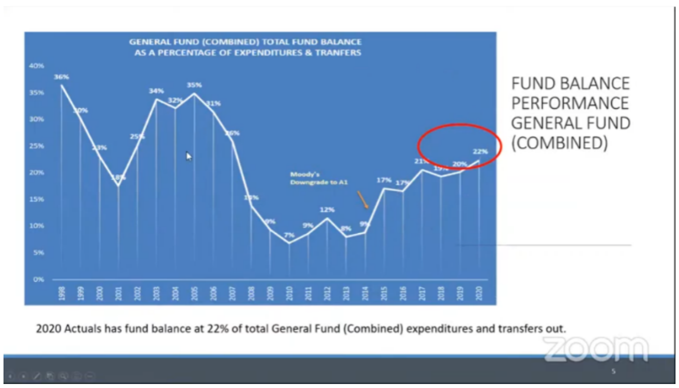
So, tonight, I am going to talk a little bit about the fund balance performance of the General Fund, and then all these Special Revenue funds as I mentioned. We're going to talk about the fund balances and then also, the Special Revenue funds, what legal authority is in place for the sources and uses of these funds.



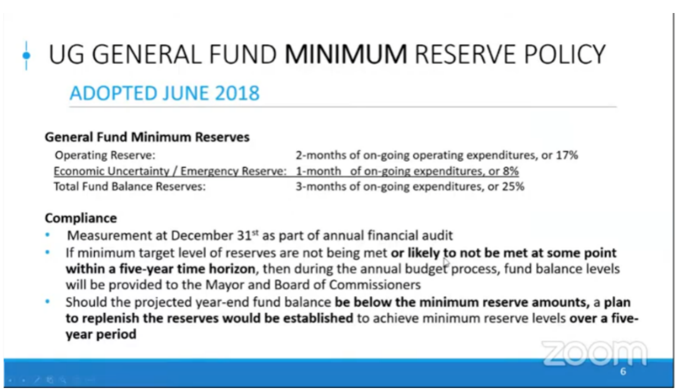
So, about the General Fund. We wanted to present to you a little bit of history here. This is basically how we measure our budget performance. So, on the revenue side, we match up what we budgeted we were going to receive compared with actuals. I put together this chart. It goes all the way back ten years. The green is what we actually receive, and the brown is what we budgeted.

You can see that oftentimes finance directors are—folks say that the Finance Director underestimates revenues, usually, but in this case, it's really not the case. It kind of varies from year to year. Overall, the average over the five-year period, the revenues were only underestimated on average about $540,000, which is not very much money compared to the whole $200M ball of wax we're talking about. Now, last year, we did underestimate revenues by $5.5M and that's because sales tax came in much better than we anticipated given the pandemic.

The next one is the expenditure side. You'll see on the expenditure side, we chronically have overbudgeted our expenditures, spending less than we budgeted which is actually a good thing because we certainly don't want to spend more than what we were authorized. So, on the whole (inaudible) over the last five years, the average is about $6M a year that we overbudget. So, that's often due to unexpected vacancies, it's also due to the fact that we provide authority to the departments to spend on capital outlay and they don't spend all the funds within the year that they're given.



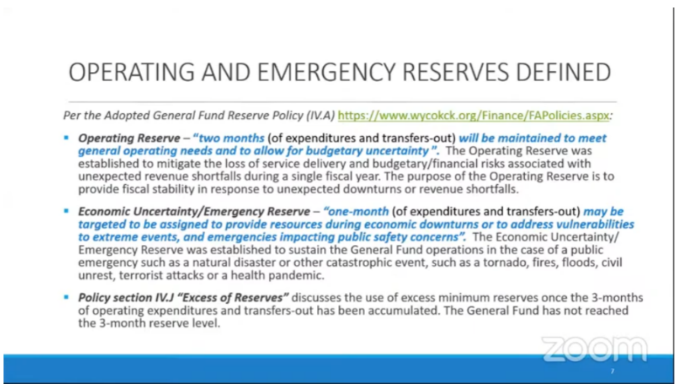
The fund balance since we consolidated as a Unified Government is shown here. You can see it really took a dive during the Great Recession of 2009. During 2015, Moody's downgraded us to A1, and since then we've been slowly moving back up. We're now at 22%. We've been hovering around that 21%, 20%, 22% for the last three years. I'm going to talk about the fund balance policy in a little bit. So, right now we're at 22% of total expenditures and transfers, and that's how we measure our performance. The credit rating agencies look at this very closely, too.



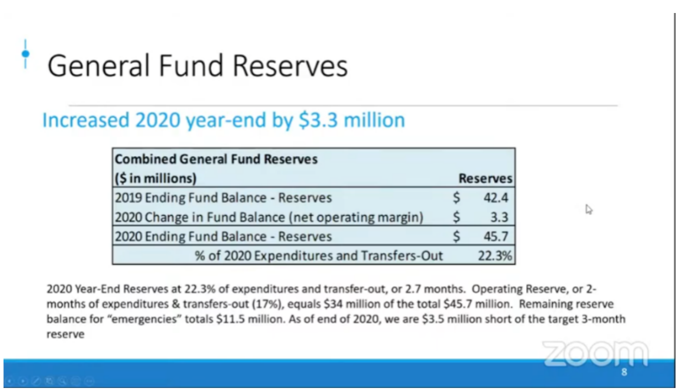
So, just a reminder, back in June of 2018, the Commission took the prudent action of adopting a Minimum Reserve Policy. The Reserve Policy is that we maintain two months of ongoing operating expenditures. If you divide two into twelve months, that comes out to 16.7%, so we just round up to 17%. That's the operating reserve.

The policy also has an Economic Uncertainty or Emergency Reserve that we aspire to achieve, that's an additional month. So, if we were to achieve both those reserves, we have three months of operating expenditures, or 25%.

Now, one of the provisions in the policy is that if we foresee that we're not going to be meeting the minimal reserve, then during the budget process, we take this to the Mayor and to all of you and develop a plan for how to replenish back to our minimum reserve balance over the next five years. I'm just happy to report, since we aren't expecting to dip below that minimum reserve, that's not a consideration tonight.

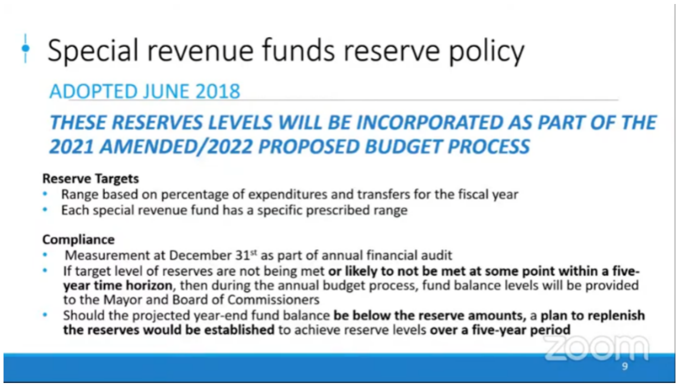


So, basically here's a little bit more information I provided you in your packet so you can see the definition for these two reserves, the Operating Reserve and then the Economic Uncertainty Reserve, and for what reason they're put in place.

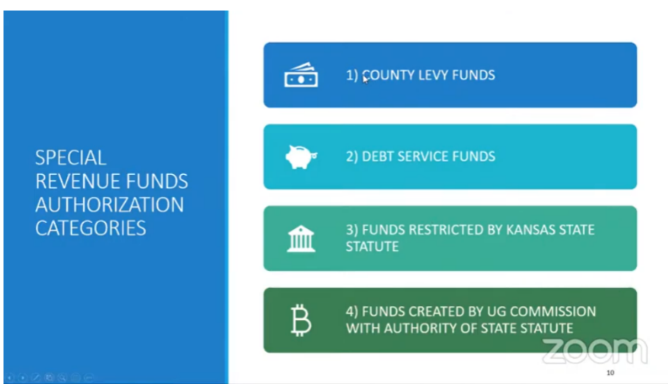


Combined General Fund Reserves ($ in millions)	Reserves
2019 Ending Fund Balance - Reserves	$ 42.4
2020 Change in Fund Balance (net operating margin)	$ 3.3
2020 Ending Fund Balance - Reserves	$ 45.7
% of 2020 Expenditures and Transfers-Out	22.3%

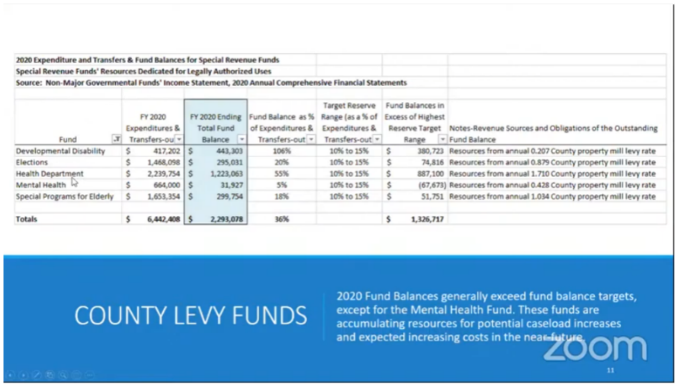
So, this past year as we noted, the fund balance increased by $3M from $42.4M in '19, up to $45.7M. So, that's a total of 22.3%, which effectively equates to 2.7 months of operating expenditures. If you were just to keep it a—if we were just at the 17% level, this number, instead of being $45M, would be $34M. The remaining—the difference between the $34M and the $45M are basically the balance of what we were calling the Emergency Reserve, and that total is around $11.5M that we have in the Emergency Reserve as of the end of the year, just a little bit short of the three-month that we have in our policy. So, that's all I had on the General Fund. If you have any questions, given how late it is tonight, maybe you don't.



I'm going to move onto the Special Revenue funds. So, as I mentioned, there's over 30 funds and we're going to talk about a bunch of these very quickly. Generally, the Reserve Policy is very similar to the General Fund Reserve Policy, except that the thresholds are a little bit different. They're not two months reserves. They range between 10 and 15%.



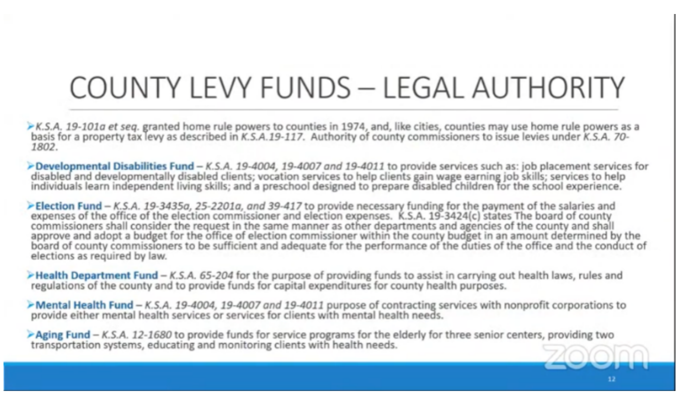
So, there are four categories for the Special Revenue funds and I've categorized them based on their authority. First, we're going to talk about the County levies and then the Debt Service funds. The funds that are restricted by state statute, and then those funds that were created by the Commission with the authority of state statute.


2020 Expenditure and Transfers & Fund Balances for Special Revenue Funds
Special Revenue Funds' Resources Dedicated for Legally Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2020 Annual Comprehensive Financial Statements

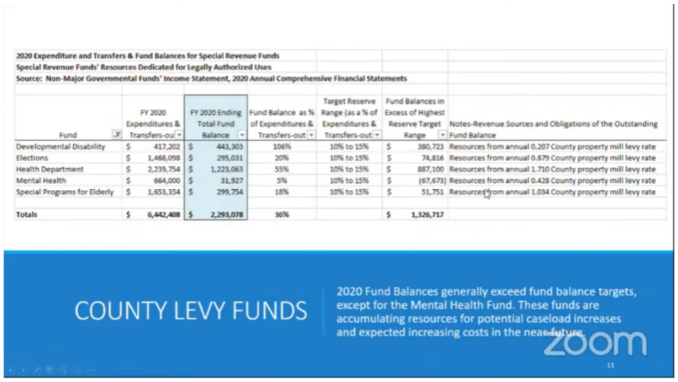
Fund	FY 2020 Expenditures & Transfers-out	FY 2020 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources and Obligations of the Outstanding Fund Balance
Developmental Disability	$ 417,202	$ 443,303	106%	10% to 15%	$ 380,723	Resources from annual 0.207 County property mill levy rate
Elections	$ 1,468,098	$ 295,031	20%	10% to 15%	$ 74,816	Resources from annual 0.879 County property mill levy rate
Health Department	$ 2,239,754	$ 1,223,063	55%	10% to 15%	$ 887,100	Resources from annual 1.710 County property mill levy rate
Mental Health	$ 664,000	$ 31,927	5%	10% to 15%	$ (67,673)	Resources from annual 0.428 County property mill levy rate
Special Programs for Elderly	$ 1,653,354	$ 299,754	18%	10% to 15%	$ 51,751	Resources from annual 1.034 County property mill levy rate
Totals	$ 6,442,408	$ 2,293,078	36%		$ 1,326,717	

So, the first one's the County Levy funds. You can see, there's five of them. Developmental Disabilities, Elections, Health, Mental Health, and the Aging Fund. What we have, what we're presenting, all these charts look the same for each of these categories. The first column is the expenditures, the second column is how much the ending fund balance is, as presented in the KAFR. Then, this is the math between the amount that's in—it's basically taking the fund balance into the expenditure level. That gives you that percentage.

So, as I mentioned, the reserve policies range between 10 and 15% and some of these funds greatly exceeded that 10 or 15% amount. For example, Developmental Disabilities and the Health Department. Others came below it, like the Mental Health. So, the dollar difference is over here. All of these funds, these levy funds, are basically the only resources they have are the property tax levy. The reason these fund balances decrease is because their operating expenditures vary from year to year and it kind of depends on what's happening with their case load. They provide services to our residents in these functional areas. So, I think the Health Department was very busy focusing on COVID and some of their program staff were diverted to work on COVID rather than some of the other areas in public health and that may have contributed to the increase in their fund balance.



So, just for your own reference, you can keep this in your back pocket. These are all the state statutes that allow us to levy these funds and prescribe what they're to be spent on. By the way, I do want to go back a moment.



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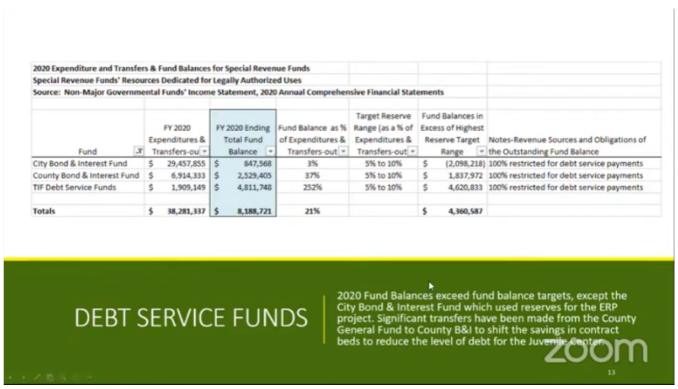
Totals	$ 6,442,408	$ 2,293,078	36%		$ 1,326,717	

So, back in 2019, we shifted $.14M out of the Developmental Disabilities fund and into the Health Department Fund. It's been that way for two years. In this upcoming budget for 2022, we're proposing to shift that money back to Developmental Disabilities Fund because they need the funds and they're projecting their case load will increase.



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City Bond & Interest Fund	$ 29,457,855	$ 847,568	3%	5% to 10%	$ (2,098,218)	100% restricted for debt service payments
County Bond & Interest Fund	$ 6,914,333	$ 2,529,405	37%	5% to 10%	$ 1,837,972	100% restricted for debt service payments
TIF Debt Service Funds	$ 1,909,149	$ 4,811,748	252%	5% to 10%	$ 4,620,833	100% restricted for debt service payments
Totals	$ 38,281,337	$ 8,188,721	21%		$ 4,360,587	

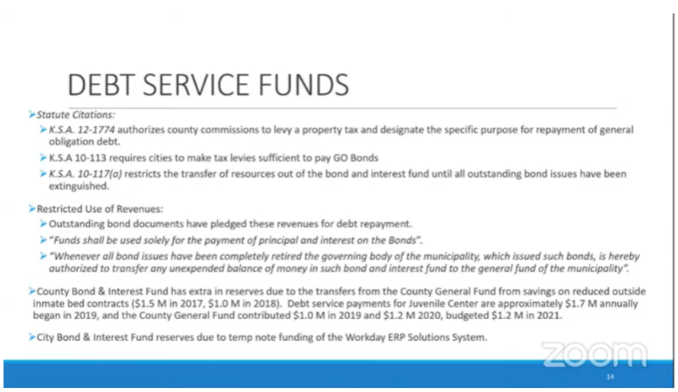
So, going to the Debt Service funds. This is an area that we spent a lot of time analyzing over the past few years. So, there's been a lot of changes here. This is the city and then the county and I've also separated out the Debt Service funds for the tax increment financing districts. So, oftentimes you don't see those separated out. You usually just see them all lumped together, right?

So, the expenditures on the City Bond and Interest Fund totaled $29M. Roughly $9 to $10M of that is actually funds that are debt service for general obligation bonds for the Sewer Fund. So, the Sewer Fund ends up giving a transfer to this fund to pay for that. So, really the amount that's dedicated for governmental services, debt service for governmental services is roughly $20M a year. That fund balance is now sitting at $847,000.

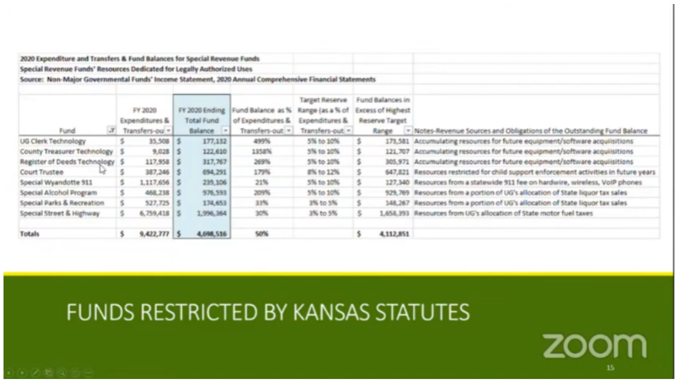
The state statute requires that you only use these funds for debt service, but every time we do a refinancing, the savings that we achieve also is required to be deposited into that fund. So over time, the balances get pretty high. Last year, I might remind you, you all authorized that we issue a temporary note that only lasted for 30 days in order to pay for a majority of the cost for the replacement of our enterprise resource planning software. So, that was roughly $5M that we were able to use the fund balance in this fund to support that project. So, as a result, the fund balances dropped to about $800,000, but we do very extensive long-range financial planning and we fully expect this number to double or triple in the next few years. So, this seems really low, but it's fine. It's fine, trust me.

The City Bond & Interest Fund have a higher fund balance than you would expect, but that's because in the prior years we were anticipating the increase or the beginning of the debt service on the juvenile center. So, we were just stashing, saving money, setting aside in order to make sure that we had enough funding to make those debt service payments. That's about $1.7M a year, so that's why that fund balance is a little bit higher.

Lastly, the TIF Debt Service Fund, the fund balance is $4.8M and that's because we collect the sales and property taxes and deposit them into these funds, and then we make the debt service payments. The sales tax and the property tax may be growing at a greater rate than our debt service payments are required. So, we can't really spend that extra money paying down the debt until the bond issues are callable. Once they are callable, we take the fund balance, and we pay down the debt at that time. This balance will drop in the future years as we refinance bonds.



So, here's the statutes related to our Debt Service funds. Of course, as we mentioned, the funds can only be used for principal and interest. So, we can't take the money out of these funds. Once it's in there, it can't be taken out.

