Economic Development and Finance
Standing Committee Meeting Agenda
Monday, November 29, 2021
5:00 PM

Location: Remotely

Please click the link below to join the webinar:
https://us02web.zoom.us/j/84133407913?pwd=bGljWmNqWkloSVp1SFIybmQ4UmRYdz09
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H.323:
162.255.37.11 (US West)
162.255.36.11 (US East)
115.114.131.7 (India Mumbai)
115.114.115.7 (India Hyderabad)
213.19.144.110 (Amsterdam Netherlands)
213.244.140.110 (Germany)
103.122.166.55 (Australia Sydney)
103.122.167.55 (Australia Melbourne)
149.137.40.110 (Singapore)
64.211.144.160 (Brazil)
149.137.68.253 (Mexico)
69.174.57.160 (Canada Toronto)
65.39.152.160 (Canada Vancouver)
207.226.132.110 (Japan Tokyo)
149.137.24.110 (Japan Osaka)
Meeting ID: 841 3340 7913
Passcode: 461118
SIP: 84133407913@zoomcrc.com
Passcode: 461118

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 November 29, 2021 Agenda**

III. **Approval of standing committee minutes (no minutes available)**

IV. **Committee Agenda**

Item No. 1 - RESOLUTION: HUDSON APARTMENTS, LLC IRBS

Synopsis: A resolution of intent to issue industrial revenue bonds not to exceed $48,000,000 to finance the costs of acquiring, constructing, improving and equipping a commercial multifamily facility for the benefit of Hudson Apartments, LLC, located at 3600 Rainbow Blvd., submitted by Katherine Carttar, Director of Economic Development.

It is requested that this item be fast tracked to the 12/2/21 full commission meeting for a public hearing.

Tracking #: 211192

Item No. 2 - RESOLUTION: STATE REVOLVING LOAN APPROVAL

Synopsis: A resolution authorizing filing of an application with the Kansas Department of Health and Environment for a loan under the Kansas Water Pollution Control Revolving Fund Act, submitted by Jeff Fisher, Public Works Director; and Sarah Shafer, Project Engineer.

It is requested that this item be fast tracked to the full commission meeting on December 2, 2021.

Tracking #: 211190

Item No. 3 - PRESENTATION/RESOLUTION: CASH AND INVESTMENT POLICY

Synopsis: Presentation of the Unified Government's Cash and Investment Policy with no changes and consideration of a resolution adopting said policy, submitted by Andrea Parra, Interim County Treasurer.

Tracking #: 211173

Item No. 4 - SALE RESOLUTION: 2022-A BONDS AND 2022-I TEMPORARY NOTES

Synopsis: A resolution authorizing the offering for sale of municipal temporary notes and general obligation bonds of the Unified Government of Wyandotte County/Kansas City, Kansas, submitted by Debbie Jonscher, Deputy Chief Financial Officer.

Tracking #: 211184

Item No. 5 - RESOLUTION: VISIT KANSAS CITY, KANSAS DOCUMENTS

Synopsis: A resolution approving the 2022 Budget, Marketing Plan, and new Five-Year Agreement between the Unified Government and Visit Kansas City, Kansas, submitted by Kathleen VonAchen, Chief Financial Officer.

Tracking #: 211191

Item No. 6 - REPORT: 3RD QTR 10K BUDGET REVISIONS

Synopsis: Report on the 3rd Quarter 10K budget revisions, submitted by Reginald Lindsey, Budget Manager.

For information only.

Tracking #: 211185

Item No. 7 - REPORT: 3RD QTR BUDGET TO ACTUALS

Synopsis: Report on 3rd Quarter Budget to Actuals, submitted by Debbie Jonscher, Deputy Chief Financial Officer; and Reginald Lindsey, Budget Director.

For information only.

Tracking #: 211187

V. **Public Agenda**

VI. **Adjourn**

Staff Request for Commission Action

Tracking No. 211192

Full Commission Meeting Date: Fast track to 12/2/21
Committee: Economic Development & Finance

Date of Standing Committee Action: 11/29/21 (If none, please explain):

Publication Required: Yes

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/17/2021	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:
Resolution of Intent to Issue Industrial Revenue Bonds not to exceed $48,000,000 to finance the costs of acquiring, constructing, improving and equipping a commercial multifamily facility for the benefit of Hudson Apartments, LLC.

Action Requested:
Approve and fast track to the 12/2/21 full commission meeting for a public hearing

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

Attachments List:
Resolution of Intent (Hudson Apartments IRB), Notice of Public Hearing (Hudson Apartments IRB), CBA_Hudson_with_LMWBE_11152021, Performance Agreement (Hudson Apartments IRB)

RESOLUTION NO. R __-21

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT OF NOT TO EXCEED $48,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A COMMERCIAL MULTIFAMILY FACILITY FOR THE BENEFIT OF HUDSON APARTMENTS, LLC AND ITS SUCCESSORS AND ASSIGNS

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

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

WHEREAS, Hudson Apartments, LLC, a Kansas limited liability company (including any successors or assigns, the "Company"), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the Unified Government finance the cost of acquiring, constructing and equipping an approximately 228 unit commercial multifamily facility located generally at 3600 Rainbow Boulevard, as more fully described in the Application (collectively, the "Project") through the issuance of its industrial revenue bonds in one or more series in the amount of not to exceed $48,000,000 (the "Bonds"), and to lease the Project to the Company, or its successors and assigns, in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the Unified Government and its inhabitants that the Unified Government finance the costs of the Project by the issuance of the Bonds under the Act in a principal amount of not to exceed $48,000,000, said Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company; and

WHEREAS, to set forth certain terms of the Project and the proposed property tax abatement, the Unified Government desires to approve the Performance Agreement between the Unified Government and Company (the "Performance Agreement") and authorize the Mayor/CEO's execution thereof.