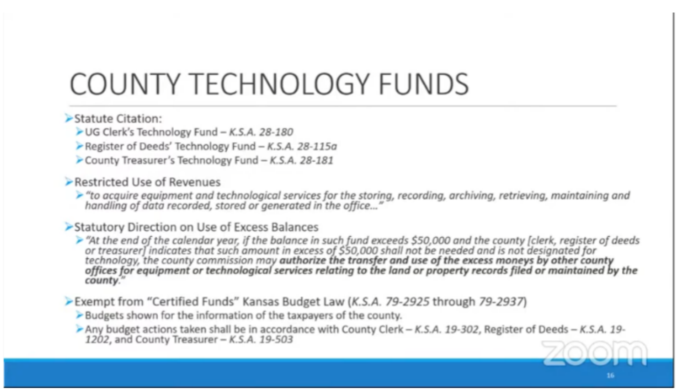


2020 Expenditure and Transfers & Fund Balances for Special Revenue Funds
Special Revenue Funds' Resources Dedicated for Legally Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2020 Annual Comprehensive Financial Statements

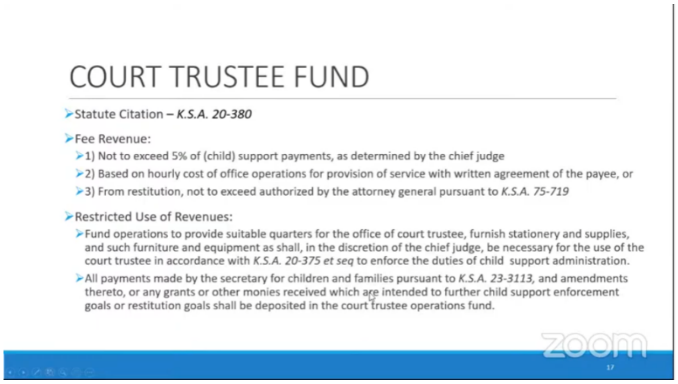
Fund	FY 2020 Expenditures & Transfers-out	FY 2020 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources and Obligations of the Outstanding Fund Balance
UG Clerk Technology	$ 35,508	$ 177,132	499%	5% to 10%	$ 173,581	Accumulating resources for future equipment/software acquisitions
County Treasurer Technology	$ 9,028	$ 122,610	1358%	5% to 10%	$ 121,707	Accumulating resources for future equipment/software acquisitions
Register of Deeds Technology	$ 117,958	$ 317,767	269%	5% to 10%	$ 305,971	Accumulating resources for future equipment/software acquisitions
Court Trustee	$ 387,246	$ 694,291	179%	8% to 12%	$ 647,821	Resources restricted for child support enforcement activities in future years
Special Wyandotte 911	$ 1,117,656	$ 239,106	21%	5% to 10%	$ 127,340	Resources from a statewide 911 fee on hardwire, wireless, VoIP phones
Special Alcohol Program	$ 468,238	$ 976,593	209%	5% to 10%	$ 929,769	Resources from a portion of UG's allocation of State liquor tax sales
Special Parks & Recreation	$ 527,725	$ 174,653	33%	3% to 5%	$ 148,267	Resources from a portion of UG's allocation of State liquor tax sales
Special Street & Highway	$ 6,759,418	$ 1,996,364	30%	3% to 5%	$ 1,658,393	Resources from UG's allocation of State motor fuel taxes
Totals	$ 9,422,777	$ 4,698,516	50%		$ 4,112,851	

Moving onto funds restricted by state statute. These are a variety of funds that are allowed by state statute for us to create. So, it includes these Technology funds for the Clerk and the Treasurer and the Register of Deeds, Court Trustee, for the 911 tax, the Alcohol Program and Parks and Recreation. Those are funded by sales on alcohol in restaurants. Then, the Special Street & Highway Intergovernmental Revenue Fund.

So, all of these are—some of these functions are collecting resources in order to pay for capital projects. Some of these fund balances, for example, in the Street & Highway Fund are actually monies that are still in place because projects haven't been completed and are planned to be completed in the future years and it will be using those resources for that. Those are the balances here.

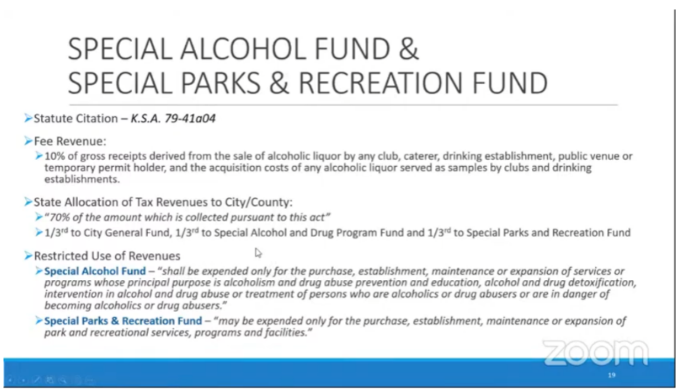


These are the state statutes for the respective funds. So, these funds—it's rather difficult to take excess reserves from these funds and move them into, say, the General Fund without some—so, for example, with the Technology Fund. The purpose of this fund is actually to accumulate resources over time in order to invest in technology improvements at the UG County Clerk's Office.

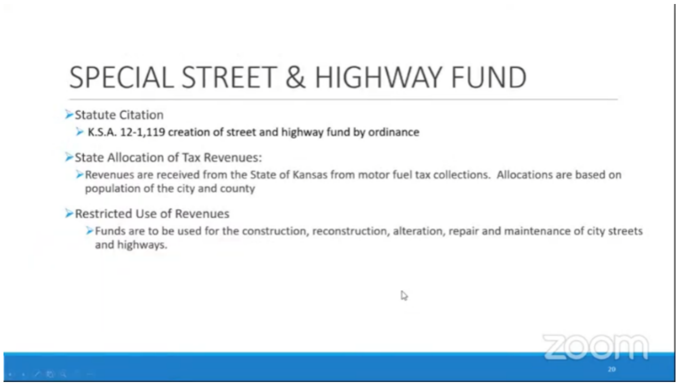


The Court Trustee, these are fees that were collected in order to pay for various services, as specified here, in order to assist with families and children. The Wyandotte County 911 Fund. These are all the specific uses that can be used for with this money.

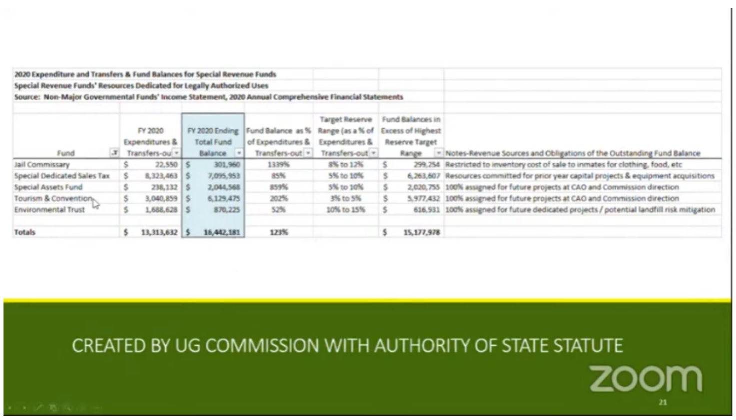
As you can see, the maintenance of 911 equipment, charges, billed by service suppliers, capital improvements and equipment for the 911 system.



The Special Alcohol and both the Special Parks Recreation Fund, they share the same revenue source. 70% of the amount is collected for this purpose and it's split between City General Fund, and then the Alcohol and the Parks Fund. These funds are basically used to assist with alcoholism and drug abuse prevention, as well as purchasing equipment and maintenance of parks and recreation facilities and services.



Lastly, this is a grant that we receive from the state every year that is derived from the collection of motor fuel tax collections, and it's allocated based on population. It's required to be used for construction, reconstruction, alteration, and repairs of city streets. That's about $7M a year that we get from them. This fund actually, the revenues went down quite a bit last year, although not as much as we anticipated. That's because the gas prices dropped right during the COVID.



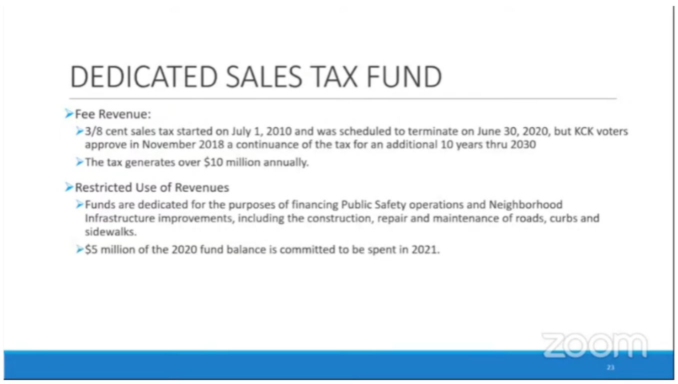
2020 Expenditure and Transfers & Fund Balances for Special Revenue Funds
Special Revenue Funds' Resources Dedicated for Legally Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2020 Annual Comprehensive Financial Statements

Fund	FY 2020 Expenditures & Transfers-out	FY 2020 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources and Obligations of the Outstanding Fund Balance
Jail Commissary	$ 22,550	$ 301,960	1339%	8% to 12%	$ 299,254	Restricted to inventory cost of sale to inmates for clothing, food, etc
Special Dedicated Sales Tax	$ 8,323,463	$ 7,095,953	85%	5% to 10%	$ 6,263,607	Resources committed for prior year capital projects & equipment acquisitions
Special Assets Fund	$ 238,132	$ 2,044,568	859%	5% to 10%	$ 2,020,755	100% assigned for future projects at CAO and Commission direction
Tourism & Convention	$ 3,040,859	$ 6,129,475	202%	3% to 5%	$ 5,977,432	100% assigned for future projects at CAO and Commission direction
Environmental Trust	$ 1,688,628	$ 870,225	52%	10% to 15%	$ 616,931	100% assigned for future dedicated projects / potential landfill risk mitigation
Totals	**$ 13,313,632**	**$ 16,442,181**	**123%**		**$ 15,177,978**	

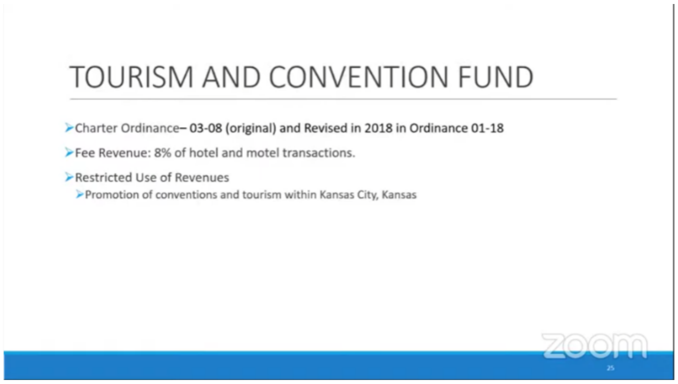
The last one are several funds that were created by the Unified Government. That includes the jail commissary, the Special Dedicated Sales Tax, which is the three-eighths sales tax for neighborhood infrastructure and public safety. A Special Asset Fund, where we deposited the proceeds from the sale of various assets the city previously owned, such as the hotel in downtown. Tourism and Convention Promotion, which is the transient gas tax and then the Environmental Trust Fund which revenues are derived from a portion of the solid waste charges to our residents.

So, the restrictions on these funds are solely within the authority of the Commission. So, if you chose to change the direction of these funds, you could. It would just take a resolution. Some of these funds are well in excess of the minimum reserve. The Special Dedicated Sales Tax Fund looks like it has a very substantial fund balance, and that's partly because a lot of those projects are multi-year. It's a capital project fund and so a lot of these projects are multi-year and some of them just have—the projects haven't been completed.

The Tourism and Convention Promotion Fund, that fund balance dropped from the prior year because of COVID. Tourism was dramatically impacted by the pandemic. We still have $6M in reserves for future projects based on your direction. We know that there are plans to invest in the Rock Island Bridge and some other projects in the future, so this fund balance is expected to be diminished. So, I think that's all I got.



Here are the statutory references for each of these funds for your own reference. I'm not going to go over them in detail here. If you have any questions, I'm happy to go through these in more detail or answer any questions.



There's a little bit more detail on each of those. So, that's all I have for this presentation.

Chairman McKiernan said, Kathleen, thank you very much for gathering these data and then presenting them to us. I will confess, I actually have a couple of questions, but given the hour, I'm going to save those. I would ask that either you and I get together before our next Committee meeting, or maybe we could send any questions we have to you and you might be able to come back with some clarifying information if any of us have any.

Ms. VonAchen said, I would be happy to meet with you, Commissioner.

Chairman McKiernan said, I appreciate that. Other members of the committee, comments or questions for Kathleen? This was for information only. It is for our benefit, and I'm sure that we could all benefit from a little more thorough review of these data before asking questions. I don't see any hands—I do see a hand raised.

Commissioner Walters said, I don't have a question for Kathleen, but just before we close down, I wanted to thank you, Brian, for a yeoman's effort tonight standing in. Did a great job. **Chairman McKiernan** said, thank you, sir. Appreciate it.

Commissioner Bynum said, I agree.

Chairman McKiernan said, we all did a great job tonight. I appreciate everybody from the Committee hanging in with us, we got a lot of work done this evening and it's only the start of good things to come. We have some public comment.

Crystal Watson, 85th & Spring Avenue, Kansas City, Kansas, said, I can't believe I stuck it out this long, but I just wanted to say I just commend the Commission. I thought all the presentations were very well done and I thought that, Commissioners, you've done a fine job of really trying to be consistent and sticking with policy, but more importantly, considering the projects for the economic growth of our community. So, I just wanted to say hats off to you all. I appreciate you all and the staff.

Chairman McKiernan said, thank you very much. Absolutely. To our staff, a big shoutout because none of this would be possible without a lot of prep work to get us to this point.

Adjourn

Chairman McKiernan adjourned the meeting at 10:35 p.m.

af

Staff Request for Commission Action

Tracking No. 211076

Full Commission Meeting Date: 10/28/21
Committee: Economic Development & Finance

Date of Standing Committee Action: 10/11/21 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
9/29/2021	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

An ordinance approving a Community Improvement District (CID) in the area of N. 98th St. and Parallel Parkway to assist in the construction of a new Fairfield Inn and a resolution approving a Development Agreement between the Unified Government and Legend Hotel, LLC. The CID would add an additional 1.5% sales tax for visitors to the hotel and would be used to reimburse up to $1,528,714 in construction costs.

Action Requested:
Adopt resolution, approve ordinance

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

Attachments List:
CID ordinance, Resolution and development agreement

(Published in *The Wyandotte Echo* on November 4, 2021)

ORDINANCE NO. O-____-21

AN ORDINANCE AUTHORIZING THE CREATION OF THE LEGEND HOTEL COMMUNITY IMPROVEMENT DISTRICT IN KANSAS CITY, KANSAS; AUTHORIZING THE MAKING OF CERTAIN PROJECT IMPROVEMENTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH PROJECT IMPROVEMENTS; AND PROVIDING FOR THE METHOD OF FINANCING THE SAME.

WHEREAS, pursuant to K.S.A. 12-6a26 *et seq.*, as amended (the "Act"), cities and counties are authorized to create community improvement districts as a method of financing economic development related improvements in a defined area within their city or county; and

WHEREAS, the Act authorizes the governing body of any city or county to create community improvement districts to finance projects within such defined area of the city or county and to levy a community improvement district sales tax and/or levy special assessments upon property within the district to finance projects; and

WHEREAS, on July 23, 2021, Developer submitted a petition (the "**CID Petition**"), requesting the formation of a community improvement district (the "**CID**") on the District and the imposition of a one and a half percent (1.50%) tax on the sale of tangible personal property at retail and rendering or furnishing of services in the CID (the "**CID Sales Tax**") in accordance with K.S.A. 12-6a26 *et seq.* (the "**CID Act**"); and

WHEREAS, the Petition was signed by the required number of owners of record, whether resident or not, as required by the Act; and

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") intends to create the District and to levy a community improvement district sales tax in an amount of one and a half percent (1.50%) as requested in the Petition (the "CID Sales Tax"); and

WHEREAS, the Act provides that prior to creating any community improvement district and imposing a community improvement district sales tax, the governing body shall, by resolution, direct and order a public hearing on the advisability of creating such community improvement district and the construction of such community improvement district projects therein, and to give notice of the hearing by publication at least once each week for two (2) consecutive weeks in the official City newspaper and by certified mail to all property owners within the proposed community improvement district, the second publication to be at least seven (7) days prior to the hearing and such certified mail sent at least ten (10) days prior to such hearing; and

WHEREAS, on August 12, 2021, the Governing Body adopted Resolution No. R-53-21, directing that a public hearing on the proposed District within the Unified Government be held on September 16, 2021, declaring its intent to consider the advisability of creating a community improvement district sales tax, and requiring that the Unified Government Clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, in accordance with the Act, notice of the public hearing containing the following information: (a) the time and place of the hearing, (b) the general nature of the proposed Project, (c) the estimated costs of the Project; (d) the proposed method of financing the costs of the Project; (e) the proposed amount of the community improvement district sales tax; (f) the proposed amount and method of assessment, if any; (g) a map of the proposed District; and (h) a legal description of the proposed District, was mailed to all property owners within the proposed District on August 26, 2021 and published once each week for two (2) consecutive weeks in *The Wyandotte Echo*, the official City newspaper, on August 19, 2021 and August 26, 2021; and

WHEREAS, on September 16, 2021 and October 28, 2021, the Governing Body conducted public hearings on the proposed District, the proposed Project, and estimated costs thereof and the method of financing the same, all in accordance with the Act; and

WHEREAS, the Governing Body hereby finds and determines it to be advisable to create the District and set forth the boundaries thereof, authorize the Project, approve the estimated costs of such Project and approve the method of financing the same, all in accordance with the provisions of the Act.

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

Section 1. Creation of Community Improvement District; Boundaries. That the Governing Body hereby finds and determines that it is advisable to create, and does hereby create, in accordance with the provisions of the Act, the District within the Unified Government to be referred to as the Legend Hotel Community Improvement District. The boundaries of the District are legally described on Exhibit A and generally depicted on Exhibit B attached hereto and incorporated herein.

Section 2. Authorization of Community Improvement District Project and Estimated Costs.

(a) The Project, which is generally described as follows, is hereby authorized:

> **The acquisition of an approximately 2+/- acre tract of real property located generally at the Southeast corner of the intersection of 98th Street and Parallel Parkway in Kansas City, Kansas, and development and redevelopment thereof to consist of some or all of the following uses, without limitation: hotel uses, retail uses and any other commercial structure or use (including but not limited to residential, office, restaurant, non-profit, governmental, or community use), and including such associated site work, infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), other associated and appurtenant structures and facilities, and any other items allowable under the Act.**

(b) The total estimated cost of the Project to be funded by the District, as set forth in the Petition, is $1,528,714, as the same may be changed or modified pursuant to the terms of the development agreement between the Unified Government and the developer of the Project (the "Development Agreement"), and is hereby approved.

Section 3. Method of Financing.

(a) In order to provide funds to finance the costs of the Project, it is advisable to impose, in accordance with the provisions of the Act, a community improvement district sales tax within the District in an amount of one and a half percent (1.50%) on the selling of tangible personal property at retail or the rendering or furnishing of services within the District.

(b) There will be no special assessments levied on property within the boundaries of the District to pay the cost of the Project.

(c) The costs of the Project will be financed on a pay-as-you-go basis with reimbursements from revenues available from the CID Sales Tax in the District.

(d) The foregoing method of financing is hereby approved.

Section 4. Levying of Community Improvement District Sales Tax. In order to provide for the payment of the Project, the governing body of the Unified Government hereby levies the CID Sales Tax within the District in an amount of one and a half percent (1.50%) on the selling of tangible personal property at retail or the rendering or furnishing of services taxable pursuant to the provisions of the Kansas retailers' sales tax act within the District, to commence on January 1, 2023 or such other date mutually agreed to by the Unified Government and the developer of the Project in accordance with the Development Agreement.

Section 5. Segregation of Sales Tax Revenues. All revenues derived from the collection of the CID Sales Tax shall be deposited into a special fund of the Unified Government to be designated as the Legend Hotel CID Sales Tax Fund. Such revenues shall be used to pay the costs of the Project and the Unified Government's administrative service fee.

Section 6. Effective Date. This ordinance shall take effect and be in full force from and after its passage by the Governing Body of the Unified Government and publication once in the official City newspaper.

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PASSED by the Governing Body this 28th day of October 2021.