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

Section 1. Approval of Project. The governing body of the Unified Government hereby finds and determines that the acquiring, constructing, improving and equipping of the Project will promote the general welfare and economic prosperity of the Unified Government, and the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be generally located at 3600 Rainbow Boulevard, in the corporate boundaries of the Unified Government, as further described in the Application.

Section 2. Intent to Issue Bonds. The governing body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct and equip the Project out of the proceeds of the Bonds of the Unified Government in the principal amount of not to exceed $48,000,000, to be issued pursuant to the Act.

Section 3. Ad Valorem Tax Abatement. In consideration of the Company's decision to acquire, construct, improve and equip the Project, the Unified Government hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and taxes that may not be abated by the Unified Government under Kansas law, including the school district's capital outlay levy) for all property (including real property, building improvements, machinery and equipment) financed with the proceeds of the Bonds.

In consideration of the Unified Government's agreement to request such 100% abatement, the Company will agree to make payments in lieu of tax as set forth on **Exhibit A** hereto, and such amounts shall be set forth in the Performance Agreement and subject to adjustment as set forth therein. The Project shall be entitled to a 10-year tax abatement, with the first year of the abatement being the year beginning on the January 1 following the year the Bonds are issued.

Section 4. Performance Agreement. The Mayor/CEO is authorized and directed to execute and deliver the Performance Agreement between the Unified Government and the Company on behalf of, and as the act and deed of the Unified Government, in substantially the same form as presented to the governing body on this date with such corrections or amendments thereto as the Mayor/CEO, upon recommendation of the Chief Counsel of the Unified Government, may approve.

Section 5. Provision for the Bonds. Subject to the conditions of this Resolution of Intent (this "Resolution"), the Unified Government expresses its intent to (i) issue the Bonds to pay the costs of acquiring, constructing, improving and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be reasonably acceptable to the Company and determined by ordinance of the Unified Government (the "Ordinance"); (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the Unified Government and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 6. Conditions to Issuance. The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the Unified Government, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the Unified Government's policy relating to the issuance of industrial revenue bonds and ad valorem tax abatement; (iv) the passage and publication of an Ordinance authorizing the issuance of the Bonds; and (v) Company's payment of all of the costs of issuance related to the issuance of the Bonds.

Section 7. Sale of the Bonds. The sale of the Bonds shall be the sole responsibility of the Company; provided, however, arrangements for the sale of the Bonds shall be reasonably acceptable to the Unified Government.

Section 8. Limited Obligations of the Unified Government. The Bonds and the interest thereon shall be special, limited obligations of the Unified Government payable solely out of the amounts derived by the Unified Government under a Lease Agreement (as defined in the Performance Agreement) with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the trust estate to the trustee for the Bonds and in favor of the owners of the Bonds, all as provided in the Trust Indenture to be entered into between the Unified Government and the trustee for the Bonds (the "Indenture"). The Bonds shall not constitute a general obligation of the Unified Government, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Unified Government, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 9. Required Disclosure. Any disclosure document prepared in connection with the placement or offering of the Bonds shall contain substantially the following disclaimer:

> NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE UNIFIED GOVERNMENT CONTAINED UNDER THE CAPTIONS "THE UNIFIED GOVERNMENT" AND "LITIGATION - THE UNIFIED GOVERNMENT" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE UNIFIED GOVERNMENT, AND THE UNIFIED GOVERNMENT MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 10. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law and upon compliance with the other requirements of this Resolution, the Unified Government will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 11. No Reliance on Resolution. Kansas law provides that the Unified Government may only issue the Bonds by passage of an Ordinance and compliance with other state law requirements. The Unified Government has not yet passed an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be passed or that the Project will be approved.

Section 12. Termination of Resolution. This Resolution shall terminate eighteen (18) months from the date of the adoption of this Resolution unless (i) the Bonds have been issued for the Project or (ii) a building permit has been issued by the Unified Government for the Project, or as otherwise set forth in the Performance Agreement. The Unified Government, upon the written request of the Company, may extend this time period.

Section 13. Benefit of Resolution. This Resolution will inure to the benefit of the Unified Government and the Company. The Unified Government may, at the prior written request of the Company or as otherwise provided in the Performance Agreement, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 14. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

Section 15. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Unified Government.

[Remainder of page intentionally blank.]

ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON DECEMBER 2, 2021.

By:____________________________________
Mayor/CEO of the
Unified Government of Wyandotte County/Kansas City, Kansas

[SEAL]

ATTEST:

By: ______________________________
Unified Government Clerk

EXHIBIT A

PAYMENT IN LIEU OF TAX SCHEDULE

Payments in lieu of tax ("PILOTs") shall be determined on a per-apartment-unit basis as further set forth in the Performance Agreement. Below is an approximate PILOT schedule based on 228 apartment units, which may be adjusted as set forth in the Performance Agreement.

Local, Minority, and Women Business Enterprise (L/M/W) goals are set forth in the Performance Agreement. PILOT payments do not include the school district's capital outlay levy that cannot be abated under Kansas law.