David G. Alvey
Mayor/CEO

ATTEST:

Unified Government Clerk

(Seal)

EXHIBIT A

Legal Description of CID

Lot 8-B SCHLITTERBAHN VACATION VILLAGE 4TH PLAT and Lot B, SCHLITTERBAHN VACATION VILLAGE 4TH PLAT

EXHIBIT B

General Depiction of CID

EXHIBIT E

Form Certificate of Project Costs

CERTIFICATE OF PROJECT COSTS

TO: Unified Government of Wyandotte County/Kansas City, Kansas
Attention: County Administrator

Re: Legend Hotel, LLC CID Project

Terms not otherwise defined herein shall have the meaning ascribed to such terms in that Development Agreement between the Unified Government of Wyandotte County/Kansas City, KS (the "Unified Government") and Legend Hotel, LLC ("Developer"), dated as of ____________________, 2020 (the "Agreement").

In connection with the Agreement, the undersigned hereby states and certifies that:

1. Each item listed on ***Schedule 1*** hereto is a Project Cost and was incurred in connection with the construction of the Project.

2. These Project Costs are reimbursable under the Agreement.

3. Each item listed on ***Schedule 1*** has not previously been paid or reimbursed from money derived from the CID Sales Tax Fund, and no part thereof has been included in any other certificate previously filed with the Unified Government.

4. There has not been filed with or served upon Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.

5. To the best of Developer's actual knowledge, all necessary permits and approvals required for the work for which this certificate relates were issued and were in full force and effect at the time such work was being performed.

6. To be best of Developer's actual knowledge, all work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.

7. To the best of Developer's actual knowledge, Developer is not in material default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a Developer Event of Default under the Agreement.

9. To the best of Developer's actual knowledge, all of Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

Dated this ____ day of ______________, 20___.

LEGENDS HOTEL, LLC

By: ____

Name: ____

Title: ____

Approved for Payment this ____ day of _____________, 20___:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ____

Title: ____

SCHEDULE I
TO
CERTIFICATE OF PROJECT COSTS

Description of Project Costs	Cost	Payee	Designate as Project Costs

Total Costs:

____

EXHIBIT F

Form Certificate of Substantial Completion

Pursuant to Section 6.9 of the Agreement, the Unified Government shall, within ten (10) business days following delivery of this Certificate, carry out such inspections as it deems necessary to verify to its reasonable satisfaction as to the accuracy of the certifications contained in this Certificate.

CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, **Legends Hotel, LLC** ("**Developer**"), pursuant to that certain Development Agreement dated as of _______________, 2020 between the **Unified Government of Wyandotte County/Kansas City, Kansas** (the "**Unified Government**") and Developer (the "**Agreement**"), hereby certifies to the Unified Government as follows:

1. That, to the best of Developer's actual knowledge, as of _______________, 20____, the construction, renovation, repairing, equipping and constructing of the Project (as such term is defined in the Agreement) has been substantially completed in accordance with the Agreement.

2. To the best of Developer's actual knowledge, the Project has been completed in a workmanlike manner and in accordance with the Construction Plans (as such terms are defined in the Agreement).

3. Lien waivers for applicable portions of the Project have been obtained to the best of Developer's actual knowledge, or, to the extent that a good faith dispute exists with respect to the payment of any construction cost with respect to the Project, Developer has provided the Unified Government with a bond or other security or assurance reasonably acceptable to the Unified Government.

4. If applicable, this Certificate of Substantial Completion is accompanied by (a) the project architect's certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as ***Appendix A*** and by this reference incorporated herein), certifying that the Project has been substantially completed in accordance with the Agreement; and/or (b) a copy of the Certificate(s) of Occupancy issued by the Unified Government Building Official with respect to each building to be constructed within the Project.

5. This Certificate of Substantial Completion is being issued by Developer to the Unified Government in accordance with the Agreement to evidence Developer's satisfaction of all obligations and covenants with respect to the Project.

6. The Unified Government's acceptance of this Certificate shall evidence the satisfaction of Developer's agreements and covenants to construct the Project.

If requested by Developer, this Certificate shall be recorded in the office of the Wyandotte County Recorder of Deeds. This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this ____ day of ________ ______________, 20____.

Legends Hotel, LLC

By: ____

Name: ______________________________________

Title: _______________________________________

ACCEPTED:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ______________________________

Name: ____________________________

Title: _____________________________

(Insert Notary Form(s) and Legal Description)

LEGEND HOTEL LLC		
Fairfield Inn & Suites - Total Estimated Project Cost & Budget of CID Reimbursement		
ESTIMATED PROJECT COSTS*	**TOTAL EST. PROJECT COST**	**EST. BUDGET CID REIMBURSEMENT**
Land Purchase Price	$ 341,000	$ -
New Storm Sewer	$ 220,000	$ 220,000
Landscaping and Parking Lot	$ 275,000	$ 150,000
Building Construction & Conference Area	$ 6,400,000	$ 1,028,714
Signage and Lighting	$ 100,000	$ 30,000
Site Improvements	$ 500,000	$ 100,000
Furniture, Fixtures and Equipment (FF&E)	$ 1,500,000	$ -
Soft Costs	$ 1,129,500	
Contingency	$ 300,000	$ -
TOTAL	$ 10,765,500	$ 1,528,714

NOTE: Amounts listed above are cost estimates for project components and do not include associated financing costs, such as interest. Petitioner requests that reimbursement be made from the CID Revenue Fund for actual costs incurred related to cost categories listed above, including associated financing costs, such as interest and any costs associated with the City's administrative fees and expenses to be more specifically set forth in the Development Agreement, all subject to the reimbursement cap as set forth in the Development Agreement. Amounts set forth herein are estimates only, and Petitioner (and its successors in title) reserves the right to adjust the amounts paid in each cost category in Petitioner's (and it's successors in title) discretion, provided that all costs reimbursed hereunder shall be subject to the provisions of the Kansas CID ACT.

EXHIBIT H

LBE/WBE/MBE Participation and
Employment Opportunity Agreement

This Exhibit sets forth the guidelines for the utilization of local business, minority and women enterprise and local resident, minority and women participation and equal employment opportunity referenced in Section 9.5 of the Development Agreement between Legends Hotel, LLC ("Developer") and the Unified Government of Wyandotte County/Kansas City, Kansas ("Unified Government"). The Parties agree as follows:

I. SCOPE

These procedures are applicable to the design, construction, and development of the Project undertaken by Developer, as described in the Development Agreement, including:

A. professional services, which shall include but not be limited to architectural, engineering, planning, appraisal, public relations related to design, development, and construction of the Project; and

B. Construction, including but not limited to all aspects of the construction of the Project and all related facilities, including labor, materials and supplies, and construction-related services, but not including Specialized Services.

II. DEFINITIONS

All capitalized terms used in this Exhibit shall have the meaning ascribed to them in the Development Agreement and made a part thereof, or as otherwise set forth herein.

A. **"Best Efforts"** has the meaning set forth in Section III.C.3.b. herein.

B. **"Construction"** means only all aspects of construction of the Project, including labor, materials and supplies, and construction-related services. Construction shall not include services performed or associated with tenant improvements or any services requested by tenants of the Project.

C. **"Developer"** means Legend Hotel, LLC and any of its successors, assigns or anyone holding portions of the Project by or through them.

D. **"Local Business Enterprises or LBE"** means businesses headquartered or which maintain a major branch that performs the significant functions of the business in Wyandotte County or businesses of which at least fifty one percent (51%) of the stock, equity or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation. It is determined and assigned based on the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

E. **"Local Resident"** means an individual that, during his or her employment with the Project, maintains his or her place of domicile in Wyandotte County.

F. **"Minority Business Enterprise or MBE"** means a business of which at least fifty one percent (51%) of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including, but not limited to, African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

G. **"Professional Services"** means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, medical doctors, and financial services contracted for by Developer for the design, development, and construction of the Project but specifically excluding services that have historically been sourced and provided at the holding company level by Developer (e.g., legal and accounting services).

H. **"Proposer"** means a person who submits a proposal in response to a solicitation for proposals issued by Developer or one of its contractors with respect to the construction of the Project or with respect to the annual operations of the Project.

I. **"Specialized Services"** means expertise, services or products, the application of which are unique to the business of the Project and which are only available through sole or limited source providers or national vendors, including, but not limited to the following: superflat concrete floors, vendor displays and racks, log construction, murals, mountain and exterior water feature displays (excluding plumbing), aquariums, mounts, bronze sculptures and construction management services and contingency. Specialized Services shall also include the services provided by the contractors and designers who have been involved with and have previous experience on similar projects with Developer and which Developer has engaged or intends to engage to perform similar services for the Project.

J. **"Women Business Enterprise or WBE"** means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

H. **"UG"** means the Unified Government of Wyandotte County/Kansas City, Kansas.

III. <u>DEVELOPMENT AND CONSTRUCTION OF THE PROJECT</u>

A. GOALS FOR LBE/MBE/WBE PARTICIPATION

1. <u>Construction Goals.</u>

Developer will use its best efforts to meet the following goals based upon the total cost of the Project, but not including Specialized Services or Construction or Professional Services already contracted for prior to the Effective Date of the Development Agreement. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area LBE, MBE and WBE participation. These goals are not to act as quotas or set asides.

	Construction	Professional Services
LBE	18%	N/A
MBE	15%	N/A
Women	7%	N/A

Where appropriate, the UG may agree to different specific goals for specific elements of the Project to be awarded by Developer, when proposed by Developer, relating to the construction of the Project, based upon the availability of qualified LBEs and certified MBEs and WBEs to perform the specific scopes of work delineated in Developer's Project Utilization Plan and taking into account the services which have previously been contracted for other than with such LBEs, MBEs and WBEs.

2. Eligibility for Credit.

a. Only firms certified or undergoing certification at the time of submittal of the subject bid or proposal and ultimately certified as MBEs or WBEs by the Kansas Department of Commerce and Housing, Missouri Department of Transportation (MODOT), City of Kansas City, Missouri, the MidAmerica Minority Business Development Council (MAMBDC), the Women's Business Enterprise National Council or any other public or private entity reasonably acceptable to the UG, may be counted towards the MBE or WBE goals.

b. Only firms qualified as LBEs, pursuant to Section II. D., at the time of submittal of the subject bid or proposal, may be counted towards the LBE goal.

c. If Developer or a Proposer has awarded a contract to an LBE, MBE or WBE that was qualified or certified (hereafter "approved," when used in this context, shall mean either certified or qualified, as the case may be) at the time the proposal listing the enterprise as LBE, MBE or WBE was submitted or was undergoing certification at the time of submittal and was ultimately certified, but the LBE, MBE or WBE becomes unapproved after the proposal was submitted, but prior to the completion and acceptance of all work with respect to which the LBE, MBE or WBE was approved, Developer shall nonetheless receive credit towards the goal for the entire portion of work performed or services provided.

d. Only the participation of LBEs, MBEs and WBEs that provide a commercially useful function required for the work of the specific solicitation shall be counted toward achievement of the goals. The LBE, MBE or WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the solicitation. Brokering is not credited. Purchases from LBEs, MBEs and WBEs that constitute indirect or general overhead costs to a projected Proposer's business may not be counted toward the goals. Costs directly incurred solely to perform the work with respect to a project contract may be counted toward the goals.

3. Construction Workforce.

a. Recruitment and outreach

Developer will use its best efforts to employ and to ensure its contractors employ Local Residents, minorities and women in all aspects of the construction of the Project except for services already contracted for prior to the Effective Date of the Development Agreement, and except for Specialized Services. These efforts shall include but not be limited to:

i. advertising in appropriate publications, describing the work available, pay scales, application procedures and maintaining a log or copies of these ads showing the date of publication and identifying the publication;

ii. working with local community organizations, minority and women's community organizations and other appropriate organizations to seek qualified local residents, minorities and females (a list of these organizations may be provided by the UG upon request); and

iii. working with the UG to promote diversity and inclusion in all aspects of the Project.

b. Employment Procedures

Developer shall implement equal employment opportunity hiring and job action procedures as those terms are commonly understood.

B. DEVELOPMENT AND CONSTRUCTION UTILIZATION PLANS

1. <u>Developer Project Utilization Plan.</u>

a. Developer will submit a Project Utilization Plan to the UG for review and approval within thirty days after the Effective Date of this Agreement. This Plan shall set forth: all categories of work that will be covered within solicitations that Developer or its contractors intend to issue for all Construction, an estimate of the dollar value of all work covered by these solicitations and an estimate of the dollar value of work within each identified work category; the dollar value of the work for each identified work category that is projected to be performed by LBEs, MBEs and WBEs; the potential joint ventures with LBEs, MBEs and WBEs within each identified work category; an overall schedule of all work projected to be performed, related to the design, development and construction of the Project laid out sequentially over time; and the actions Developer intends to take, with respect to each of these solicitations, to make its best efforts to meet the goals set forth in Section III.A.1. of this Exhibit.

b. Developer, in the Utilization Plan, shall designate one person as the project manager to serve as the point of contact with the UG on all matters related to the Utilization Plan. The name, address (including e-mail address if available) and phone number of the designated person shall be provided.

c. The goals of Section III.A.1. may be met by the expenditure of dollars with approved LBE, MBE or WBE prime contractors, material suppliers, subcontractors, or through joint ventures with approved LBEs, MBEs or WBEs.

i. The participation of certified MBE and WBE Proposers may count toward each goal for which they qualify, and the participation may be divided between two (2) goals but may not be double-counted. These prime Proposers shall receive credit towards the goals for the dollar value of the contract.

ii. Approved or certified MBE, and WBE and/or qualified LBE material suppliers, regular dealers and manufacturers shall be credited towards the goals for the dollar value of the contract.

iii. A joint venture involving an approved LBE, MBE or WBE as a partner, may be counted towards the applicable goal only to the extent of the dollar amount that the approved LBE, MBE or WBE is responsible for and at risk, except, however, if the L/M/WBE is the majority partner in the joint venture, the entire joint venture contract amount shall be counted, less any work subcontracted to the non L/M/WBE joint venture partner. To receive credit, the approved LBE, MBE or WBE must be responsible for a clearly defined portion of the work, profits, risks, assets and liabilities of the joint venture.

iv. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation, however, this participation cannot be double-counted. A certified MBE or WBE may also be counted towards the LBE goal, if qualified as a LBE. The amount of participation by these businesses may be divided between the MBE or the WBE goals but may not be double-counted. A qualified LBE that is certified as a MBE and WBE shall be counted toward the LBE and the MBE or WBE goals, but shall not be counted toward both the MBE and WBE goals.

v. Only the participation of LBEs, MBEs and WBEs that provides a commercially useful function required for the work of the specific solicitation shall be counted toward achievement of the goals. The LBE, MBE or WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the solicitation. Brokering is not credited. Purchases from LBEs, MBEs and WBEs that constitute indirect or general overhead costs to a projected Proposer's business may not be counted toward the goals. Costs directly incurred solely to perform the work with respect to a project contract may be counted toward the goals.

2. **Evaluation of Utilization Plans.**

a. The UG will review Developer Project Utilization Plan respecting each category of work identified by Developer. In conducting its review, the UG shall evaluate the extent to which the actions Developer proposes to take to meet the goals constitute best efforts, as set forth is Section III.C.3.b. below. In no event shall Developer or any of its contractors be required to engage any LBE, MBE or WBE that is not the lowest bidder or is not qualified or capable of performing the work to acceptable standards in the reasonable discretion of Developer or its contractor.

b. Changes to the Utilization Plan are permitted after its submission to the UG upon submission of the same to the UG.

C. CONTRACT AWARD COMPLIANCE PROCEDURES

1. **Solicitation Documents.**

Five (5) calendar days before the issuance of each solicitation, Developer shall submit the solicitation documents and the bid list to the UG. This submittal is mandatory for each bid subject to L/M/WBE goals. The solicitation documents for each contract for which goals are established shall contain a description of the requirements set forth in this Exhibit; the LBE, MBE and WBE goals; and the areas of projected subcontracting.

2. Developer's Report of Solicitation Results.

Within seven (7) working days after the date set for receipt of proposals by each solicitation issued for Developer for the Construction of the Project, the Project Manager shall submit to the UG, on a form provided or approved by the UG, a Report of Solicitation Results (the "Report") fully describing all proposals received in response to the solicitation. The Report shall: (1) state the estimated total Dollar value of the work covered by the solicitation: (2) state the name of all Proposers; (3) state the total Dollar value of work covered by proposals submitted by approved LBEs, MBEs and/or WBEs; (4) provide all relevant information concerning each joint venture Proposer; and (5) state the name of all subcontractors to Proposers (to the extent then available), which are approved LBEs, MBEs and/or WBEs, and the Dollar value of work covered by proposed subcontracts between Proposers and LBEs, MBEs and/or WBEs. The Report shall also indicate to which of the Proposers, including joint venture Proposers, the Developer or any of its contractors is intending to award contacts resulting from the solicitation. In addition, with respect to any LBE, MBE, or WBE goal established in the Developer Project Utilization Plan that it appears from the proposals received will not be met, Developer shall include in the Report a precise description of all efforts it has undertaken or caused to be undertaken to meet the established goals. These submittals are mandatory for all solicitations subject to L/M/WBE goals.

3. UG Review of Developer's Report of Solicitation Results.

a. Within seven (7) calendar days of receiving a Report of Solicitation Results for review, the UG, based on its review of the Report, shall advise Developer whether it appears that, in light of Developer's indication of the Proposers to whom it intends to award contracts, Developer will meet the goals set forth in the Utilization Plan or if not, whether Developer has established best efforts to meet these goals, and shall state the reasons for this conclusion, referring to the specific best efforts criteria contained in Section III.C.3.b. below. As a part of its review, the UG may ascertain whether LBE, MBE or WBE subcontractors agree with the dollar value of the work and the scope of the work, as identified in the proposal.

b. For each Utilization Plan goal that is not achieved, Developer shall be deemed to have used best efforts ("best efforts") to meet the Utilization Plan goals for Construction Services set forth in Section III.A.1. of this Exhibit if Developer or its contractor shall have taken substantially all the following actions:

i. Developer is seeking or has sought timely assistance of the UG to identify qualified LBEs, MBEs and WBEs;

ii. Developer is advertising or has advertised contract opportunities in local, minority and women media;

iii. Developer is providing or has provided reasonable written notice of opportunities or informational meetings to approved LBEs, MBEs and WBEs;

iv. Developer is following up or has followed up initial solicitations of interest by contacting LBEs, MBEs and WBEs:

v. Developer is segmenting or has segmented portions of the work to increase the likelihood of LBE, MBE and WBE participation, where feasible;

vi. Developer is or has provided interested LBEs, MBEs and WBEs with timely and accurate information about the plans, specification, requirements, deadlines, and bidding procedures of the contracts;

vii. Developer is negotiating or has negotiated in good faith with interested LBEs, MBEs and WBEs, not rejecting them as unqualified without sound reasons, based on a thorough review of their capabilities, prior work history, and pricing; and

viii. Developer is or has worked with local, minority and women contracting, professional, civic and community organizations, government officers and any other organization or persons, as identified by the UG, that provide assistance in the recruitment of LBEs, MBEs and WBEs.

Failure by the Developer to take all of the foregoing actions shall not be determinative that Developer has not used its best efforts.

For purposes of this Section, the foregoing actions of Developer's contractor shall qualify as actions taken by Developer.

4. Signed Contracts.

Signed contracts between Developer or any of its contractors and successful Proposers shall be submitted to the UG within thirty (30) days after execution thereof. If a LBE, MBE or WBE subcontractor fails to sign a contract after two requests by the Proposer, Developer may request to substitute the subcontractor.

D. SUBCONTRACTOR RELATIONS

1. Documentation of Subcontracting Agreements.

All subcontracting services shall be evidenced by a written agreement stating, at a minimum, the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

2. Documentation of Schedules.

a. For construction contracts, the contractor must present a work schedule that includes when the LBE, MBE and WBE subcontractors will be utilized at the job site. This schedule is due on or before the pre-construction meeting with the UG and the project manager representing Developer.

3. Substitutions, Additions or Deletions.

Where a substitution for a LBE, MBE or WBE subcontractor must occur after submission of proposals by Developer to the UG, pursuant to Section III.C.2., Developer's project manager must submit notice of the change or substitution to the UG. The UG shall have no authority to approve or reject any change or substitution. The sole purpose of the review by the UG shall be to determine whether the LBE, MBE or WBE should be counted toward achievement of the goals of Section 111.A.1.a.

IV. UG'S ASSISTANCE TO DEVELOPER

The UG will, at its cost, provide assistance to Developer in fulfilling its obligations, as set forth in this Exhibit and with respect to procedures described herein. Examples of assistance the UG may provide include but are not limited to:

A. providing information and technical assistance to the UG, Developer and its contractors, LBEs, MBEs, WBEs, officials and other interested persons about the Project;

B. coordinating and conducting workshops on the Project's certification and contracting processes;

C. maintaining a list of registered firms;

D. assisting with approving or identifying potential LBEs, MBEs, and WBEs and reviewing their qualifications to participate in the Project;

E. updating the UG and Developer on current or proposed affirmative action legislation that may affect the Project;

F. recommending contract specific goals, as appropriate;

G. providing assistance in pre-award activities, such as provision of model or example Utilization Plans and work segmentation;

H. reviewing Developer and contractor performance and LBE, MBE and WBE participation on the Project, including site visits, and/or phone or desk audits to provide input on whether subcontractors listed are performing the work described in the Utilization Plan;

I. providing advice relative to Project utilization and compliance matters;

J. conducting compliance reviews and audits of LBE, MBE and WBE and participation;

K. evaluating requests for substitutions, additions and deletions;

L. assisting the UG and Developer in addressing issues related to the goals and procedures set forth in this Exhibit;

M. reviewing payments to subcontractors, as documented by monthly reports submitted by Developer.

N. reviewing complaints from LBEs, MBEs WBEs, contractors and any other interested persons regarding these goals and procedures;

O. assisting in Developer's development of forms to document compliance with these procedures; and

P. reviewing and approving utilization plans and contract award submittals

V. <u>DEVELOPER COMPLIANCE RECORDS AND REPORTS.</u>

A. RECORDS

Developer shall maintain those records as may reasonably be required to demonstrate compliance with the goals and procedures set forth in this Exhibit. These records shall be available to the UG upon reasonable notice.

B. DEVELOPMENT AND CONSTRUCTION UTILIZATION PLAN REPORTS

Upon written notice from the Unified Government to Developer, Developer shall update the Project Utilization Plan quarterly on the form attached hereto as Attachment B or another form provided or approved by the UG and shall include information requested thereon. In addition, each quarterly report shall include the following for each LBE, MBE or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE and WBE and a brief description of the work to be performed by each. Developer also shall document the change orders to contracts awarded in each quarterly report.

C. REMEDIES

Subject to the provisions of **<u>Section 10</u>** of the Development Agreement, if Developer should fail to provide a report required by this Exhibit, and fail to cure such failure within fourteen (14) days after receipt of written notice from the UG, then such failure to cure shall constitute a Developer Event of Default and the UG shall have those remedies set forth in the Development Agreement. In addition, the UG shall have the right to stop processing draw requests until Developer complies with reporting requirements.

> If, after reviewing Developer's Reports, the Unified Government believes that the participation goals contained in this Exhibit have not been met, and that the Best Efforts described in this Exhibit have not been met, then the Unified Government shall inform Developer of this determination in writing. If, within thirty (30) days following its receipts of said written determination from the Unified Government, Developer fails to demonstrate to the Unified Government's reasonable satisfaction that either: (i) the goals contained in this Exhibit have been met; or (ii) the goals contained in this Exhibit may not have been met but the Best Efforts described herein have been met, the Unified Government shall have the right to reduce the CID Cap by an amount equal to ten percent (10%) as the Unified Government's sole and exclusive remedy for such failure.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ______________________________

Douglas G. Bach
County Administrator
Date: ____________________

Legends Hotel, LLC

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

Attachment A
Unified Government
Project Utilization Plan
Project Name:______________________________

Date:________________

Bid Package	Estimated Contract Value	Estimated LBE Value	Estimated LBE %	Estimated MBE Value	Estimated MBE %	Estimated WBE Value	Estimated WBE %	Total Combined Value	Total Combined %
DIVERSITY TOTAL	0			0		0			

Attachment B
L/M/WBE Utilization Report

LBE/MBE/WBE - UTILIZATION REPORT
CONSTRUCTION

Month, Year

APPLICABLE TRADES

Total by Classification	Goal		Actual
	0.00%	LBE	0.00%
	0.00%	MBE	0.00%
	0.00%	WBE	0.00%

Discipline	Subcontractor/Supplier Name	Original Contract Value	Change in Contract Value	Total Contract (Excluding CCIP)	LBE		MBE		WBE		Certifying Agency or Local Zip Code
					$	%	$	%	$	%	
Bid Package #1											
Bid Package #2											
Bid Package #3											
Bid Package #4											
Bid Package #5											
Total Applicable Contract Volume Awarded To Date					$	%	$	%	$	%	
					TOTAL - LBE		TOTAL - MBE		TOTAL - WBE		

MINORITY AND WOMEN EMPLOYEES

List the name, address, trade, classification, date hired, sex and ethnic origin for each minority/women employed by your company.

Name & Address	Trade	Classification	Date Hired	Sex	Ethnic Origin

RESOLUTION NO. R-____-21

A RESOLUTION ADOPTING THE DEVELOPMENT AGREEMENT BETWEEN THE UNIFIED GOVERNMENT AND LEGEND HOTEL, LLC

WHEREAS, Legend Hotel, LLC ("**Developer**") owns and desires to design, develop and construct a hotel on, and redevelop the approximately 1.23+/- acres of land (the "**Project**") generally located at Southeast corner of the intersection of 98th and Parallel Parkway in Kansas City, Kansas; and

WHEREAS, on July 23, 2021, Developer submitted a petition (the "**CID Petition**"), requesting the formation of a community improvement district (the "**CID**") on their property and the imposition of a one percent (1.50%) tax on the sale of tangible personal property at retail and rendering or furnishing of services in the CID (the "**CID Sales Tax**") in accordance with K.S.A. 12-6a26 *et seq.* (the "**CID Act**"); and

WHEREAS, on September 9, 2021, an initial public hearing was heard on the creation of the Legends Hotel CID. The public hearing was adjourned until October 28, 2021, for further discussion.

WHEREAS, the Governing Body has determined that it is advisable to enter into the Development Agreement, attached hereto as **Exhibit A** (the "Development Agreement") with Developer.

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

Section 1. The Governing Body hereby approves the Development Agreement in substantially the form attached hereto.

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

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

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS 28th DAY OF OCTOBER, 2021.

ATTEST:

____

Unified Government Clerk

(Seal)

EXHIBIT A

Development Agreement

[To be attached.]

DEVELOPMENT AGREEMENT

(Legend Hotel CID)

THIS DEVELOPMENT AGREEMENT (this "**Agreement**") is entered into as of the Effective Date by and between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS**, a municipal corporation organized and existing pursuant to the laws of the State of Kansas as a consolidated city–county having all the powers, functions and duties of a county and a city of the first class (the "**Unified Government**"), and **Legend Hotel, LLC**, a Kansas limited liability company, and its successors and assigns ("**Developer**"). The Unified Government and Developer are sometimes hereinafter collectively referred to as the "**Parties**," and each a "**Party**."

RECITALS

WHEREAS, Developer owns or will own, and desires to design, develop, construct a hotel on, and redevelop the approximately 1.23+/- acres of land (the "**Project**") generally located at Southeast corner of the intersection of 98th and Parallel Parkway in Kansas City, Kansas, as legally described on **Exhibit A** and generally depicted on **Exhibit B** attached hereto (the "**District**"); and

WHEREAS, on July 23, 2021, Developer submitted a petition (the "**CID Petition**"), attached hereto as **Exhibit C**, requesting the formation of a community improvement district (the "**CID**") on the District and the imposition of a one percent (1.50%) tax on the sale of tangible personal property at retail and rendering or furnishing of services in the CID (the "**CID Sales Tax**") in accordance with K.S.A. 12-6a26 *et seq.* (the "**CID Act**"); and

WHEREAS, on September 9, 2021, an initial public hearing was heard on the creation of the Legends Hotel CID. The public hearing was adjourned until __________________ 2021, following the public notice and hearing procedures set forth in the CID Act, the Unified Government created the CID and approved the imposition of the CID Sales Tax through the adoption of Ordinance No. O-_-20 of the Unified Government, which ordinance is attached hereto as **Exhibit D**; and

WHEREAS, the Parties agree that the Project is not financially feasible without the public financing described in this Agreement, and enter into this Agreement to provide the necessary financing for the Project.

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

1 DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction will apply in construing the provisions of this Agreement:

A. The terms defined in this Agreement include the plural as well as the singular.

B. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for will be made, in accordance with generally accepted accounting principles.

C. All references herein to "generally accepted accounting principles" refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.

D. All references in this Agreement to specified "Sections," "Subsections" and other subdivisions are to be the designated Sections and other subdivisions of this Agreement as originally executed.

E. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Subsection or other subdivision.

F. The Section, Subsection and other headings herein are for convenience only and will not affect the construction or interpretation hereof.

G. The representations, covenants and recitations set forth in the foregoing recitals, and the ordinances referenced therein, are material to this Agreement and are hereby incorporated into and made a part of this Agreement as if they were fully set forth in this Section 1.1(G).

1.2 **Definitions of Words and Terms.** Capitalized words used, but not otherwise defined, in this Agreement will have the meanings set forth in the Recitals to this Agreement or they shall have the following meanings:

- **"Action"** has the meaning set forth in **Section 9.1**

- "**Agreement**" means this Agreement, as the same may be amended from time to time.

- "**Applicable Laws and Requirements**" means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by Governmental Authorities.

- "**Certificate of Project Costs**" means a certificate relating to Project Costs in substantially the form attached hereto as **<u>Exhibit E</u>**.

- "**Certificate of Substantial Completion**" means a certificate evidencing Substantial Completion of the Project, in substantially the form attached hereto as **<u>Exhibit F</u>**.

- "**CID**" means the community improvement district created over the District by the Unified Government in accordance with the CID Act.

- "**CID Act**" means the community improvement district act contained in K.S.A. 12-6a26 *et seq*.

- "**CID Administrative Service Fee**" means a fee payable to the Unified Government as provided in **Section 4.5** hereof, equal to 1.0% of all CID Sales Tax Revenue.

- "**CID Collection Period**" means the period of time ending twenty-two (22) years after the commencement of the CID Sales Tax.

- **"CID Cap"** means $1,528,714.00 (One Million Five Hundred Twenty Eight Thousand Seven Hundred Fourteen Dollars and NO cents), which shall be the maximum amount of CID Sales Tax Revenue that Developer is eligible to receive, subject to any such reduction for failure to meet the goals set forth in Section 9.5 of this Agreement. Once Developer has received an amount equal to the CID Cap in reimbursements for CID Costs, the parties understand and agrees that Developer's access to the CID Sales Tax Revenue shall thereafter terminate.

- "**CID Costs**" means all Project Costs (as defined in the CID Act) eligible for disbursement to Developer pursuant to the CID Act and this Agreement, and payable from the revenues derived from the CID Sales Tax, including necessary reserves, capitalized interest and costs of issuance. For purposes of this Agreement, Developer's attorneys' fee, engineering, architectural fees and fees for other professional services, land acquisition costs and the cost of constructing the sidewalk from the hotel to the U.S. Soccer National Performance Center shall not be eligible as reimbursable CID Costs.

- "**CID Sales Tax**" means the 1.50% community improvement district sales tax to be imposed within the CID pursuant to the CID Act for the CID Collection Period.

- "**CID Sales Tax Revenue**" means all revenues received by the Unified Government from the CID Sales Tax, as set forth in **Section 4.1**.

- "**CID Sales Tax Fund**" means the Legends Hotel Sales Tax Fund, created pursuant to the CID Act and **Section 4.2** hereof.

- "**City**" means the City of Kansas City, Kansas.

- "**Construction Plans**" means plans, drawings, specifications and related documents, and construction schedules for the construction of the Project, together with all supplements, amendments and corrections, submitted by Developer if required for the construction of the Project, and, if applicable, approved by the Unified Government, in accordance with this Agreement.

- "**County**" means Wyandotte County, Kansas.

- "**Developer**" means Legends Hotel, LLC, a Kansas limited liability company, and any successors and assigns approved or otherwise permitted in accordance with this Agreement.

- "**Developer Event of Default**" means any event or occurrence as defined in **Section 10.1**.

- "**District**" has the meaning set forth in the Recitals.

- **"Effective Date"** means the date the Agreement is executed by the Unified Government.

- "**Excusable Delay**" means any delay beyond the reasonable control of the Party affected, including: any delays to the Project Schedule; and any delays caused by or related to a: pandemic (e.g., COVID-19), epidemic, damage or destruction by fire or other casualty, power failure, strike, shortage of materials, unavailability of labor, financing, delays in the receipt of Permitted Subsequent Approvals as a result of unreasonable delay on the part of the applicable Governmental Authorities, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or abnormal duration, tornadoes, the inability of Developer to locate purchasers, tenants, or users in connection with any portion of the Project; caused by a contractor, subcontractor, or other third parties; and any other reasonable hindrance to Developer's development of the Project provided such hindrance is not directly and solely caused by Developer, and any other events or conditions, including but not limited to any dispute or litigation interfering with or delaying the construction of all or any portion of the Project in accordance with this Agreement, which in fact prevents the Party so affected from discharging its respective obligations hereunder.

- **"Governmental Approvals"** means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, architectural review or other subdivision, zoning or similar approvals required for the implementation of the Project and consistent with the Plans and this Agreement.

- **"Governmental Authorities"** means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any type of any governmental unit (federal, state or local) whether now or hereafter in existence.

- **"Parties"** means Developer and the Unified Government and their successors and assigns.

- **"Permitted Subsequent Approvals"** means the zoning and building permits and other governmental approvals customarily obtained prior to construction which have not been obtained on the Effective Date, which the Unified Government or other Governmental Authority has not yet determined to grant.

- **"Plans"** means any Site Plan, Construction Plans and all other Governmental Approvals necessary to construct the Project in accordance with Unified Government code, applicable laws of Governmental Authorities and this Agreement.

- **"Project"** has the meaning set forth in the Recitals.

- **"Project Area"** means the approximately 1.23+/- acres located at or about the Southeast corner of the intersection of 98th St. and Parallel Parkway, Kansas City, Wyandotte County, Kansas, as legally described on ***Exhibit A*** attached hereto.

- **"Project Budget"** means the estimated project budget for the Project, as set forth in ***Exhibit G***.

- **"Project Costs"** means all costs associated with the Project authorized (whether by statute, policy, ordinance of the Unified Government or otherwise) for reimbursement to Developer including, but not limited to, financing fees and expenses, demolition costs, utility and infrastructure improvement fees and costs, signage costs, landscaping costs, inspection and testing expenses, developer fees, structural costs, parking lot related costs, vertical improvement costs, tenant improvement or tenant allowance costs, and other costs required to complete and implement the Project in accordance with Applicable Laws and Requirements, whether or not such costs were undertaken by Developer, and including, as applicable, any CID Costs. For purposes of this Agreement, Developer's attorneys' fee, engineering, architectural fees and fees for other professional services, land acquisition costs and the cost of constructing the sidewalk from the hotel to the U.S. Soccer National Performance Center shall not be eligible as reimbursable Project Costs.

- "**Site Plan**" means, if applicable, the final site plan submitted by Developer to the Unified Government and approved by the Unified Government pursuant to applicable Unified Government ordinances, regulations and Unified Government code provisions, which may be approved as a whole or approved in phases or stages.

- "**Substantial Completion**" shall mean such time as all improvements contemplated in the Site Plan have been completed, as evidenced by the Developer's submission, and Unified Government acceptance, of a Certificate of Substantial Completion in accordance with Section 6.7.

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

- "**Unified Government Event of Default**" means any event or occurrence defined in **Section 10.2**.

- "**Unified Government Representative**" means the Mayor/CEO or County Administrator, and such other person or persons at the time designated to act on behalf of the Unified Government in matters relating to this Agreement.

- "**Unified Government Indemnified Parties**" has the meaning set forth in **Section 9.1**.

2 REPRESENTATIONS AND WARRANTIES

2.1 Representations of Unified Government. The Unified Government represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and this Agreement has been duly and validly authorized and approved by all necessary Unified Government proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the Unified Government, enforceable in accordance with its terms.

2.2 Representations of Developer. Developer makes the following representations and warranties, which are true and correct on the date hereof to Developer's actual knowledge:

A. Due Authority. Developer represents and warrants that it has all necessary organizational power and authority to execute, deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary procedures. Accordingly, this Agreement constitutes the legal valid and binding obligation of Developer, enforceable in accordance with its terms.

B. No Defaults or Violation of Law. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof, to the best of Developer's actual knowledge, do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

C. No litigation. No litigation, proceeding or investigation is pending or, to the actual knowledge of Developer, threatened against the Project, Developer, or any officer, director, member or shareholder of Developer that would adversely affect or impair the Project or the obligations of Developer under this Agreement. In addition, no litigation, proceeding or investigation is pending or, to the actual knowledge of Developer, threatened against Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by Developer, of the terms and provisions of this Agreement.

D. No Material Change. (1) Developer has not incurred any material liabilities or entered into any material transactions associated with the Project, other than in the ordinary course of business and except for the transactions contemplated by this Agreement, and (2) there has been no material adverse change in the business, financial position, prospects or results of operations of Developer, which could affect Developer's ability to perform its obligations pursuant to this Agreement from that shown in the financial information provided by Developer to the Unified Government prior to the execution of this Agreement.

E. Governmental or Corporate Consents. To the best of Developer's actual knowledge, no consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution, delivery and performance by Developer of this Agreement, other than Permitted Subsequent Approvals and any authorizing resolutions made in connection with this Agreement.

F. No Default. No Developer Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a Developer Event of Default in any material respect.

G. Approvals. Except for Permitted Subsequent Approvals, to the best of Developer's actual knowledge, Developer has received and is in good standing with respect to all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business associated with the Project and this Agreement as heretofore conducted by it and to own or lease its properties as now owned or leased by it. Except for the Permitted Subsequent Approvals, to the best of Developer's actual knowledge, Developer has obtained all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business associated with plans to acquire, construct, equip, operate and maintain the Project. Developer reasonably believes that all such certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, which have not yet been obtained will be obtained in due course.

H. Construction Permits. Except for the Permitted Subsequent Approvals, to the best of Developer's actual knowledge, all governmental permits and licenses required by applicable law to construct, occupy and operate the Project have been issued and are in full force and effect or, if the present stage of development does not allow or is not yet appropriate for such issuance, Developer reasonably believes, after due inquiry of the appropriate governmental officials, that such permits and licenses will be issued in a timely manner in order to permit the Project to be constructed.

I. Compliance with Laws. To the best of Developer's actual knowledge, Developer is in compliance with all valid laws, ordinances, orders, decrees, decisions, rules, regulations, and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business and operations as contemplated by this Agreement.

J. Other Disclosures. The information furnished to the Unified Government by Developer in connection with the matters covered in this Agreement are true and correct and do not contain any untrue statement of fact and do not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstance under which it was made, not misleading.

K. Project. Developer represents and warrants that the Project Area is sufficient to construct the Project in this Agreement.

2.3 Developer's Acquisition of the Project Area. At the time that this Agreement is executed, Developer represents that, except for any associated public right-of-way adjacent to the District, it either has or is under contract to purchase legal fee simple title (or easements as the case may be) to all the necessary real property in the Project Area needed for construction of the Project.

3 FINANCING OF PROJECT COSTS GENERALLY

3.1 Unified Government's Obligation to Reimburse Developer. In consideration for Developer's agreement to construct the Project, and subject to available revenues and the terms of this Agreement, the Unified Government agrees to reimburse Developer for all of its CID Costs from CID Sales Tax Revenue. Subject to available revenues, Developer shall be reimbursed for Project Costs (1) from the CID Sales Tax Fund as funds are collected in the CID Sales Tax Fund (the "**Pay As You Go**" method), as further set forth in **Section 3.2** and **Section 4.2(B)**. The Parties agree that all reimbursement to Developer shall be made only on a Pay As You Go basis. The Parties further agree that the Unified Government shall have no obligation to reimburse Developer until funds are available in the CID Sales Tax Fund.