Number of units	228
Year 1 PILOT	$210,672
Year 1 PILOT per unit	$924
Annual Increase	2.00%
Annual Increase if LMW Failure	4.00%

Year[a]	**Annual PILOT**[b]	**PILOT per Door**[b]	**Annual PILOT if L/M/WBE Failure**[b]	**PILOT per Door**[b]
1	$210,672	$924	$210,672	$924
2	214,885	942	219,099	961
3	219,183	961	227,863	999
4	223,567	981	236,977	1,039
5	228,038	1,000	246,456	1,081
6	232,599	1,020	256,315	1,124
7	237,251	1,041	266,567	1,169
8	241,996	1,061	277,230	1,216
9	246,836	1,083	288,319	1,265
10	251,773	1,104	299,852	1,315

Business Category	Participation Percentage Goal Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

[a] Year 1 refers to calendar year beginning January 1 after issuance of Bonds.
[b] Does not include school district capital outlay levy.

(Published in the *Wyandotte Echo* on November 18, 2021)

NOTICE OF PUBLIC HEARING FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

Public notice is hereby given that the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), will conduct a public hearing on **Thursday, December 2, 2021,** at 7:00 p.m., or as soon thereafter as may be heard, regarding the proposed issuance by the Unified Government of its industrial revenue bonds in a principal amount not to exceed $48,000,000 (the "Bonds") and an exemption from ad valorem taxation for property constructed or purchased with the proceeds of such Bonds. The public hearing will be held virtually and may be accessed via Zoom web conference or toll free via telephone by dialing (877) 853-5257 or (888) 475-4499. Public hearing access information is available at www.wycokck.org/BOC-Virtual-Meeting.aspx or by contacting the Clerk's office via phone at (913) 573-5206 or via email at clerkwest@wycokck.org. Public comment may also be submitted in advance of the public hearing by email to clerkwest@wycokck.org, fax to (913) 573-5299, or mail to Unified Government Clerk's Office, 701 N. 7th Street, Suite 323, Kansas City, Kansas 66101.

The Bonds are proposed to be issued under authority of K.S.A. 12-1740 *et seq.*, as amended, to provide funds for acquiring, purchasing, constructing, installing and equipping an approximately 228-unit commercial multifamily facility, located generally at 3600 Rainbow Boulevard, in the City of Kansas City, Kansas (the "Project"). The Unified Government intends to base lease the facility and further intends to lease the facility to Hudson Apartments, LLC a Kanas limited liability company (the "Company"), or its successors and assigns.

The Company has requested a 10-year property tax abatement subject to certain payments in lieu of tax for the property constructed or purchased with the proceeds of the Bonds.

A copy of this Notice, together with a copy of the resolution of intent of the Unified Government to be considered for adoption, indicating the intent of the governing body of the Unified Government to issue the Bonds and a report analyzing the costs and benefits of such property tax exemption, are on file in the office of the Clerk and available for public inspection during normal business hours.

All persons having an interest in this matter will be given an opportunity to be heard at the time and place above specified.

Dated: November 18, 2021.

Brett Deichler
Unified Government Clerk

A Tax Abatement Cost-Benefit Analysis of Hudson Apartments, LLC for the Unified Government of Kansas City/Wyandotte County

Completed by
Municipal Consulting, LLC
11/15/2021

CONTENTS:

ABOUT THIS REPORT:

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

DEFINITIONS USED:

- **Rate of Return**: Incentives and tax abatements granted by the taxing entities are equivalent to a public investment in the firm. Comparing these investments to the various benefits received over the 10-year project period by the public entity produces an average annual rate of return for the period. Generally, a rate of return that exceeds the entity's cost of capital would be considered a favorable
- **Net Present Value**: This is the amount that a future series of payments is worth today, given an assumed discount rate. The only way to accurately compare payments to be made or received in the future to the dollar value at present is with Net Present Value. Generally a positive net present value represents and acceptable investment opportunity.
- **Benefit - Cost Ratio**: Typically referred to as the "Cost-Benefit Ratio," this is the ratio of the public entity benefits received over the 10-year project life to the public costs incurred over the same period. If the ratio is above 1.0, then the benefits exceed the costs, and if it is less than 1.0, the costs exceed the benefits. Generally, a public entity would like to have a Benefit-to-Cost ratio of 1.3 or better in order to grant a tax abatement and/or other incentives. However, the governing body may take into account the other economic benefits of the project in making that decision.

DISCLAIMER:

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

COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	1.33	3%
Wyandotte County	1.16	2%
Kansas City USD 500	2.30	13%
KC Community College	1.19	2%
State of Kansas	1.94	9%

Each of the taxing entities has a positive benefit-to-cost ratio. This report assumes that the Unified Government will approve a 100% property tax abatement for 10 years. A graduated PILOT payment has been considered in this analysis. This report assumes that the firm will obtain a sales tax exemption on construction materials and that the existing sales tax rates for the city, county and state will remain the same. We point out that the main economic benefits of this project are from new residents rather than new jobs.

We used conservative assumptions that the apartments would be 50% leased in Year 1, 75% in Year 2 and 95% in Year 3, and that only 65% of the new residents would come from outside the city.