3.2 Pay As You Go Financing. For the Project Costs to be reimbursed to Developer on a Pay As You Go basis, the CID Sales Tax Revenue, as applicable, will be disbursed by the Unified Government from the CID Sales Tax Fund, from time to time, but not more often than on a quarterly basis, to reimburse Developer for the applicable Project Costs. Target dates for quarterly distributions are April 30th, July 31st, October 31st, and January 31st. Except as otherwise provided in this Section 3, the CID Sales Tax Revenue, as applicable, shall be disbursed from the Unified Government to Developer if and to the extent that there are available funds in the CID Sales Tax Fund.

4 CID SALES TAX REVENUE

4.1 **Reimbursement of CID Sales Tax Revenue**. Subject to the terms and conditions of this Agreement and the CID Act, the Unified Government shall cause the imposition of the CID Sales Tax within the District on the date set forth in this Section 4.1. The resulting revenue from the imposition of the CID Sales Tax (the "**CID Sales Tax Revenue**") will be collected and applied to reimburse Developer for all of its CID Costs. The Unified Government hereby authorizes the levy of the CID Sales Tax and directs the Unified Government's clerk and staff to take all actions necessary to impose such CID Sales Tax with collection commencing on **January 1, 2023** (the **"CID Collection Start Date")**, or such other date selected by Developer and communicated to the Unified Government so long as such notice is provided not less than ninety (90) days prior to the CID Collection Start Date.

4.2 **CID Sales Tax Fund.**

A. **Creation of CID Sales Tax Fund; Deposit of CID Sales Tax Revenue.** During the existence of the CID, all CID Sales Tax Revenue generated within the District shall be deposited into a fund to be known as the Legends Hotel CID Sales Tax Fund (the "**CID Sales Tax Fund**"), which shall be established and administered by the Unified Government in compliance with this Agreement and Applicable Laws and Requirements.

B. **Disbursements from CID Sales Tax Fund.** All disbursements from the CID Sales Tax Fund will be made to reimburse Developer for CID Costs, including the payment of principal of and interest on any CID Obligations issued by the Unified Government to finance, in whole or in part, the Project. The Unified Government shall have sole control of the disbursements from the CID Sales Tax Fund. Such disbursements shall first be made to pay the CID Administrative Service Fee to the Unified Government pursuant to **Section 4.5**, then, after payment of the CID Administrative Service Fee, to reimburse Developer for CID Costs incurred by Developer.

4.3 **CID Collection Period.** The CID Sales Tax will be collected within the District for a period that commences on the date that the CID Sales Tax is imposed up to and concluding upon the date occurring either (1) twenty two (22) years thereafter or (2) upon the date that Developer reaches the CID Cap, whichever comes first (the "**CID Collection Period**"). At the end of the CID Collection Period, the Parties understand and agree that the CID and CID Sales Tax will terminate. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Unified Government hereby agrees that Developer may terminate this Agreement at any time upon thirty (30) days prior written notice to the City. Upon such termination by Developer, the parties agree that the City shall take any and all action necessary to promptly terminate the CID and CID Sales Tax, and to cease collection of the CID Sales Tax as soon as reasonably possible, in accordance with the CID Act and other Applicable Laws and Requirements.

4.4 **CID Annual Administrative Service Fee**. The Unified Government will collect the CID Administrative Service Fee on all CID Sales Tax Revenue. The CID Administrative Service Fee will be used to cover the administration and other Unified Government costs incurred for the duration of the CID Collection Period, and will be in addition to the costs identified in the Project Budget. The CID Administrative Service Fee may be paid at the same frequency as the CID distributions are paid to Developer from the CID Sales Tax Revenue deposited in the CID Sales Tax Fund, or as the proceeds of CID Obligations are disbursed to Developer, as applicable, and will be deemed a CID Cost. If CID Obligations have been issued and there are insufficient funds available in the CID Sales Tax Fund to pay the CID Administrative Service Fee, then such CID Administrative Service Fee will accrue and be paid to the Unified Government in full at such time as sufficient funds are available in the CID Sales Tax Fund. Developer may continue to use any surplus amounts of CID Sales Tax Revenue after all CID Costs have been reimbursed, for any purpose authorized by the CID Act. No interest or fees shall accrue or be charged on any unpaid CID Administrative Service Fee.

5 DEVELOPER REIMBURSEMENT PROCEDURES

5.1 Certificate of Project Costs. All requests for payment or reimbursement of Project Costs shall be made in a Certificate of Project Costs in substantially the form attached hereto as ***Exhibit E***. Requests for payment of Project Costs shall be submitted by Developer to the Unified Government not more often than monthly. Developer shall provide itemized invoices, real estate contracts, receipts or other information reasonably requested, if any, to confirm that any such cost has been incurred by Developer, and shall further provide a summary sheet detailing the costs requested to be paid or reimbursed. Such summary sheet, including any attachments or supplements thereto, shall show the approximate date such cost was incurred and/or paid, the payee, a brief general description of the type of cost paid, and the amount paid. Developer shall provide such additional information as reasonably requested by the Unified Government to confirm that the such costs have been paid and qualify as Project Costs.

5.2 Inspection. The Unified Government reserves the right to, upon reasonable notice to Developer, have its engineer or other agents or employees inspect all work in respect of which a Certificate of Project Costs is submitted, to examine Developer's records relating to all expenses related to the invoices to be paid, and to obtain from such parties such other information as is reasonably necessary for the Unified Government to evaluate compliance with the terms of this Agreement.

5.3 Review and Approval. The Unified Government shall have thirty (30) calendar days after receipt of any Certificate of Project Costs to review and respond by written notice to Developer. If the submitted Certificate of Project Costs and supporting documentation demonstrates that: (1) the request relates to the Project; (2) the applicable expense(s) have been paid; (3) Developer is not in material default under this Agreement; and (4) there is no fraud on the part of Developer, then the Unified Government shall approve the Certificate of Project Costs and make, or cause to be made, payment or reimbursement from the CID Sales Tax Fund, or from the Proceeds of Obligations, as applicable, in accordance with this Agreement, within thirty (30) days following the Unified Government's approval of the Certificate of Project Costs. If the Unified Government reasonably disapproves the Certificate of Project Costs, the Unified Government shall notify Developer in writing of the reason for such disapproval within such thirty (30) day period. Approval of the Certificate of Project Costs will not be unreasonably withheld, conditioned, or delayed. The parties agree to engage in non-binding mediation if there is a dispute as to the approval or denial of any Certificate of Project Costs prior to taking any further actions as allowed by law.

5.4 **Right to Inspect and Audit.** Developer agrees that, for up to one (1) year after completion of the Project, the Unified Government, with reasonable advance notice and during normal business hours, shall have the right and authority to reasonably review and audit from time to time, all of Developer's books and records relating to the Project Costs (including all general contractor's sworn statements, general contracts, subcontracts, material purchase orders, waivers of lien, paid receipts and invoices).

5.5 **Limitation on Unified Government's Payment Obligations**. Notwithstanding any other term or provision of this Agreement, the Unified Government's obligation to reimburse Developer for Project Costs shall be limited to monies in the CID Sales Tax Fund, and shall not be payable from any other source.

6 THE PROJECT

6.1 **Scope of the Project**. Developer shall construct, or cause to be constructed, a Project consisting of a new hotel with an indoor pool, fitness center, breakfast buffet, conference space of approximately 1,000 square feet, a sidewalk connecting the hotel to the U.S. Soccer National Performance Center, and other uses as more fully set in the CID Petition attached as **Exhibit C** hereto. The hotel shall have a franchise flag scale of "Upper Midscale" or higher as categorized by STR, Inc. during the first twenty (20) years of this Agreement.

6.2 **Project Schedule.**

A. Subject to the terms and conditions of this Agreement, Developer will use reasonable efforts to construct, or cause to be constructed, the Project within twenty-four (24) months from the date that Developer has secured all final permits for the Project (the "Completion Date"). The completion of the Project shall be evidenced by the Developer's submission, and Unified Government acceptance, of a Certificate of Substantial Completion in accordance with **Section 6.7** of this Agreement.

B. The Unified Government agrees to act in good faith and use its best efforts to timely process and review all Plans and consider the issuance of all necessary permits and other approvals, including building permits, rezoning approvals, preliminary and final plat approval, and all other permits or approvals which are required for Developer and businesses within the District to construct the Project. To the extent the Unified Government determines that any Plans or other documents or requests submitted by Developer for the Unified Government's approval are unacceptable, the Unified Government shall provide a written description detailing the portions of the Plans or documents that are unacceptable and provide Developer a reasonable opportunity to remedy, or cause to be remedied, the same.

C. The Parties recognize and agree that market and other conditions may affect the Project Schedule. Therefore, the Project Schedule is subject to change and/or modification, with the prior written approval of the Unified Government, which shall not be unreasonably conditioned, delayed, or withheld, upon a showing by Developer of changed or adverse market or other conditions.

6.3 **Project Budget.** Developer estimates that the costs associated with the Project are as set forth in ***Exhibit G*** attached hereto, it being acknowledged by the Parties that the Project Budget has been prepared prior to the issuance of construction permits and prior to final bids based on said issuance, and the Project Budget is, therefore, subject to change at Developer's discretion. Upon request of the Unified Government in connection with a Certificate of Project Costs, Developer shall provide a detailed sources and uses of funds for the Project Costs sought to be reimbursed pursuant to the Certificate of Project Costs.

6.4 **Design of Project.** In order to further the development of the Project, the Unified Government hereby authorizes Developer to construct, or cause to be constructed, the Project according to the Plans approved by the Unified Government.

6.5 **Construction Plans, Permits and Approvals.**

A. Construction Plans. Developer shall submit Construction Plans for the Project for review and approval pursuant to Unified Government Code. Construction Plans may be submitted in phases or stages. Developer agrees that all construction, improvement, equipping, and installation work on the Project shall be done substantially in accordance with the Site Plan, Construction Plans and related documents to be approved by the Unified Government in compliance with Unified Government Code.

B. Construction Permits and Approvals. Before commencement of construction or development of any buildings, structures or other work or improvements, Developer shall, at its own expense, secure or cause to be secured any and all permits and approvals which may be required by the Unified Government pursuant to the Unified Government Code, or by any other Governmental Authorities having jurisdiction as to such construction, development or work. The Unified Government shall cooperate with and provide all usual assistance to Developer in securing these permits and approvals, and shall diligently process, review and consider all such permits and approvals as may be required by law.

C. Development Schedule. Developer shall commence construction of the Project in a good and workmanlike manner in substantial accordance with the terms of this Agreement. Developer shall cause the Project to be completed with due diligence, subject to Excusable Delay. Upon reasonable advance written notice by Unified Government to Developer, or Developer's general contractor shall meet with the Unified Government to review and discuss the design and construction of the Project in order to enable the Unified Government to monitor the status of construction and to determine that the Project is being performed and completed in substantial accordance with this Agreement.

D. Continuation and Completion. Subject to Excusable Delays, and except as otherwise agreed to by the Parties in writing, once Developer has commenced construction of the Project, or a particular phase of the Project as approved by the Unified Government, Developer shall not permit cessation of work on the Project or such phase of the Project for a period in excess of 60 consecutive days or 90 days in the aggregate without prior written consent of the Unified Government (provided that build out of spaces or other construction within a completed "shell", shall not be subject to this requirement).

E. Antidiscrimination. Developer, for itself, its successors and assigns, and any contractor with whom Developer has contracted for the performance of work on the Project, agrees that in the construction, renovation, improvement, equipping, repair and installation of the Project provided for in this Agreement, Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, age, sex, sexual orientation, gender identity, marital status, disability, national origin or ancestry.

F. No Waiver. Nothing in this Agreement will constitute a waiver of the Unified Government's right to consider and approve or deny Governmental Approvals pursuant to the Unified Government's regulatory authority as provided by Unified Government Code and applicable state law. Developer acknowledges that satisfaction of certain conditions contained in this Agreement require the reasonable exercise of the Unified Government's discretionary zoning authority by the Unified Government's Planning Commission and Governing Body in accordance with Unified Government Code and applicable state law.

6.6 **Rights of Access.** Representatives of the Unified Government shall have the right of access to the Project, without charges or fees, at normal construction hours during the period of construction, upon reasonable written notice to Developer, for the purpose of ensuring compliance with this Agreement, including the inspection of the work being performed in constructing, renovating, improving, equipping, repairing and installing the Project; provided, however, that such representatives of the Unified Government, prior to any such access, shall check in with the on-site manager, and at all times while present at the Project, shall carry proper identification, insure their own safety assuming the risk of injury, and not interfere with the construction activity.

6.7 **Certificate of Substantial Completion.** Promptly after completion of the Project in accordance with the provisions of this Agreement, Developer shall submit a Certificate of Substantial Completion to the Unified Government. "**Substantial Completion**" shall mean Developer will have completed substantially all work with respect to the Project and provided all Certificates of Project Costs with respect to the Project (except those related to ongoing maintenance and repair or tenant improvement costs and expenses). The Certificate of Substantial Completion will be in substantially the form attached as ***Exhibit F.*** The Unified Government shall, within ten (10) business days following delivery of the Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The Unified Government's execution of the Certificate of Substantial Completion shall constitute evidence of the satisfaction of Developer's agreements and covenants to construct the Project to which the Certificate of Substantial Completion relates.

7 USE OF PROJECT

7.1 **Operation of Project.** The Project shall comply with all applicable building and zoning, health, environmental and safety codes and laws and all other Applicable Laws, rules and regulations. Developer will, at its own expense (or at the expense of Project tenants and users), secure or cause to be secured, any and all permits which may be required by the Unified Government and any other governmental agency having jurisdiction for the construction and operation of the Project.

7.2 **Sales Tax Information.**

A. Developer agrees to cause all assignees, purchasers, tenants, subtenants or any other entity acquiring property or occupancy rights in the District to be obligated to provide to the County Administrator and the Finance Director along with submission to the Kansas Department of Revenue the monthly sales tax returns for their facilities in the District.

B. To the extent it may legally do so, information obtained pursuant to this Section shall be kept confidential by the Unified Government in accordance with K.S.A. 79-3657.

7.3 Taxes, Assessments, Encumbrances and Liens.

A. So long as Developer owns real property within the District, Developer will pay, or cause to be paid, when due (after any extensions, settlement of disputes, and appeals), all real estate taxes and assessments on the property it owns within the District. Nothing herein will be deemed to prohibit Developer from contesting the validity or amounts of any tax, assessment, encumbrance or lien, or to limit the remedies available to Developer in respect thereto. Developer and any other owners of real property in the District, as applicable, will promptly notify the Unified Government in writing of a protest of real estate taxes or valuation of Developer's or such other owner's property within the District in accordance with Applicable Laws and Requirements.

B. Subject to the provisions of this Agreement (including Excusable Delay), Developer agrees to use commercially reasonable efforts to prevent mechanics' or other liens from being established or remaining against the Project, or the funds in connection with the Project, for labor or materials furnished in connection with any acquisition, construction, additions, modifications, improvements, repairs, renewals or replacements so made. However, Developer shall not be in default if mechanics' or other liens are filed or established and Developer contests (or causes to be contested) in good faith said mechanics' liens, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom. Developer hereby agrees and covenants to indemnify and hold harmless the Unified Government in the event any liens are filed against the Project as a result of acts of Developer, its agents or independent contractors.

7.4 Financing During Construction; Rights of Holders.

A. **No Encumbrances Except Mortgages during Construction.** Notwithstanding any other provision of this Agreement, mortgages are permitted for the acquisition, construction, renovation, improvement, equipping, repair and installation of the Project and to secure permanent financing thereafter. However, nothing contained in this paragraph is intended to permit or require the subordination of general property taxes, special assessments or any other statutorily authorized governmental lien to be subordinate in the priority of payment to such mortgages.

B. **Holder Not Obligated to Construct Improvements.** The holder of any mortgage authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct or complete the Project or to guarantee such construction or completion. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Project to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

C. **Notice of Default to Mortgage Holders; Right to Cure.** With respect to any mortgage granted by Developer as provided herein, whenever the Unified Government shall deliver any notice or demand to Developer with respect to any breach or default by Developer in completion of construction of the Project, the Unified Government shall at the same time deliver to each holder of record of any mortgage authorized by this Agreement a copy of such notice or demand, if the Unified Government has been requested to do so in writing by Developer. Each such holder shall (insofar as the rights of the Unified Government are concerned) have the right, at its option, within ninety (90) days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Project (beyond the extent necessary to conserve or protect the Project or construction already made) without first having expressly assumed Developer's obligations to the Unified Government by written agreement reasonably satisfactory to the Unified Government. The holder, in that event, must agree to complete, in the manner provided in this Agreement, that portion of the Project to which the lien or title of such holder relate, and submit evidence satisfactory to the Unified Government that it has the qualifications and financial responsibility necessary to perform such obligations.

D. The restrictions on Developer financing in this Section are intended to and shall apply only to financing during the construction period for the improvements and any financing obtained in connection therewith. Nothing in this Agreement is intended or shall be construed to prevent Developer from obtaining any financing for the Project or any aspect thereof.

7.5 Covenant for Non-Discrimination.

A. Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, gender identity, marital status, age, disability, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the District, nor shall Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Project. Any such acts must be actual, intentional and proven discrimination by a court of law after any appeals.

B. The covenant established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Unified Government, its successors and assigns and any successor in interest to the Project or any part thereof. The covenants contained in this Section shall remain for so long as this Agreement is in effect, or so long as Obligations are outstanding, whichever is longer.

8 ASSIGNMENT; TRANSFER

8.1 Transfer Generally. Except as otherwise provided in this Agreement, the rights, duties and obligations hereunder of Developer may not be assigned, in whole or in part, to another entity, without the prior approval of the Unified Government County Administrator, which shall not be unreasonably withheld, conditioned or delayed, with the right to request an appeal to the Unified Government Commission. Except as otherwise provided in this Agreement, any proposed assignee shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the Unified Government, assume all of the obligations of Developer under this Agreement and agree to be subject to all the conditions and restrictions to which Developer is subject (or, in the event the transfer is of, or relates to, a portion of the District, such obligations, conditions and restrictions to the extent that they relate to such portion). Developer will not be relieved from any obligations set forth herein unless and until the Unified Government specifically agrees to release Developer. Notwithstanding anything herein to the contrary, (i) Developer shall have the right to assign all or any portion of its rights, title and interest in this Agreement to (i) a lender for purposes of securing financing, and (ii) any entity owned or controlled, directly or indirectly, by Developer or one or more of its principals (an "Affiliate Transfer"), both of which are permitted without the approval of the Unified Government. If requested by Developer or Developer's lender, the Unified Government hereby agrees to, and authorizes the Unified Government County Administrator, without the approval of the Unified Government Commission, to execute a consent and agreement to: (i) such collateral assignment; or (ii) specifically release Developer from any and all obligations assumed by the assignee in an Affiliate Transfer, upon receipt by the Unified Government of a fully-executed assignment and assumption agreement.

8.2 **Tenants.** No tenant of any part of the District shall be bound by any obligation of Developer solely by virtue of being a tenant; provided, however, that no transferee or owner of property within the District except Developer shall be entitled to any rights whatsoever or claim upon the tax revenues as set forth herein, except as specifically authorized in writing by Developer and approved by the Unified Government.

8.3 **Permitted Assignments/Transfers.** The foregoing restrictions on assignment in Section 8.1, and the restrictions in **Section 8.4**, shall not apply to (a) any security interest granted to secure indebtedness to any construction or permanent lender, or (b) the sale, rental or leasing of portions of the District for the uses permitted under the terms of this Agreement, all of which are permitted without any approval of the Unified Government or assumption on the part of the transferee.

8.4 **Developer Reorganization or Transfer of Ownership.** Nothing herein shall prohibit Developer from forming additional development or ownership entities to replace or joint venture with Developer for the purpose of business planning. Nothing herein shall prohibit Developer from selling or transferring the Project or the District (or a portion thereof), or Developer's interest therein. The Parties agree and acknowledge that any rights of Developer hereunder to receive reimbursement for Project Costs run with this Agreement, and as such, any party to which this Agreement is assigned, sold, transferred or conveyed, whether in whole or in part, may (in Developer's discretion) also be assigned any and all rights with respect to reimbursement of Project Costs for those portions of the Project or District (or a portion thereof) assumed by such assignee. Additionally, any party entitled to receive reimbursement of Project Costs hereunder shall have the right, without the consent of the Unified Government, to assign such right to receive reimbursement of Project Costs to Developer as pay-as-you-go proceeds contemplated in this Agreement.

9 GENERAL COVENANTS

9.1 Indemnification of Unified Government.

A. Developer agrees to indemnify and hold the Unified Government, its employees, agents and independent contractors and consultants (collectively, the "**Unified Government Indemnified Parties**") harmless from and against any and all suits, claims, costs of defense, damages, injuries, liabilities, judgments, costs and/or expenses, including court costs and reasonable attorneys' fees, resulting from, arising out of, or in any way connected with

(1) Developer's actions and undertaking in implementation of the Project or this Agreement,

(2) the negligence or willful misconduct of Developer, its employees, agents or independent contractors and consultants in connection with the management, design, development, redevelopment and construction of the Project; and

(3) any delay or expense resulting from any litigation filed against Developer by any member or shareholder of Developer, any prospective investor, prospective partner or joint venture partner, lender, co-proposer, architect, contractor, consultant or other vendor. The Parties further agree as follows:

B. This **Section 9.1** shall not apply to negligence or willful misconduct of the Unified Government or its officers, employees or agents, nor to challenges to the Unified Government's actions in considering and granting entitlements and permits, nor to any actions or disputes between the Unified Government and Developer.

C. This **Section 9.1** includes, but is not limited to, any repair, cleanup, remediation, detoxification, or preparation and implementation of any removal, remediation, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes including petroleum and its fractions as defined in (a) the Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"; 42 U.S.C. Section 9601, et seq.), (b) the Resource Conservation and Recovery Act ("**RCRA**"); 42 U.S.C. Section 6901 et seq.), and (c) Article 34, Chapter 65, K.S.A. and all amendments thereto, at any place where Developer owns or has control of real property pursuant to any of Developer's activities under this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA to assure, protect, hold harmless and indemnify the Unified Government from liability.

D. In the event any suit, action, investigation, claim or proceeding (collectively, an "**Action**") is begun or made as a result of which Developer may become obligated to one or more of the Unified Government Indemnified Parties hereunder, any one of the Unified Government Indemnified Parties shall give prompt notice to Developer of the occurrence of such event.

E. The right to indemnification set forth in this Agreement shall survive the termination hereof.

9.2 **Insurance.** During the Term, Developer shall maintain or cause to be maintained insurance with respect to the Project covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation and general liability) and in such amounts as, in the reasonable judgment of Developer, are adequate to protect Developer and the Project.

9.3 **Non-liability of Officials, Employees and Agents of the Unified Government.** With the exception of violations and application of the Unified Government Code of Ethics, no recourse shall be had for the reimbursement of the Project Costs or for any claim based thereon or upon any representation, obligation, covenant or agreement contained in this Agreement against any past, present or future official, officer employee or agent of the Unified Government, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officials, officers, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

9.4 **Non-liability of Developer Representatives and Employees.** No shareholder, member, partner, officer, manager, director, employee, affiliate or representative of Developer shall be personally liable or obligated to perform the obligations of Developer pursuant to the provisions of this Agreement or for any Developer Event of Default or other default or breach of this Agreement by Developer.

9.5 **LBE/MBE/WBE Employment Opportunity Goals.** Developer agrees to use its best efforts (as defined therein) to comply with the goals and provisions set forth on **Exhibit H** attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses in connection with the Project. Failure of Developer to reach the goals set forth in Exhibit H shall not constitute a Developer Event of Default as set forth in Section 10.1, however, the Parties agree that if the goals set forth in **Exhibit H** are not met then the CID Cap shall be reduced as set forth therein.

10 DEFAULTS AND REMEDIES

10.1 **Developer Event of Default.** Except as further provided herein, and subject to Section 10.5, a "**Developer Event of Default**" shall mean a material default in the performance of any obligation or breach of any covenant or agreement of Developer in this Agreement (other than a covenant or agreement, a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of thirty (30) days after the Unified Government has delivered to Developer a written notice specifying such default or breach and requiring it to be remedied; provided, however, that if such default or breach cannot be fully remedied within such thirty (30) day period, but can reasonably be expected to be fully remedied and Developer is diligently attempting to remedy such default or breach, such default or breach shall not constitute a Developer Event of Default if Developer promptly, upon receipt of such notice, diligently attempts to remedy such default or breach and thereafter prosecutes and completes the same with reasonable due diligence and dispatch.

10.2 **Unified Government Event of Default.** Except as further provided herein, and subject to Section 10.5, a "**Unified Government Event of Default**" shall mean a material default in the performance of any obligation or breach of any other covenant or agreement of the Unified Government in this Agreement (other than a covenant or agreement, a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of thirty (30) days after there has been given to the Unified Government by Developer a written notice specifying such default or breach and requiring it to be remedied; provided, however, that if such default or breach cannot be fully remedied within such thirty (30) day period, but can reasonably be expected to be fully remedied and the Unified Government is diligently attempting to remedy such default or breach, such default or breach shall not constitute a Unified Government Event of Default if the Unified Government immediately, upon receipt of such notice, diligently attempts to remedy such default or breach and thereafter prosecutes and completes the same with due diligence and dispatch.

10.3 Remedies upon a Developer Event of Default.

A. Upon the occurrence and continuance of a Developer Event of Default, the Unified Government will have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(1) The Unified Government will have the right to terminate this Agreement, in which event the Unified Government will have no obligation to reimburse Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer, provided, that the Unified Government will nevertheless continue to have the obligation to pay and/or reimburse Developer for any Project Costs for which Developer has, previous to such termination, submitted to the Unified Government, pursuant to Section 5 of this Agreement, which obligation to reimburse will survive the termination of this Agreement; or

(2) The Unified Government may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the performance of the duties and obligations of Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the Unified Government under this Agreement or otherwise existing at law or in equity and to recover any actual damages incurred by the Unified Government resulting from such Developer Event of Default; provided, however, that the maximum amount of damages shall be the amount of disbursements from the CID Sales Tax Fund paid to the Developer and in no event will the Unified Government be entitled to any special, consequential, or punitive damages, including without limitation lost tax revenues or lost profits, for any action arising from this Agreement or the transactions contemplated hereby.

B. If the Unified Government has instituted any proceeding to enforce any right or remedy under this Agreement by suit or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Unified Government, then and in every case, the Unified Government and Developer will, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the Unified Government will continue as though no such proceeding had been instituted.

C. The exercise by the Unified Government of any one remedy will not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by the Unified Government will apply to obligations beyond those expressly waived.

D. Any delay by the Unified Government in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section will not operate as a waiver or limitation of such rights in any way. No waiver in fact made by the Unified Government of any specific default by Developer will be considered or treated as a waiver of the rights with respect to any other default, or with respect to the particular default except to the extent specifically waived.

10.4 Remedies upon a Unified Government Event of Default.

A. Subject to Developer's right to remedy or cure, upon the occurrence and continuance of a Unified Government Event of Default Developer will have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(1) Developer will have the right to terminate Developer's obligations under this Agreement; and

(2) Developer may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the performance of the duties and obligations of the Unified Government as set forth in this Agreement, to enforce or preserve any other rights or interests of Developer under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by Developer resulting from such Unified Government Event of Default; provided, however, that in no event will Developer be entitled to any special, consequential, or punitive damages, including without limitation lost tax revenues or lost profits, for any action arising from this Agreement or the transactions contemplated hereby.

B. If Developer has instituted any proceeding to enforce any right or remedy under this Agreement by suit or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to Developer, then and in every case, Developer and the Unified Government will, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of Developer shall continue as though no such proceeding had been instituted.

C. The exercise by Developer of any one remedy will not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by Developer will apply to obligations beyond those expressly waived.

D. Any delay by Developer in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this paragraph will not operate as a waiver or limitation of such rights in any way. No waiver in fact made by Developer of any specific default by Developer will be considered or treated as a waiver of the rights with respect to any other defaults, or with respect to the particular default except to the extent specifically waived.

10.5 Excusable Delays. Neither the Unified Government nor Developer shall be deemed to be in default of this Agreement because of an Excusable Delay.

10.6 Legal Actions. Any legal actions related to or arising out of this Agreement shall be instituted in the District Court of Wyandotte County, Kansas or, if federal jurisdiction exists, in the United States District Court for the District of Kansas.

11 GENERAL PROVISIONS

11.1 Mutual Assistance. The Unified Government and Developer agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be reasonably necessary or appropriate to carry out the terms, provisions and intent of this Agreement and to reasonably aid and assist each other in carrying out said terms, provisions and intent.

11.2 Effect of Violation of the Terms and Provisions of this Agreement; No Partnership. The Unified Government is deemed the beneficiary of the terms and provisions of this Agreement, for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. The Agreement will run in favor of the Unified Government, without regard to whether the Unified Government has been, remains or is an owner of any land or interest therein in the Project or the District. If this Agreement or the covenants herein are breached, the Unified Government will have the right, subject to **Section 10** hereof, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants may be entitled. Nothing contained herein shall be construed as creating a partnership between Developer and the Unified Government.

11.3 Time of Essence. Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

11.4 Amendments. This Agreement may be amended only by the mutual consent of the Parties, as provided by law, and by the execution of a written amendment by the Parties or their successors in interest.

11.5 Agreement Controls. The Parties agree that the Project will be implemented as agreed in this Agreement. This Agreement specifies the rights, duties and obligations of the Unified Government and Developer with respect to constructing the Project, the payment of Project Costs and all other methods of implementing the Project. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.

11.6 Conflicts of Interest.

A. No member of the Unified Government's governing body or of any branch of the Unified Government's government that has any power of review or approval of any of Developer's undertakings shall participate in any decisions relating thereto which affect such person's personal interest or the interests of any corporation or partnership in which such person is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Unified

Government the nature of such interest and seek a determination with respect to such interest by the Unified Government and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

B. Developer warrants that it has not paid or given and will not pay or give any officer, employee or agent of the Unified Government any money or other consideration for obtaining this Agreement. Developer further represents that, to its best knowledge and belief, no officer, employee or agent of the Unified Government who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision making process or gain insider information with regard to the Project, has or will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project, or in any activity, or benefit there from, which is part of the Project at any time during or after such person's tenure.

11.7 Term. Unless earlier terminated as provided herein, this Agreement shall remain in full force and effect and terminate upon the last day of the CID Collection Period. If this Agreement (or Developer's right to reimbursement of Project Costs with CID Sales Tax Revenue) is terminated prior to expiration of the CID Collection Period, the UG shall promptly terminate the CID and collection of the CID Sales Tax within the District in accordance with Applicable Laws and Requirements, notwithstanding anything herein to the contrary.

11.8 Validity and Severability. It is the intention of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of the State of Kansas, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

11.9 Required Disclosures. Developer shall immediately notify the Unified Government of the occurrence of any material event which would cause any of the information furnished to the Unified Government by Developer in connection with the matters covered in this Agreement to contain any untrue statement of any material fact or to omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

11.10 Tax Implications. Developer acknowledges and represents that (1) neither the Unified Government nor any of its officials, employees, consultants, attorneys or other agents has provided to Developer any advice regarding the federal or state income tax implications or consequences of this Agreement and the transactions contemplated hereby, and (2) Developer is relying solely upon its own tax advisors in this regard.

11.11 Authorized Parties. Whenever under the provisions of this Agreement and other related documents, instruments or any supplemental agreement, a request, demand, approval, notice or consent of the Unified Government or Developer is required, or the Unified Government or Developer is required to agree or to take some action at the request of the other Party, such approval or such consent or such request shall be given for the Unified

Government, unless otherwise provided herein, by the Unified Government Representative and for Developer by any officer of Developer so authorized; and any person shall be authorized to act on any such agreement, request, demand, approval, notice or consent or other action and neither Party shall have any complaint against the other as a result of any such action taken. The Unified Government Representative may seek the advice, consent or approval of the Unified Government Commission before providing any supplemental agreement, request, demand, approval, notice or consent for the Unified Government pursuant to this Section.

11.12 Notice. All notices and requests required pursuant to this Agreement must be sent as follows:

To the Unified Government:

Unified Government Clerk
Municipal Building
701 North 7th Street
Kansas City, KS 66101
E-mail: bdeichler@wycokck.org

With a copy to:

Chief Counsel
Legal Department
Municipal Building
701 North 7th Street
Kansas City, KS 66101

To Developer:

Legends Hotel, LLC
Attn: Vimal Ranat
11921 Gillette Street
Overland Park, KS 66213
E-mail: vimalranat@gmail.com
rubin.ranat@gmail.com

With a copy to:

Josh Hill
Foulston Siefkin LLP
9225 Indian Creek Parkway
Suite 60
Overland Park, KS 66210

or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof, or by reputable overnight courier service. Mailed notices shall be deemed effective on the third day after mailing (or, in the case of overnight delivery, on the next business day); all other notices shall be effective when delivered. Notice may also be delivered by e-mail and when sent to the appropriate e-mail address(es) will be deemed effective on the business day delivered as evidenced by the delivery confirmation receipt retained by the sender, unless given after 5:00 p.m. in the receiving location, in which case such receipt shall be the next business day, provided that any emailed notice purporting to either terminate this Agreement or provide notice of an asserted failure, breach or default must be followed by a hard copy thereof given by one of the foregoing methods within one (1) business day thereafter unless receipt of such hard copy is expressly waived by a reply email from the recipient party in response to such notice email.

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

11.14 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

11.15 Consent or Approval. Except as otherwise provided in this Agreement, whenever the consent, approval or acceptance of either Party is required hereunder, such consent, approval or acceptance shall not be unreasonably withheld, conditioned or unduly delayed.

11.16 Cash Basis Law. This Agreement is subject to the Kansas Cash Basis Law, K.S.A. 10-1101 et seq. and amendments thereto. This Agreement shall be construed and interpreted so as to ensure that the Unified Government shall at all times stay in conformity with such laws. Seller is obligated to only make payments under the Agreement as may lawfully be made from: (a) funds budgeted and appropriated for that purpose during the Unified Government's current budget year; or (b) funds made available from any lawfully operated revenue producing source.

THIS AGREEMENT has been executed as of the Effective Date.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ______________________________
Name: David G. Alvey
Title: Mayor/CEO
Date: ______________________________

ATTEST:

By: ______________________________
Unified Government Clerk

(Seal)

LEGENDS HOTEL, LLC,
a Kansas limited liability company

By: ______________________________
Name: ____________________________
Title: _____________________________

ACKNOWLEDGMENT

STATE OF ________________)
) SS.
COUNTY OF ______________)

BE IT REMEMBERED, that on this _____ day of ____________________, 2020, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _______________, _____ __________________________ of Legends Hotel, LLC, a Kansas limited liability company, who is personally known to me to be the same person who executed, in such capacity, the within instrument on behalf of and with the authority of said limited liability company, and such person duly acknowledged the execution of the same to be the free act and deed of said limited liability company.

WITNESS my hand and official seal.

____
Notary Public

My commission expires:

____

EXHIBIT A

Legal Description of District

Lot 8-B SCHLITTERBAHN VACATION VILLAGE 4^{TH} PLAT and Lot B, SCHLITTERBAHN VACATION VILLAGE 4^{TH} PLAT

<u>EXHIBIT B</u>

Map Depiction of District

EXHIBIT C

CID Petition

[ATTACHED]

PETITION FOR THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT

To: Board of Commissioners,
Unified Government of Wyandotte County / Kansas UG, Kansas

The undersigned ("**Petitioner**"), the soon-to-be owner of record, whether resident or not, of the following:

1. More than fifty-five (55%) of the land area contained within the hereinafter described community improvement district; and

2. More than fifty-five (55%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petitions the Unified Government of Wyandotte County/ Kansas UG, Kansas (the "**UG**") to create a Community Improvement District ("**CID**") and authorize the proposed CID project (the "**CID Project**") hereinafter set forth, all in the manner provided by K.S.A § 12-6a26, *et seq.* (the "**Act**"). In furtherance of such request, the Petitioner states as follows:

1. **GENERAL NATURE**

The general nature of the CID Project is as follows:

The acquisition of an approximately 2+/- acre tract of real property located generally at the Southeast corner of the intersection of 98th Street and Parallel Parkway in Kansas City, Kansas, and development and redevelopment thereof to consist of some or all of the following uses, without limitation: hotel uses, retail uses and any other commercial structure or use (including but not limited to residential, office, restaurant, non-profit, governmental, or community use), and including such associated site work, infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), other associated and appurtenant structures and facilities, and any other items allowable under the Act.

2. **ESTIMATED COST**

The estimated cost of the CID Project is $10,865,500, including any principal payments in connection with any loan obtained by Petitioner (or its successors in title) for the purpose of financing eligible CID costs, plus any financing costs such as interest on reimbursable amounts, any fees or expenses of the UG in connection with such CID Project, and costs of issuance of bonds or notes hereunder, if any. See **EXHIBIT A**, attached hereto, for a general budget of the

CID Project. Additionally, ongoing costs associated with the operations, maintenance, and upkeep of property located within the boundaries of the CID Project shall be eligible for reimbursement. Notwithstanding anything in this petition to the contrary, only eligible CID costs as set forth in the Act shall be reimbursable under the CID Project.

3. **PROPOSED METHOD OF FINANCING**

The costs of the CID Project will be financed on a pay-as-you-go basis with reimbursements from revenues available from the community improvement sales tax in the CID. The CID Project may be financed with the sale of special obligation bonds or notes issued by the UG, as permitted by market conditions and other conditions to be agreed upon by the Petitioner (or its successors in title) and the UG, and if issuance of such bonds is approved by the governing body of the UG. However, Petitioner is not seeking the issuance of full faith and credit bonds.

4. **PROPOSED METHOD AND AMOUNT OF ASSESSMENT**

Petitioner does not propose that the CID Project be financed through the levying of assessments.

5. **PROPOSED AMOUNT OF SALES TAX**

Petitioner proposes that the CID Project be financed through the levying of an add-on sales tax in the amount of one and one-half percent (1.50%) as authorized by the Act.

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

A map showing the general proposed boundaries of the CID is attached hereto at **EXHIBIT B**.

The legal description of the CID is attached hereto at **EXHIBIT C**.

7. **NOTICE TO PETITION SIGNERS**

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

8. SEVERABILITY

If any provision of this Petition shall be held or determined to be invalid, inoperative or unenforceable as applied in any particular case, or in all cases, because it conflicts with any other provision or provisions of this Petition or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision contained in this Petition invalid, inoperative or unenforceable to any extent whatsoever.

IN WITNESS WHEREOF, the undersigned Petitioner has executed the above foregoing Petition to create the CID on the date set forth below:

LEGEND HOTEL, LLC,
a Kansas limited liability company

By: LEISURE HOSPITALITY, LLC,
a Kansas limited liability company, its Manager

By: VRat
Name: Vimal Ranat
Title: Member
Date: July 23, 2021

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Johnson)

BE IT REMEMBERED, that on this 23 day of July, 2021 before me, the undersigned, a Notary Public in and for said County and State, came Vimal Ranat who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

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

(Seal)

MAURICIO TORMEN
Notary Public - State of Kansas
My Appointment Expires 3-9-2025

Notary Public in and for said County and State

My Commission Expires:

3-9-2025

EXHIBIT A

General Budget of CID Project

Improvement Category	Estimated Cost
Land Acquisition	$341,000
Hard Construction Costs	$7,430,000
Soft Costs	$2,794,500
Contingency	$300,000
TOTAL ESTIMATED PROJECT COSTS	$10,865,500

NOTE: Amounts listed above are cost estimates for project components and do not include associated financing costs, such as interest. Petitioner requests that reimbursement be made from the CID Revenue Fund for actual costs incurred related to cost categories listed above, including associated financing costs, such as interest and any costs associated with the City's administrative fees and expenses to be more specifically set forth in the Development Agreement, all subject to the reimbursement cap as set forth in the Development Agreement. Amounts set forth herein are estimates only, and Petitioner (and its successors in title) reserves the right to adjust the amounts paid in each cost category in Petitioner's (and it's successors in title) discretion, provided that all costs reimbursed hereunder shall be subject to the provisions of the Kansas CID ACT.