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

R. Steven Robb Digitally signed by R. Steven Robb
Date: 2021.11.15 13:18:06 -06'00'

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

Column1	Column2	Column3	Column4	Column5	Column6
COST-BENEFIT ANALYSIS PROJECT SUMMARY					
PROJECT NAME:		**Hudson Apartments, LLC**			(With L/M/WBE)
DATE:			11/15/2021		
GOVERNMENTAL ENTITIES INVOLVED:					
CITY:			**City of Kansas City**		
COUNTY:			**Wyandotte County**		
SCHOOL DISTRICT:			**Kansas City USD 500**		
SPECIAL TAXING DISTRICT #1			**KC Community College**		
STATE:			**State of Kansas**		
INFLATION RATE:		2.00%	DISCOUNT RATE:		2.50%

Hudson Apartments, LLC

Column1	Column2	Column3	Column4	Column6	Column11
Community Data Inputs:					
	City of Kansas City	Wyandotte County	Kansas City USD 500	KC Community College	State
Mill Levy	38.482198	39.338122	60.830881	27.389913	1.500
Sales Tax	1.625%	1.000%	n/a	n/a	6.50%
Transient Guest Tax	8.00%	0.00%	n/a	n/a	n/a
Utility Revenue/HsHld	$0.93	n/a	n/a	n/a	n/a
Franchise Fees/HsHld	$512.25	n/a	n/a	n/a	n/a
Other Revenues/Res.	$71.31	$72.15	n/a	$250.24	$1,511.19
Marg. Cost/Res./Student	$103.90	$36.50	$1,602.43	$23.10	$654.19
Other Revenues/Worker	$66.73	$67.52	n/a	$234.17	$1,296.05
Marginal Cost/New Worker	$97.23	$34.15	n/a	$21.62	$561.06
State Funding/Pupil	n/a	n/a	$11,887.38	n/a	$10,173
Federal Funding/Pupil	n/a	n/a	$4,136.89	n/a	$1,022
Visitor Daily Spending	$50.00	$50.00		Total Mill Levy	$75.00
Average Hotel Room Rate	$100	$100		167.541114	n/a
Retail Pull Factor	0.96	0.97			n/a
Percent of County Share	90.80%	100.00%			n/a
Ann. Local Per Capita Sales/Use Tax	$211	$155			n/a
Ann. State Per Capita Sales/Use Tax	$994	$1,011			$1,078
Annual Per Capita Retail Sales	$15,297	$15,561			$16,581
Average Household Size	2.68	2.67			2.49
Avg. Wage-All Occupations	$55,838	$55,838			$48,609

Hudson Apartments, LLC

Column	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
Firm Data Inputs:				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Investment in Land & Building				$44,000,000										
Investment in Furniture, Fixtures & Equip.				$864,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$864,000
Professional fees and Financing costs.				$5,962,710	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,962,710
Total Project Investment				$50,826,710										
City/County Incentives														$0
		Growth	Const. Per.	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	Total
Sales		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchases		0.00%		$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$1,500,000
Net City Util. Revenue		3.00%	$0	$2,179	$2,279	$2,377	$2,448	$2,522	$2,597	$2,675	$2,756	$2,838	$2,923	$25,595
Franchise Fees		3.00%	$0	$41,599	$62,395	$80,374	$82,785	$85,269	$87,827	$90,462	$93,176	$95,971	$98,850	$818,708
PILOT- City			$0	$48,389	$49,357	$50,344	$51,351	$52,378	$53,425	$54,494	$55,584	$56,695	$57,829	$529,844
PILOT - County			$0	$49,465	$50,454	$51,464	$52,493	$53,543	$54,613	$55,706	$56,820	$57,956	$59,115	$541,629
PILOT - State			$0	$1,886	$1,924	$1,962	$2,002	$2,042	$2,082	$2,124	$2,167	$2,210	$2,254	$20,653
PILOT - School			$0	$76,491	$78,021	$79,581	$81,173	$82,796	$84,452	$86,141	$87,864	$89,621	$91,414	$837,554
PILOT - Comm. Coll.			$0	$34,441	$35,130	$35,832	$36,549	$37,280	$38,026	$38,786	$39,562	$40,353	$41,160	$377,120
New Resident Households[2]			0	114	57	46	0	0	0	0	0	0	0	217
Households new to the city			65%	74.1	37.1	29.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	141.0
Households new to the county			33%	37.1	18.5	14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.0
Households new to the state			5.0%	5.7	2.9	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.9
New students in K-12			50%	37.1	18.5	14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.9
New Employees				7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
New employee average salary			2.00%	$42,918	$43,777	$44,652	$45,545	$46,456	$47,385	$48,333	$49,299	$50,285	$51,291	N/A
Tax Abatement-Land				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A
Tax Abatement-Bldg.				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A
Visitors		0.0%	0	0	0	0	0	0	0	0	0	0	0	0
				City	**County**	**State**								
Percentage of sales taxable in the				0%	0%	0%								
Percentage of purchases taxable in the				50%	50%	75%								
Assumed Inflation Rate				2.00%										

[1] Fixtures, furniture and equipment costs are exempt from sales taxes, but are included here to reflect the firm's total investments.
[2] Assumption is that apartments will be 50% leased in Year 1, 75% in Year 2 and 95% by Year 3 and thereafter.

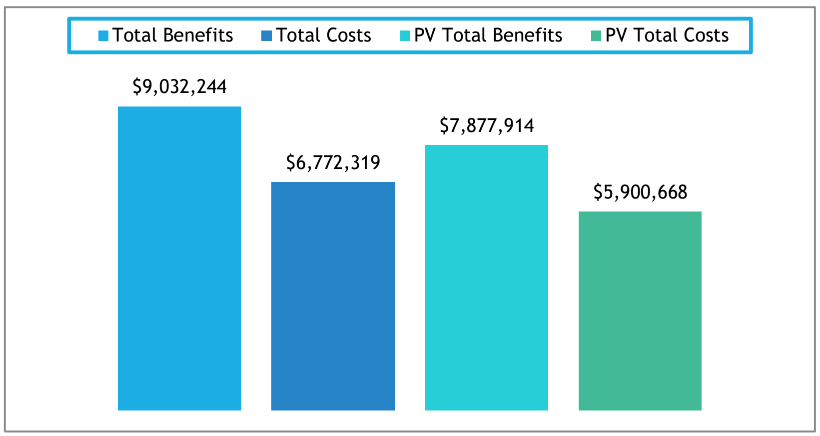
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
COST-BENEFIT ANALYSIS PROJECT SUMMARY								
PROJECT NAME:		**Hudson Apartments, LLC**						
DATE:		11/15/2021						
Entity	**Total Benefits**	**Total Costs & Incentives**	**Net Benefits**	**Net Present Value of Net Benefits**	**NPV of Incentives & Taxes Abated**	**Ratio of NPV of Net Benefits to NPV of Incentives and Taxes Abated**	**Actual Benefit to Actual Cost Ratio**	**Avg. Annual Rate of Return**
City of Kansas City	$9,032,244	$6,772,319	$2,259,925	$1,977,246	$5,527,147	0.36	1.33	3%
Wyandotte County	$7,613,022	$6,561,181	$1,051,841	$926,652	$5,650,082	0.16	1.16	2%
Kansas City USD 500	$22,667,281	$9,862,522	$12,804,759	$11,092,765	$7,588,029	1.46	2.30	13%
KC Community College	$5,435,485	$4,563,416	$872,069	$757,266	$3,933,977	0.19	1.19	2%
State of Kansas	$2,176,452	$1,122,670	$1,053,781	$1,028,046	$215,443	4.77	1.94	9%

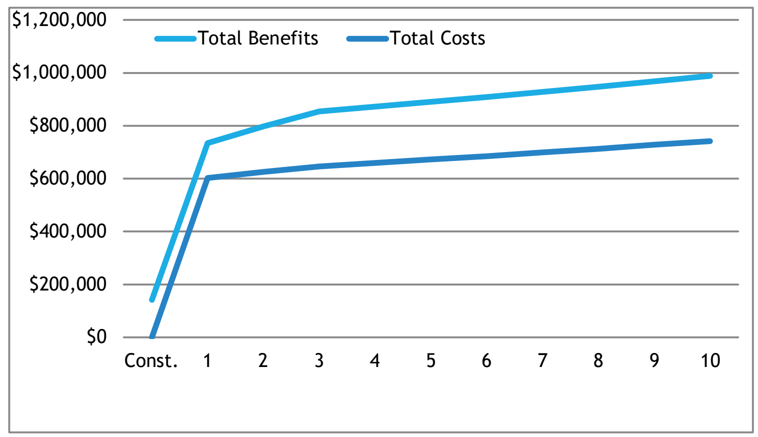
SUMMARY OF COSTS AND BENEFITS FOR: City of Kansas City
PROJECT: Hudson Apartments, LLC
DATE: 11/15/2021

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	1.33
Ratio of Present Value of Total Benefits to Present Value of Total Costs	1.34
(Typical desired ratio would be 1.3 to 1) Average ROI	3.34%

Year	Sales and Transient Guest Taxes	New Property Taxes	Utilities and Franchise Fees	PILOT Payment	Other City Revenues	Total Benefits	Net Present Value of Total Benefits	Incentives and Cost of Various City Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	$141,692	$0	$0	$0	$0	$141,692	$141,692	$0	$0	$0	$0	$141,692	$141,692	$141,692	$0
1	$47,062	$579,080	$43,777	$48,389	$15,776	$734,084	$716,180	$22,986	$579,080	$602,066	$587,381	$132,018	$273,711	$128,798	$564,956
2	$69,777	$590,662	$64,674	$49,357	$23,458	$797,927	$759,478	$34,178	$590,662	$624,840	$594,732	$173,087	$446,797	$164,746	$562,200
3	$88,934	$602,475	$82,751	$50,344	$29,938	$854,442	$793,434	$43,620	$602,475	$646,095	$599,963	$208,347	$655,144	$193,471	$559,458
4	$90,689	$614,524	$85,234	$51,351	$30,537	$872,334	$790,292	$44,492	$614,524	$659,017	$597,037	$213,317	$868,462	$193,255	$556,729
5	$92,478	$626,815	$87,791	$52,378	$31,147	$890,609	$787,168	$45,382	$626,815	$672,197	$594,124	$218,412	$1,086,873	$193,044	$554,013
6	$94,303	$639,351	$90,425	$53,425	$31,770	$909,274	$784,065	$46,290	$639,351	$685,641	$591,226	$223,633	$1,310,507	$192,838	$551,311
7	$96,165	$652,138	$93,137	$54,494	$32,406	$928,340	$780,980	$47,216	$652,138	$699,354	$588,342	$228,986	$1,539,493	$192,638	$548,621
8	$98,064	$665,181	$95,931	$55,584	$33,054	$947,814	$777,915	$48,160	$665,181	$713,341	$585,472	$234,473	$1,773,965	$192,443	$545,945
9	$100,001	$678,485	$98,809	$56,695	$33,715	$967,705	$774,869	$49,123	$678,485	$727,608	$582,616	$240,097	$2,014,062	$192,252	$543,282
10	$101,976	$692,054	$101,774	$57,829	$34,389	$988,023	$771,842	$50,106	$692,054	$742,160	$579,774	$245,863	$2,259,925	$192,068	$540,632
Total	$1,021,142	$6,340,766	$844,303	$529,844	$296,189	$9,032,244	$7,877,914	$431,553	$6,340,766	$6,772,319	$5,900,668	$2,259,925	$2,259,925	$1,977,246	$5,527,147