EXHIBIT B

Map of Community Improvement District

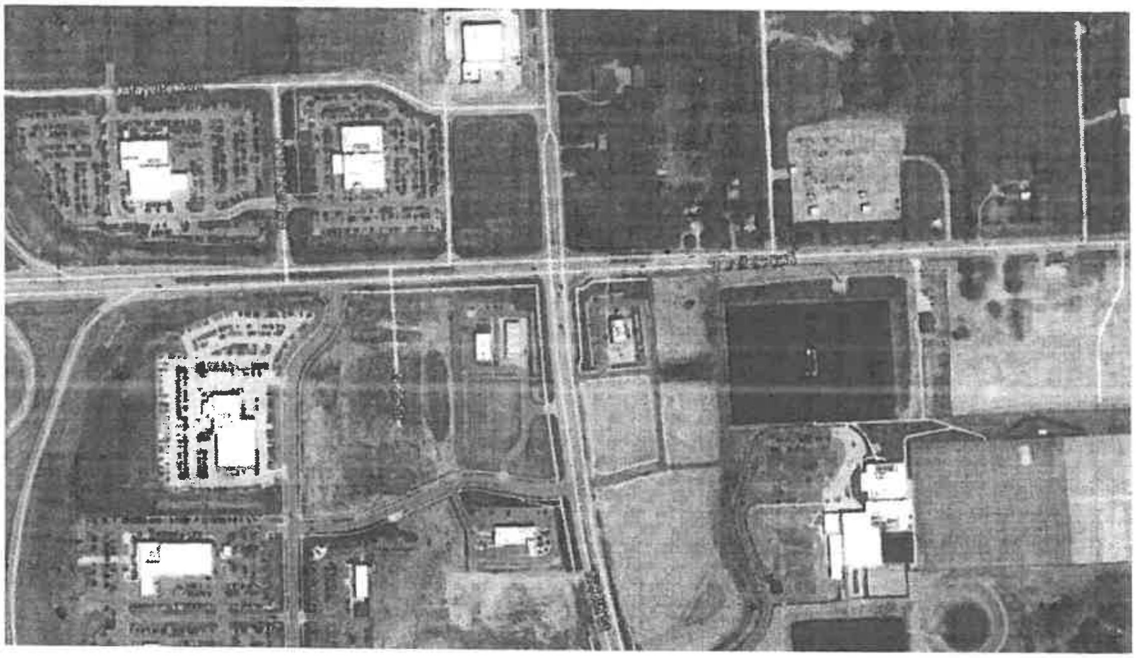

EXHIBIT C

Legal Description of Community Improvement District

All of Lot 8-B and Tract B, together with part of Lot 8-D, all of Schlitterbahn Vacation Village, Fourth Plat, a subdivision in Kansas City, Wyandotte County, Kansas, recorded as Document 2017R-07693, all lying in the Fractional North Half of Section 1, Township 11 South, Range 23 East, described as follows:

BEGINNING at the Northeast corner of Lot 8-B of Schlitterbahn Vacation Village, Fourth Plat, a subdivision in Kansas City, Wyandotte County, Kansas; thence South 04 degrees 31 minutes 11 seconds East, on the East line of said Lot 8-B, and on the East lines of Tract B and Lot 8-D, both of said Schlitterbahn Vacation Village, Fourth Plat, a distance of 508.48 feet to a point; thence South 85 degrees 28 minutes 49 seconds West, departing said East line, a distance of 160.37 feet to a point on the West line of said Lot 8-D; thence North 07 degrees 29 minutes 33 seconds West, on the West line of said Lot 8-D, a distance of 12.02 feet to a point of curvature; thence in a Northerly direction, continuing on said West line and on a curve to the right, having a radius of 2000.00 feet, through a central angle of 2 degrees 19 minutes 50 seconds, an arc distance of 81.35 feet to a point of tangency; thence North 05 degrees 09 minutes 43 seconds West, continuing on said West line, and on the West line of said Tract B and Lot 8-B, a distance of 422.62 feet to the Northwest corner of said Lot 8-B; thence North 88 degrees 01 minute 07 seconds East, on the North line of said Lot 8-B, a distance of 6.85 feet to a point; thence North 88 degrees 00 minutes 23 seconds East, continuing on said North line, a distance of 161.61 feet to the POINT OF BEGINNING, containing 84,639 Square Feet or 1.9430 Acres, more or less.

EXHIBIT D

CID Ordinance No. O-____-20

[ATTACHED]

Staff Request for Commission Action

Tracking No. 211079

Full Commission Meeting Date: 10/28/21

Committee: Economic Development & Finance

Date of Standing Committee Action: 10/11/21 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
9/29/2021	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

This Resolution would waive fees associated with new construction of single-family homes and duplexes on vacant properties east of 78th Street for two years in order to spur new development, submitted by Katherine Carttar, Director of Economic and Development.

Action Requested:
Adopt the resolution

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

Attachments List:
Resolution Approving Waiving of Infill Housing Fees

RESOLUTION NO. R-_______________

A RESOLUTION APPROVING THE WAIVING OF CERTAIN FEES RELATED TO INFILL HOUSING EAST OF 78TH STREET IN KANSAS CITY, KANSAS

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas ("Unified Government") believes that it is essential to stimulate the development of residential housing for the benefit of the community and to raise the tax base; and

WHEREAS, the Unified Government believes that it is especially important to stimulate the development of new infill residential housing on vacant lots in the urban areas of Kansas City, Kansas; and

WHEREAS, in order to promote the construction of new infill housing on vacant lots east of 78th Street, the Unified Government believes that it is necessary and desirable to waive certain fees related to new construction.

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

Section 1. That the following fees (as they may be amended from time to time) are waived for a period of two (2) years from the date of this Resolution for any new residential (single-family and duplexes) infill housing east of 78th Street in Kansas City, Kansas where existing sewer systems are already in place:

a. Building Permit Fee - $400 for homes 3,000 sf or less and $450 for homes over 3,000 sf
b. Electrical Permit Fee - $70 (average)
c. Mechanical Permit Fee - $70 (average)
d. Plumbing Permit fee - $70 (average)
e. Driveway Permit fee - $55
f. Sewer Connection Fee - $960
g. Lateral Sewer Connection Fee - $500

Section 2. That the provisions of this Resolution shall not apply to new subdivisions and other areas of the City where existing sewer connections have not already been built.

Section 3. That Unified Government staff is directed to track key performance indicators to measure the success of the fee waivers, including: (1) the number of homes built; (2) population count; (3) the number of new commercial developments in the area, and (4) crime rate statistics.

Section 4. That the County Administrator, Economic Development Director, Director of the Neighborhood Resource Center, the Director of Public Works and all other employees and agents of the Unified Government are authorized to take all actions and to approve all instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 5. This Resolution will take effect and be in full force from and after its passage by the Board of Commissioners.

ADOPTED BY THE BOARD OF COMMISSIONERS OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, THIS _________ DAY OF OCTOBER 2021.

Attest:

____
Unified Government Clerk

Staff Request for Commission Action

Tracking No. 211075

Full Commission Meeting Date: N/A
Committee: Economic Development & Finance

Date of Standing Committee Action: 10/11/2021 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
9/28/2021	Reginald Lindsey	x5292	rlindsey@wycokck.org	Finance

Item Description: Second Quarter Budget Revision Report is provided for informational purposes only. No action is required.
Action Requested: For information only.
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: 2nd Quarter 2021 Summary of Budget Revisions

BUDGET REVISIONS GREATER THAN $50,000 - 2ND QUARTER 2021 *(For information only)*

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	Special Parks & Recreation	Parks & Recreation	Capital/Operating	Add budget authority for prior year encumbrance that was canceled	Inside Department	$45,000	April 5, 2021
2	County General	Community Corrections	Operating	Add budget authority for prior year encumbrance that was canceled	Outside Department	$13,684	April 12, 2021
3	Tourism	Parks & Recreation	Operating	Sunflower Hills Golf Course Study	Outside Department	$30,000	May 7, 2021
4	Tourism	Transit	Operating	RideKC Bike Share Program Maintenance	Outside Department	$30,000	May 7, 2021
5	Dedicated Sales Tax	Fire	Capital/Operating	Fire Station Maintenance	Outside Department	$140,000	May 27, 2021
6	County General	General Services	Operating	Legal Publications	Outside Department	$40,000	June 11, 2021
7	City General	Legal	Operating	Legal Cost	Outside Department	$340,000	July 2, 2021
				GRAND TOTAL		**$638,684**	

Staff Request for Commission Action

Tracking No. 211078

Full Commission Meeting Date: NA
Committee: Economic Development & Finance

Date of Standing Committee Action: 10/11/2021 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
9/29/2021	Kathleen VonAchen	x5186	kvonachen@wycokck.org	Finance

Item Description:
Second Quarter Budget to Actuals Report is provided for informational purposes only. No action is required.

Action Requested:
For Information Only.

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

Attachments List:
Second Quarter Budget to Actuals Report

QUARTERLY FINANCIAL REPORT

Second Quarter 2021 Budget to Actuals Trend Analysis

This document has been prepared by the Finance department.
Please direct any inquiries to the Budget Director, Reginald Lindsey at 913-573-5292

Contributing Staff

Kathleen VonAchen	CFO
Deborah Jonscher	Deputy CFO
Reginald Lindsey	Budget Director
Michael Peterson	Assistant Budget Manager
Judi Her	Budget Analyst
Claudia O'Connell	Budget Analyst
Alyse Villarreal	Debt Coordinator

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Quarterly Financial Report

Second Quarter of 2021

The Unified Government has completed the second quarter of the 2021 fiscal year which began in January 2021. This report summarizes the activities of the General Funds, and is not meant to be inclusive of all financial transactions. We hope this report provides our residents with an overview of the Unified Government's financial performance.

The General Funds consist of the City General Fund, the County General Fund, and the Consolidated Parks Fund. They are the primary operating funds of the Unified Government and are used to account for a majority of operating activities. Other large funds, such as the Emergency Medical Services Fund, Dedicated Sales Tax Fund, Sewer Enterprise Fund and the Street & Highway Fund, account for a good portion of the remaining financial activities.

The total 2021 Amended Budget is $389.8M which consists of $238.1M for the General Funds, $49.7M for Other Tax Levy Supported Funds and $102M for Non-Tax Levy Supported Funds. The General Fund Budget does not include the annual appropriation for debt service contingency of $10.3M.

This report focuses on the General Funds. Financial performance of all other funds may be found on the last page.

CONSOLIDATED GENERAL FUND BALANCE

In measuring financial performance, it is recommended to review the collections and spending of resources through the current period and compare this information with the prior fiscal year for the same period. The following table is the financial overview of the Consolidated General Fund for the second quarter period of 2021 in comparision to the same prior year period in 2020. This data includes all three general funds.

CONSOLIDATED GENERAL FUND	FY 2020			FY 2021		
numbers in 000's	Budget	2nd Qtr YTD Actual	% of budget	Budget	2nd Qtr YTD Actual	% of budget
Revenues	$ 202,109	$ 130,703	64.7%	$ 246,322	$ 144,012	58.5%
Expenditures	$ 214,869	$ 102,326	47.6%	$ 235,669	$ 110,632	46.9%
Net Alloc & Transfers	$ 1,910	$ 473	24.8%	$ (212)	$ 167	-78.5%
Net Change	$ (10,850)	$ 28,850		$ 10,440	$ 33,548	
Balance, Start of Year	$ 27,963	$ 27,963		$ 31,006	$ 31,006	
Balance Year-to -Date	$ 17,113	$ 56,812		$ 41,446	$ 64,553	

Table 1: Consolidated General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance

- Revenue collections are 6.2% lower than prior year as a percent of the budget. 2020 revenue budgets and actuals were reduced beginning in the second quarter due to the impact of the COVID pandemic. Year to date collections are up 10.2% or $13.3M from the 2020 2nd quarter. Revenue includes $21M of revenue loss reimbursement to the general funds through the American Recovery Plan Act (ARPA).
- Expenditures for the 2021 budget anticipate a return of service levels after significant reductions in 2020 for COVID. Second quarter expenditures are in line with prior expenditures as a percent of budget. Year to date expenditures are up $8.3M from the prior year for the same period.
- The beginning fund balances are on a cash basis and the actual beginning balances are updated based on the comprehensive annual financial report for the prior year.
- The General Fund's Revenues and Expenditures do not include the annual appropriation for debt service contingency of $10.3M.

CITY GENERAL FUND REVENUES

The City General Fund is the principal operating account of Kansas City, KS. Revenue is received from taxes, fees, intergovernmental revenue, charges for services, and other sources. The General Fund is used to support general operations, including Police, Fire, Municipal Court, Public Works, general services functions and administrative programs. City General Fund revenues are also used to finance the purchase of equipment and capital projects not financed with debt.

City General Fund Revenues *numbers in 000s*	2021 Amended	2021 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 25,800	$ 25,169	97.6%
Sales Tax	$ 49,631	$ 23,674	47.7%
Other Tax	$ 50,171	$ 25,221	50.3%
Permits/Licenses	$ 1,202	$ 595	49.5%
Intergovernmental Revenues	$ 18,964	$ 647	3.4%
Charges for Service	$ 12,318	$ 6,032	49.0%
Fines, Forfeits, Fees	$ 2,598	$ 1,159	44.6%
Misc. & Transfers-In	$ 6,134	$ 2,365	38.6%
Total	**$ 166,819**	**$ 84,862**	**50.9%**

Table 2: City General Fund YTD Revenues as a % of Budget

City General Fund revenue collected through the second quarter are 0.9% higher than budget targets. *Table 2* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 3* shows that collected revenues are 2.4% above revenues collected for the same period last year with increases for tax revenues offsetting reduced revenues from permits/licenses, charges for services and fines, forfeits, fees.

Tax Revenue collections exceeded second quarter projections by 9%. 97.6% of projected property tax revenues are collected with tax payments due. Sales and use tax revenues total $23.7M and are 2.3% below target. Other taxes ended the quarter in line with targeted projections.

Permits & Licenses collections include landlord rental licenses and right-of-way permits. Collections are in line with projected revenues for the year and prior year collections for the quarter.

Intergovernmental Revenues includes $18.1M in ARPA revenue replacement and COVID FEMA reimbursements. Revenue was not booked in the 2nd Quarter.

City General Fund Revenues *numbers in 000s*	2020 2nd Qtr YTD Actual	2021 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 23,153	$ 25,169	$ 2,016
Sales Tax	$ 20,316	$ 23,674	$ 3,358
Other Tax	$ 25,308	$ 25,221	$ (87)
Permits/Licenses	$ 585	$ 595	$ 10
Intergovernmental Revenues	$ 650	$ 647	$ (3)
Charges for Service	$ 5,046	$ 6,032	$ 986
Fines, Forfeits, Fees	$ 963	$ 1,159	$ 196
Misc. & Transfers-In	$ 4,183	$ 2,365	$ (1,818)
Total	**$ 80,203**	**$ 84,862**	**$ 4,658**

Table 3: City General Fund Revenues Year to Year Comparison

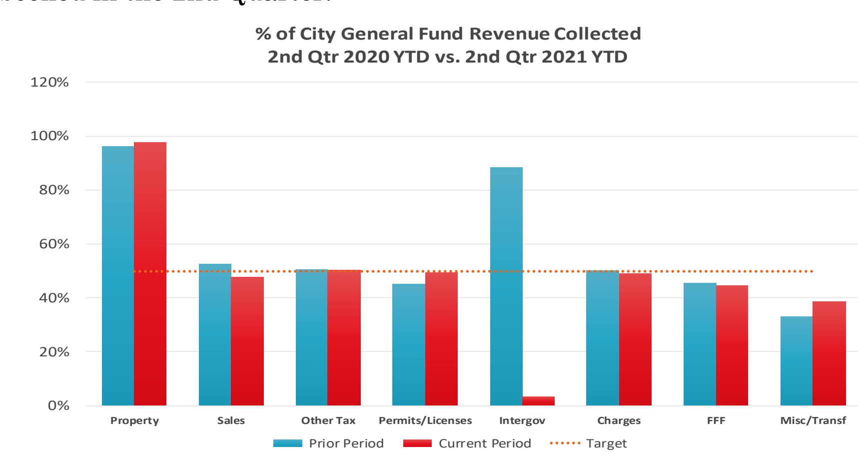

Figure 1: City General Fund Prior Year vs. Current Year

Charges for Service including residential trash fees and building inspection fees ended the quarter 1% below target but 19.5% above prior year levels. Building inspection charges make up 13.8% of revenues and are 220% above prior year levels.

Fines, Forfeits, Fees include Municipal Court revenue and are 5.4% below the projections for the quarter. Penalties for Development Agreements make up 28.8% of this category and are 9.7% below target.

Misc. & Transfers-In ended 11.4% below projected revenues due to an additional 1% casino contribution collecting no revenue as of the second quarter. This revenue source makes up 22.8% of this category.

CITY GENERAL FUND EXPENDITURES

City General Fund Expenditures *numbers in 000s*	2021 Amended Budget		2021 2nd Qtr YTD Actual		% of Budget
Personnel	$	114,213	$	52,863	46.3%
Services	$	30,754	$	16,216	52.7%
Supplies	$	4,224	$	1,677	39.7%
Grants, Claims	$	5,386	$	1,956	36.3%
Misc. & Transfers-Out	$	1,399	$	125	8.9%
Capital Outlay	$	3,105	$	873	28.1%
Total	**$**	**159,080**	**$**	**73,709**	**46.3%**

Table 4: City General Fund YTD Expenditures as a % of Budget

Personnel expenditures ended the quarter 3.7% below target. The trend reflects additional funding built into the amended budget for anticipated contract obligations and difficulty in hiring and retention through the second quarter.

Services expenses ended 2.7% higher than the second quarter target. Significant increases in 2021 include $4.8M built in for the Health Dept to continue COVID efforts from prior year savings and $1.4M built in for the Fleet Internal Service Fund.

Supplies ended the quarter 10.3% below target, with the most notable savings being in clothing expenses ending the second quarter at 14% of expenditures for the year.

Grants, Claims ended the quarter 13.7% below projections. This is due to additional funding built in for the year in legal claims/judgements. The largest item in this category is the parks fund annual allocation of $3.27M, 60.7% of the budget allocation.

City General Fund Expenditures *numbers in 000s*	2020 2nd Qtr YTD Actual		2021 2nd Qtr YTD Actual		Increase/ Decrease	
Personnel	$	52,960	$	52,863	$	(97)
Services	$	9,556	$	16,216	$	6,660
Supplies	$	2,135	$	1,677	$	(458)
Grants, Claims	$	2,126	$	1,956	$	(170)
Misc. & Transfers-Out	$	125	$	125	$	-
Capital Outlay	$	981	$	873	$	(108)
Total	**$**	**67,883**	**$**	**73,709**	**$**	**5,827**

Table 5: City General Fund Expenditures Year to Year Comparison

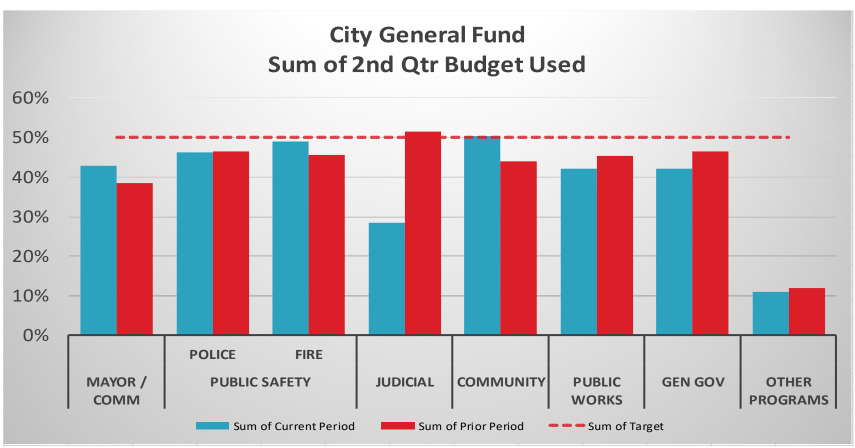

Figure 2: City General Fund Dept. Expenditures as a % of Budget

Misc & Transfers-Out ended the quarter at 8.9% of budget expended. 47% of this budget is contingencies and reserves that would be transfered to other categories if needed.

Capital Outlay spend rate ended the the quarter below target at 28.1% of budget. $1.7M in additional CMIP was built into the amended budget for 2021 due to better than anticipated fund performance in 2020 and American Recovery Plan Act (ARPA) revenue replacement funds that could be used in the city. This funding was not available for spending in the second quarter.