SUMMARY OF COSTS AND BENEFITS FOR: Wyandotte County

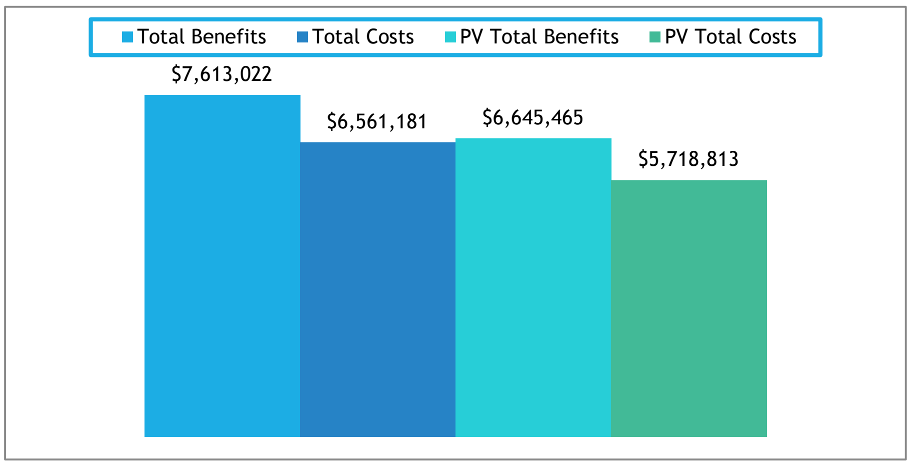
PROJECT: Hudson Apartments, LLC

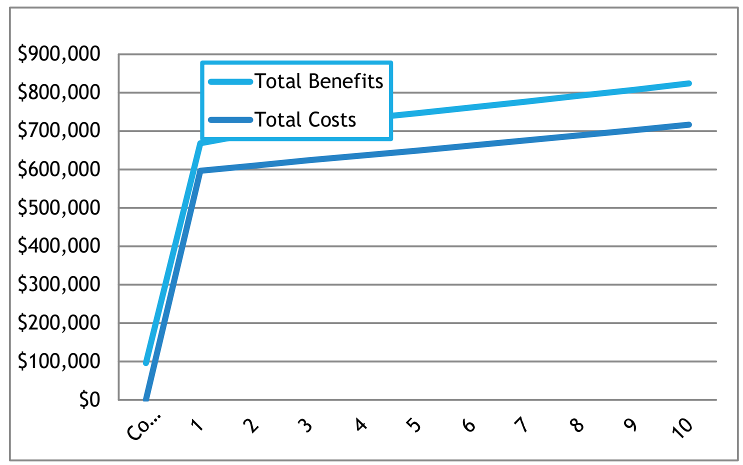
DATE: 11/15/2021

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	1.16
Ratio of Present Value of Total Benefits to Present Value of Total Co:	1.16
Average ROI	1.60%

Year	Sales and Transient Guest Taxes	New Property Taxes	PILOT Payment	Other County Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various County Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
Const.	$96,030	$0	$0	$0	$96,030	$96,030	$0	$0	$0	$0	$96,030	$96,030	$96,030	$0
1	$18,711	$591,960	$49,465	$7,307	$667,444	$651,164	$4,365	$591,960	$596,325	$581,780	$71,119	$167,149	$69,384	$577,522
2	$27,069	$603,799	$50,454	$12,502	$693,824	$660,392	$6,337	$603,799	$610,136	$580,737	$83,687	$250,836	$79,655	$574,705
3	$34,122	$615,875	$51,464	$15,793	$717,253	$666,041	$8,002	$615,875	$623,877	$579,332	$93,376	$344,212	$86,709	$571,901
4	$34,789	$628,193	$52,493	$16,109	$731,583	$662,778	$8,162	$628,193	$636,355	$576,506	$95,228	$439,440	$86,272	$569,112
5	$35,470	$640,757	$53,543	$16,431	$746,200	$659,532	$8,325	$640,757	$649,082	$573,694	$97,118	$536,558	$85,838	$566,335
6	$36,164	$653,572	$54,613	$16,759	$761,109	$656,302	$8,492	$653,572	$662,064	$570,895	$99,045	$635,604	$85,406	$563,573
7	$36,873	$666,643	$55,706	$17,095	$776,316	$653,088	$8,662	$666,643	$675,305	$568,111	$101,011	$736,615	$84,977	$560,824
8	$37,595	$679,976	$56,820	$17,436	$791,827	$649,890	$8,835	$679,976	$688,811	$565,339	$103,016	$839,631	$84,550	$558,088
9	$38,332	$693,576	$57,956	$17,785	$807,649	$646,707	$9,012	$693,576	$702,587	$562,582	$105,062	$944,693	$84,126	$555,366
10	$39,084	$707,447	$59,115	$18,141	$823,787	$643,541	$9,192	$707,447	$716,639	$559,837	$107,148	$1,051,841	$83,704	$552,657
Total	$434,238	$6,481,797	$541,629	$155,357	$7,613,022	$6,645,465	$79,383	$6,481,797	$6,561,181	$5,718,813	$1,051,841	$1,051,841	$926,652	$5,650,082





SUMMARY OF COSTS AND BENEFITS FOR: Kansas City USD 500

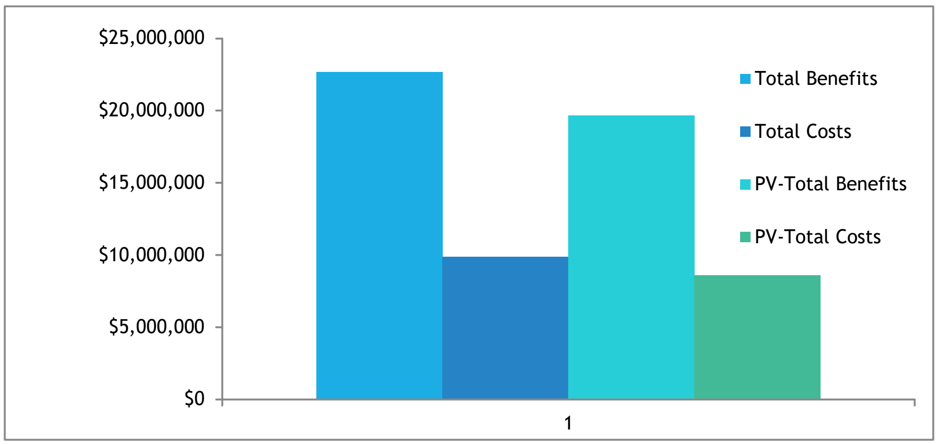
PROJECT: Hudson Apartments, LLC

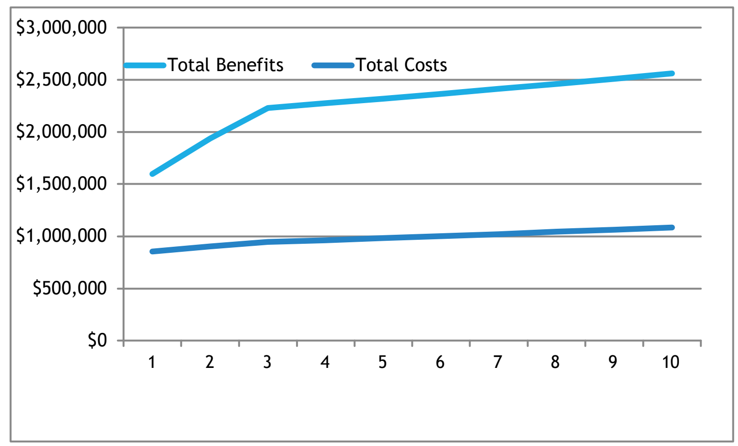
DATE: 11/15/2021

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	2.30
Ratio of Present Value of Total Benefits to Present Value of Total (	2.29
(Typical desired ratio would be 1.3 to 1) Average ROI	12.98%

Year	New Property Taxes	PILOT Payment	District Capital Outlay Taxes	Additional State, Federal and Other Funding	Total Benefits	Net Present Value of Total Benefits	Additional Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$794,999	$76,491	$120,384	$605,573	$1,597,447	$1,558,485	$59,370	$794,999	$854,369	$833,531	$743,078	$743,078	$724,954	$775,609
2	$810,899	$78,021	$122,792	$926,527	$1,938,238	$1,844,843	$90,836	$810,899	$901,735	$858,284	$1,036,503	$1,779,581	$986,559	$771,825
3	$827,117	$79,581	$125,248	$1,197,073	$2,229,018	$2,069,865	$117,360	$827,117	$944,477	$877,041	$1,284,541	$3,064,123	$1,192,824	$768,060
4	$843,659	$81,173	$127,752	$1,221,014	$2,273,599	$2,059,768	$119,707	$843,659	$963,367	$872,763	$1,310,232	$4,374,355	$1,187,006	$764,314
5	$860,533	$82,796	$130,308	$1,245,434	$2,319,071	$2,049,721	$122,101	$860,533	$982,634	$868,505	$1,336,437	$5,710,791	$1,181,215	$760,585
6	$877,743	$84,452	$132,914	$1,270,343	$2,365,452	$2,039,722	$124,543	$877,743	$1,002,287	$864,269	$1,363,165	$7,073,957	$1,175,453	$756,875
7	$895,298	$86,141	$135,572	$1,295,750	$2,412,761	$2,029,772	$127,034	$895,298	$1,022,332	$860,053	$1,390,429	$8,464,386	$1,169,719	$753,183
8	$913,204	$87,864	$138,283	$1,321,665	$2,461,016	$2,019,871	$129,575	$913,204	$1,042,779	$855,857	$1,418,237	$9,882,623	$1,164,013	$749,509
9	$931,468	$89,621	$141,049	$1,348,098	$2,510,237	$2,010,018	$132,167	$931,468	$1,063,635	$851,682	$1,446,602	$11,329,225	$1,158,335	$745,853
10	$950,098	$91,414	$143,870	$1,375,060	$2,560,441	$2,000,213	$134,810	$950,098	$1,084,907	$847,528	$1,475,534	$12,804,759	$1,152,685	$742,215
Total	$8,705,018	$837,554	$1,318,171	$11,806,538	$22,667,281	$19,682,278	$1,157,504	$8,705,018	$9,862,522	$8,589,513	$12,804,759	$12,804,759	$11,092,765	$7,588,029