City departments are overall in line with budgeted expenditures. Community departments are at the quarterly target due to additional funding that was allocated to the Health Department within the City General Fund for continued COVID efforts in 2020 fund savings and with mowing contracts in Parks and Recreation being encumbered at the beginning of the year for vacant lot mowing.

COUNTY GENERAL FUND REVENUES

The County General Fund is the principal operation account of Wyandotte County. Revenue is received from taxes, fees, intergovernmental revenue, charges for services, and other sources. The County General Fund is used to support general operations including Emergency Management, Sheriff, Emergency Dispatch, Court programs, Public Works, general services functions, and administrative programs. County General Fund revenues are also used to finance the purchase of capital equipment and capital projects which are not debt financed.

County General Fund Revenues *numbers in 000s*	2021 Amended Budget	2021 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 42,730	$ 41,694	97.6%
Sales Tax	$ 7,884	$ 3,814	48.4%
Other Tax	$ 9,399	$ 5,698	60.6%
Permits/Licenses	$ 1,116	$ 475	42.6%
Intergovernmental Revenues	$ 6,200	$ 26	0.4%
Charges for Service	$ 1,185	$ 598	50.4%
Fines, Forfeits, Fees	$ 3,160	$ 1,668	52.8%
Misc. & Transfers-In	$ 3,528	$ 2,081	59.0%
Total	**$ 75,201**	**$ 56,053**	**74.5%**

Table 6: County General Fund YTD Revenues as a % of Budget

County General Fund revenue ended the second quarter of 2021 24.5% above budgeted revenue targets and 12.5% higher than prior year levels. *Table 6* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 7* shows where revenues are trending in comparison to the same period last year.

Tax Revenue collections are 35.3% above the 2021 target budget, 10.9% above revenue received in the same quarter of the prior year due with both property tax payments due. Sales Tax ended the quarter 1.6% below target. Other Tax revenue, including motor vehicle and delinquent tax, ended 10.6% above projections. Casino revenues ended 5.9% below the second quarter target.

County General Fund Revenues *numbers in 000s*	2020 2nd Qtr YTD Actual	2021 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 38,376	$ 41,694	$ 3,318
Sales Tax	$ 3,260	$ 3,814	$ 554
Other Tax	$ 4,531	$ 5,698	$ 1,167
Permits/Licenses	$ 396	$ 475	$ 79
Intergovernmental Revenues	$ 25	$ 26	$
Charges for Service	$ 769	$ 598	$ (171)
Fines, Forfeits, Fees	$ 1,107	$ 1,668	$ 560
Misc. & Transfers-In	$ 1,352	$ 2,081	$ 729
Total	**$ 49,817**	**$ 56,053**	**$ 6,237**

Table 7: County General Fund Revenues Year to Year Comparison

Permits & Licenses are 8.4% below target for the quarter. This category consists of Auto Licenses, Auto License Fees and Antique Vehicle Licensing.

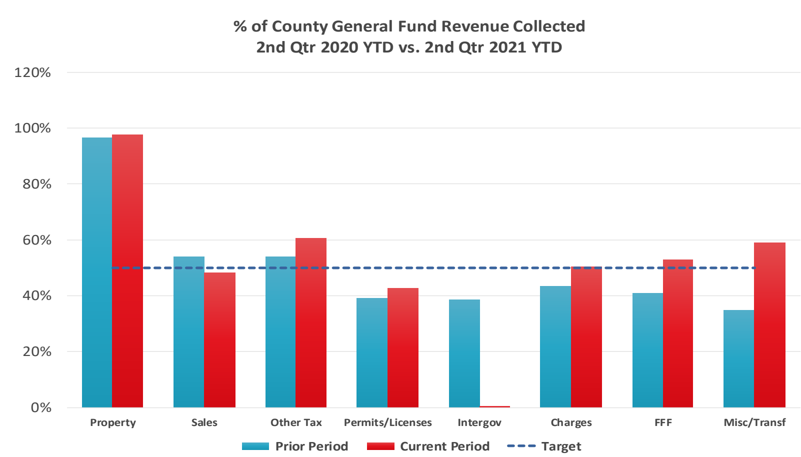

Figure 3: County General Fund Prior Year vs. Current Year

Charges for Service collections are in line with the target for the quarter. Jail Fees make up 58% of the amended budget and are down due to changes in detention bookings due to COVID.

Fines, Forfeits, Fees include officer fees, treasurer fees, and development agreement penalties; collections are 2.8% above quarterly targets.

Intergovernmental Revenues consist primarily of $6.1M in ARPA revenue replacement due to COVID shortfalls. This revenue was not booked as of the 2nd Quarter.

Miscellaneous Revenue ended 2020 in line with targets for the quarter with interest revenue on delinquent taxes and miscellaneous reimbursement revenues

COUNTY GENERAL FUND EXPENDITURES

County General Fund Expenditures *numbers in 000s*	2021 Amended Budget	2021 2nd Qtr YTD Actual	% of Budget
Personnel	$ 48,631	$ 23,824	49.0%
Services	$ 16,343	$ 8,731	53.4%
Supplies	$ 2,038	$ 679	33.3%
Grants, Claims	$ 1,177	$ 360	30.6%
Misc. & Transfers-Out	$ 1,993	$ 836	42.0%
Capital Outlay	$ 2,314	$ 352	15.2%
Total	**$ 72,497**	**$ 34,782**	**48.0%**

Table 9: County General Fund YTD Expenditures as a % of Budget

Personnel expenditures ended the quarter 1% below target with overtime, above target by 36%, offsetting vacancy savings in personnel.

Services are 3.4% above target for the quarter. External prisoner housing, and prisoner medical contracts make up 32% of the contractual budget for the county general fund. Funding for inmate medical contracts is obligated at the beginning of the year.

Supplies ended the quarter 16.7% below budget targets. Major expenses paid in this category are natural gas, fuel and office supplies/equipment. Fuel ended the quarter 7.6% below target and misc. supplies spending is 26.6% below target for the quarter.

Grants, Claims ended the quarter 19.4% below target. Significant items in this category include Legal Claims and Judgements, with minimal year to date spending, Grants, 43.87% of budget expended, and Tax Rebates, paid out at the end of the year.

County General Fund Expenditures *numbers in 000s*	2020 2nd Qtr YTD Actual	2021 2nd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 22,030	$ 23,824	$ 1,794
Services	$ 8,126	$ 8,731	$ 606
Supplies	$ 667	$ 679	$ 12
Grants, Claims	$ 711	$ 360	$ (352)
Misc. & Transfers-Out	$ 2,540	$ 836	$ (1,704)
Capital Outlay	$ 171	$ 352	$ 181
Total	**$ 34,245**	**$ 34,782**	**$ 536**

Table 10: County General Fund Expenditures Year to Year Comparison

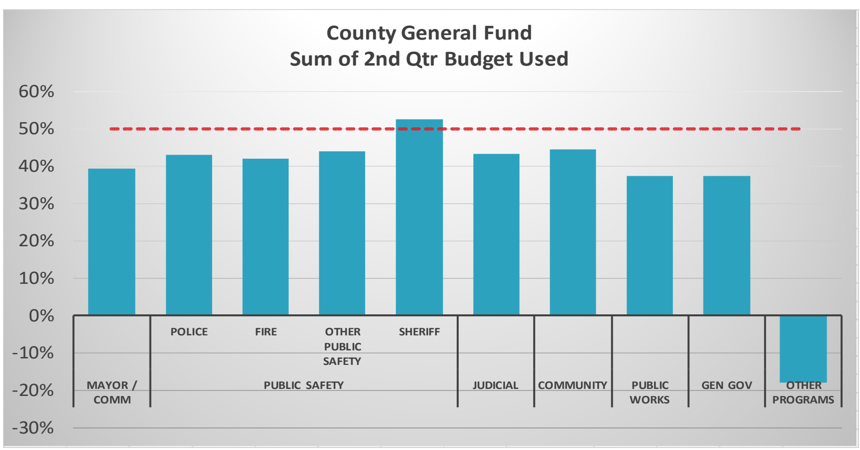

Figure 4: County General Fund Dept. Expenditures as a % of Budget

Misc. & Transfers-Out ended the quarter 8% below target. Scheduled quarterly fund transfers are processed for the second quarter. Reserves and contingencies are transferred if needed to other categories for use.

Capital Outlay has expended 15.2% of budgeted expenditures for the year. Capital equipment makes up 80% of the amended capital outlay budget and has expended 16.8% of its budget with projects expending 8.6% of their budgets. Capital budgets were reduced in the 2021 original budget anticipating revenue shortfalls due to COVID-19.

The majority of Departments are in line with spending targets for the year. Sheriff operating is trending over budget targets due to the encumbrance of operating contracts for inmate medical expenses at the start of the year.

CONSOLIDATED PARKS GENERAL FUND REVENUES

The Consolidated Parks General Fund combines the former City and County Park's Department budget into one operating fund. This fund is used for the operation of parks, parkways, recreational areas and facilities under the supervision of the Director of Parks and Recreation. The three divisions of this fund include: Administration, Parks, and Recreation.

All park and recreation user fees, rentals, contracts and lease revenues are allocated to this fund. In addition to a county tax levy, this fund receives an annual appropriation from the city general fund shown under Intergovernmental Revenues.

Parks General Fund Revenues *numbers in 000s*	2021 Amended	2021 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 1,907	$ 1,861	97.6%
Other Tax	$ 310	$ 209	67.5%
Intergovernmental Revenues	$ 3,473	$ 1,635	47.1%
Charges for Service	$ 758	$ 411	54.2%
Misc. & Transfers-In	$ 110	$ 109	99.3%
Total	**$ 6,558**	**$ 4,225**	**64.4%**

Table 10: Consolidated Parks General Fund YTD Revenues as a % of Budget

Consolidated Parks General Fund revenue ended the second quarter 14.4% above the budgeted target. *Table 10* shows the actual collections for the major revenue sources and the percent collected compared to the budget. *Table 11* shows that revenues ended in line with 2020 second quarter collections with increases in tax collections offsetting a reduction in the budgeted general fund transfer.

Tax Revenue collections are at 97.6% of the 2021 budget. Property tax collections are due for both halves of the tax bill and have generated 97.6% of budgeted collections for the year, with delinquent and motor vehicle tax also exceeding second quarter targets.

Intergovernmental Revenues is at the target for the second quarter with the quarterly annual city appropriation being processed. This category includes 203k in ARPA revenue replacement.

Parks General Fund Revenues *numbers in 000s*	2020 2nd Qtr YTD Actual	2021 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 1,714	$ 1,861	$ 148
Other Tax	$ 168	$ 209	$ 41
Intergovernmental Revenues	$ 1,700	$ 1,635	$ (65)
Charges for Service	$ 139	$ 411	$ 272
Misc. & Transfers-In	$ 100	$ 109	$ 9
Total	**$ 3,821**	**$ 4,225**	**$ 405**

Table 11: Consolidated Parks General Fund Revenues Year to Year Comparison

Charges for Service ended the quarter 4.2% over target and 195% above prior year collections. These revenues include shelter and center rental charges and rec programming charges. 2020 revenues for the second quarter were significantly lower than normal due to refunding of prior reservations due to COVID.

Miscellaneous Revenue ended the quarter collecting 99.3% of its revenue with the annual casino payment of 100k having been received and additional collections coming in for convenience fees on new electronic payments through civicrec.

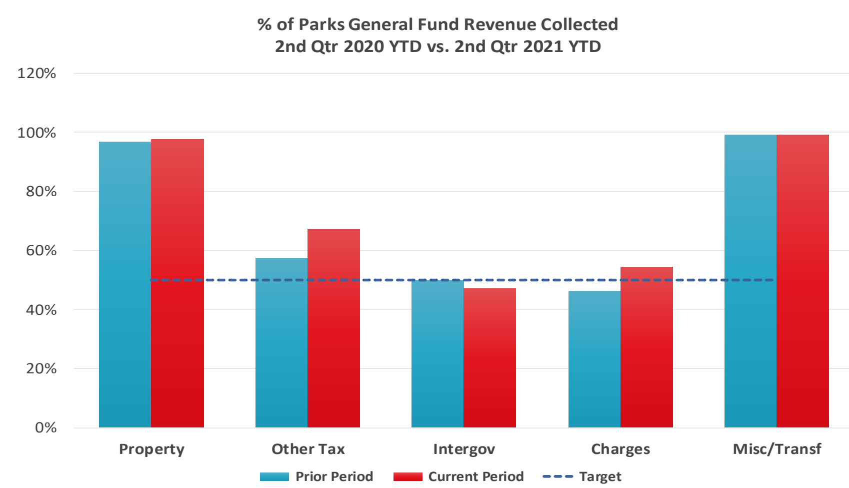

Figure 5: Consolidated Parks General Fund Prior Year vs. Current Year

CONS. PARKS GENERAL FUND EXPENDITURES

Parks General Fund Expenditures *numbers in 000s*	2021 Amended Budget	2021 2nd Qtr YTD Actual	% of Budget
Personnel	$ 4,409	$ 2,098	47.6%
Services	$ 1,314	$ 687	52.3%
Supplies	$ 545	$ 317	58.1%
Grants, Claims	$ 10	$ -	0.0%
Misc. & Transfers-Out	$ 178	$ -	0.0%
Capital Outlay	$ 105	$ -	0.0%
Total	**$ 6,561**	**$ 3,102**	**47.3%**

Table 12: Consildated Parks General Fund YTD Expenditures as a % of Budget

Personnel expenditures for the first quarter of 2021 ended 2.4% below target for the year; with savings resulting from being unable to hire seasonal staffing over the summer.

Services ended the quarter 2.3% above target. Major categories in this budget include mowing and spraying, contract positions and maintenance of parks and facilities. Mowing contracts are obligated at the beginning of the year.

Supplies are 8.1% above target for the quarter. Larger items in this category include fuel, fish stocking, landscaping and custodial supplies. Fish stocking is done in the first quarter. Natural gas expense occurs primarily in Q1 and Q4.

Misc. & Transfers-Out ended the year with no expenditures. This category consists primarily of Reserves that would be transferred to other categories for use if needed.

Parks General Fund Expenditures *numbers in 000s*	2020 2nd Qtr YTD Actual	2021 2nd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 2,177	$ 2,098	$ (79)
Services	$ 404	$ 687	$ 283
Supplies	$ 282	$ 317	$ 35
Grants, Claims	$ -	$ -	$ -
Misc. & Transfers-Out	$ -	$ -	$ -
Capital Outlay	$ -	$ -	$ -
Total	**$ 2,863**	**$ 3,102**	**$ 239**

Table 13: Consolidated Parks Expenditures Year to Year Comparison

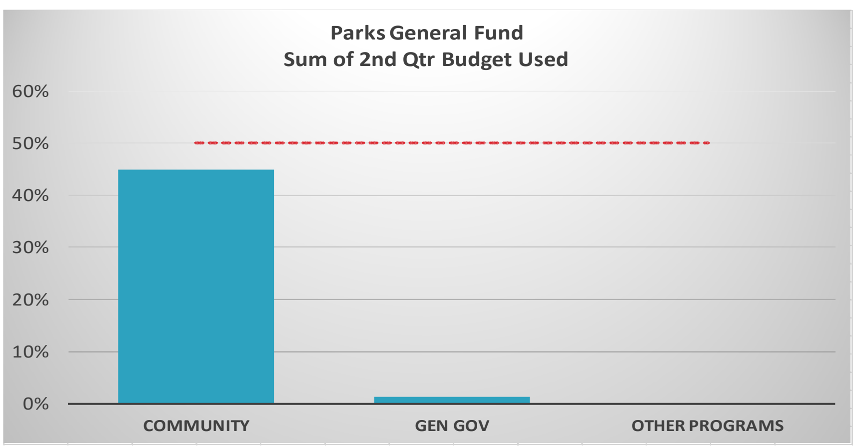

Figure 6: Parks General Fund Dept. Expenditures as a % of Budget

Capital Outlay for the Parks & Recreation Department were reduced in 2021 in anticipation of revenue shortfalls due to COVID-19. The CMIP that was budgeted for 2021 within the Parks fund is the West Shop (WYCO Lake) Replacement. This project has not occurred as of Q2.

Parks and Recreation, or Community Services, is a majority of the Consolidated Parks Fund making up 99.9% of the fund. Spending for Parks and Recreation is in line with spending targets for the quarter.

Budget to Actual through June 30th 2021
Second Quarter

Tax Levy Funds	REVENUES numbers in 000's 2021 Amended Budget	2021 YTD Actual	% of Budget	EXPENDITURES numbers in 000's 2021 Amended Budget	2021 YTD Actual	% of Budget
City General Fund	$ 166,819	$ 84,862	50.9%	$ 159,080	$ 73,709	46.3%
City Bond & Interest	$ 36,187	$ 29,145	80.5%	$ 34,125	$ 6,651	19.5%
County General Fund	$ 75,201	$ 56,053	74.5%	$ 72,497	$ 34,782	48.0%
Cons. Parks General Fund	$ 6,558	$ 4,225	64.4%	$ 6,561	$ 3,102	47.3%
County Bond & Interest	$ 5,309	$ 3,929	74.0%	$ 5,982	$ 1,167	19.5%
Aging	$ 2,153	$ 1,737	80.7%	$ 2,238	$ 918	41.0%
Developmental Disabilities	$ 382	$ 335	87.6%	$ 588	$ 220	37.4%
Elections	$ 1,484	$ 1,302	87.8%	$ 1,601	$ 585	36.6%
Health	$ 4,117	$ 2,663	64.7%	$ 4,499	$ 1,536	34.1%
Mental Health	$ 695	$ 633	91.1%	$ 695	$ 332	47.8%
Total UG Tax Levy Funds	**$ 298,904**	**$ 184,885**	**61.9%**	**$ 287,865**	**$ 123,003**	**42.7%**

Other Funds	2021 Amended Budget	2021 YTD Actual	% of Budget	2021 Amended Budget	2021 YTD Actual	% of Budget
Alcohol	$ 694	$ 196	28.2%	$ 885	$ 279	31.6%
Clerk Technology	$ 55	$ 31	55.8%	$ 83	$ 73	88.2%
Court Trustee	$ 487	$ 278	57.1%	$ 661	$ 204	30.9%
Dedicated Sales Tax	$ 12,236	$ 5,932	48.5%	$ 10,989	$ 3,181	28.9%
Emergency Medical Services	$ 13,122	$ 5,844	44.5%	$ 12,422	$ 5,778	46.5%
Environmental Trust	$ 1,175	$ 555	47.2%	$ 1,745	$ 630	36.1%
Jail Commissary	$ 62	$ 37	59.9%	$ 100	$ 13	13.3%
Parks & Recreation	$ 693	$ 199	28.7%	$ 684	$ 347	50.7%
Public Levee	$ 362	$ 180	49.6%	$ 423	$ 164	38.8%
Register of Deeds Technology	$ 220	$ 123	55.8%	$ 450	$ 397	88.2%
Sewer System	$ 45,534	$ 21,890	48.1%	$ 50,321	$ 22,715	45.1%
Special Assets	$ -	$ -		$ 1,050	$ 100	9.5%
Stadium	$ 792	$ 255	32.2%	$ 860	$ 237	27.6%
Stormwater	$ 4,374	$ 1,779	40.7%	$ 5,153	$ 2,028	39.4%
Street & Highway	$ 8,019	$ 3,629	45.3%	$ 7,441	$ 3,692	49.6%
Sunflower Hills Golf Course	$ 896	$ 384	42.9%	$ 915	$ 479	52.3%
Travel & Tourism	$ 3,108	$ 1,214	39.1%	$ 6,731	$ 1,070	15.9%
Treasury Technology	$ 55	$ 31	55.8%	$ 101	$ 8	7.7%
Wyandotte County 911	$ 920	$ 449	48.8%	$ 955	$ 316	33.1%
Total Other Funds	**$ 92,804**	**$ 43,006**	**46.3%**	**$ 101,969**	**$ 41,712**	**40.9%**
Total Funds	**$ 391,708**	**$ 227,890**	**58.2%**	**$ 389,834**	**$ 164,714**	**42.3%**
County Library	$ 3,507	$ 3,301	94.1%	$ 3,635	$ 3,291	90.5%
Total ALL Funds	**$ 395,215**	**$ 231,192**	**58.5%**	**$ 393,469**	**$ 168,005**	**42.7%**