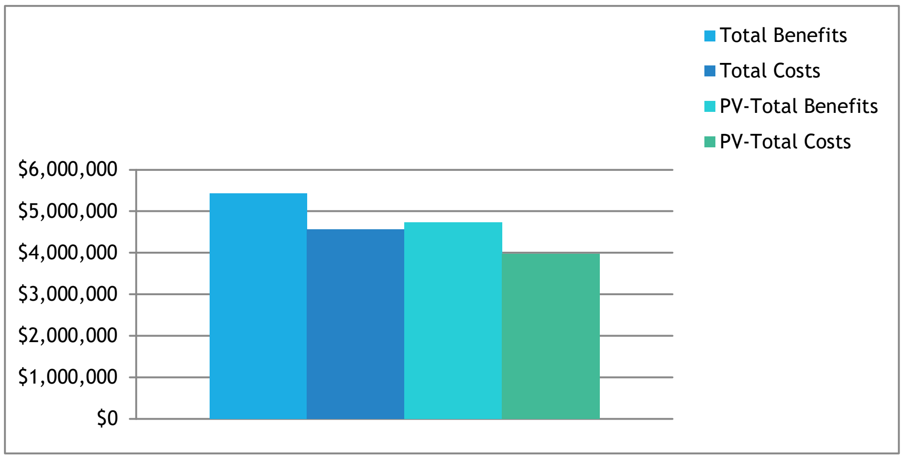


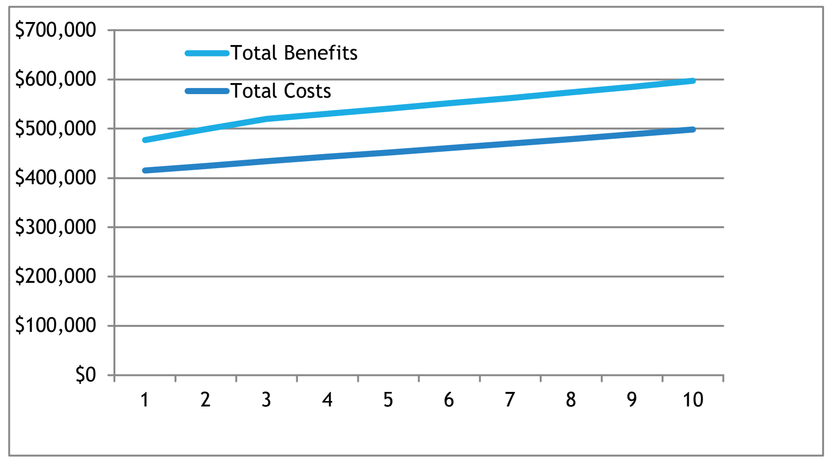


SUMMARY OF COSTS AND BENEFITS FOR: KC Community College
PROJECT: Hudson Apartments, LLC
DATE: 11/15/2021
DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	1.19
Ratio of Present Value of Total Benefits to Present Value of Total Co	1.19
(Typical desired ratio would be 1.3 to 1) Average ROI	1.91%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$412,163	$34,441	$30,018	$476,622	$464,997	$2,771	$412,163	$414,935	$404,814	$61,687	$61,687	$60,183	$402,111
2	$420,407	$35,130	$43,543	$499,080	$475,031	$4,020	$420,407	$424,427	$403,975	$74,653	$136,340	$71,056	$400,149
3	$428,815	$35,832	$54,961	$519,608	$482,508	$5,074	$428,815	$433,889	$402,909	$85,720	$222,060	$79,599	$398,197
4	$437,391	$36,549	$56,060	$530,001	$480,154	$5,176	$437,391	$442,567	$400,944	$87,434	$309,494	$79,211	$396,255
5	$446,139	$37,280	$57,182	$540,601	$477,812	$5,279	$446,139	$451,418	$398,988	$89,183	$398,677	$78,825	$394,322
6	$455,062	$38,026	$58,325	$551,413	$475,481	$5,385	$455,062	$460,446	$397,041	$90,966	$489,643	$78,440	$392,398
7	$464,163	$38,786	$59,492	$562,441	$473,162	$5,492	$464,163	$469,655	$395,105	$92,786	$582,429	$78,057	$390,484
8	$473,446	$39,562	$60,682	$573,690	$470,854	$5,602	$473,446	$479,048	$393,177	$94,641	$677,070	$77,677	$388,579
9	$482,915	$40,353	$61,895	$585,164	$468,557	$5,714	$482,915	$488,629	$391,259	$96,534	$773,604	$77,298	$386,684
10	$492,573	$41,160	$63,133	$596,867	$466,271	$5,828	$492,573	$498,402	$389,351	$98,465	$872,069	$76,921	$384,798
Total	$4,513,074	$377,120	$545,291	$5,435,485	$4,734,829	$50,341	$4,513,074	$4,563,416	$3,977,563	$872,069	$872,069	$757,266	$3,933,977





SUMMARY OF COSTS AND BENEFITS FOR: State of Kansas

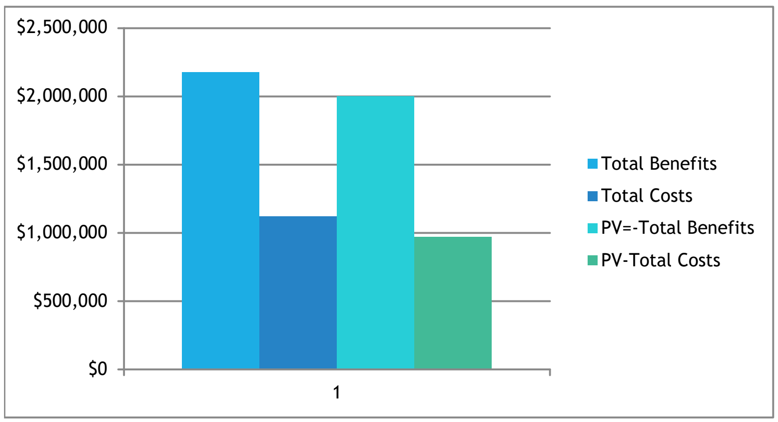
PROJECT: Hudson Apartments, LLC

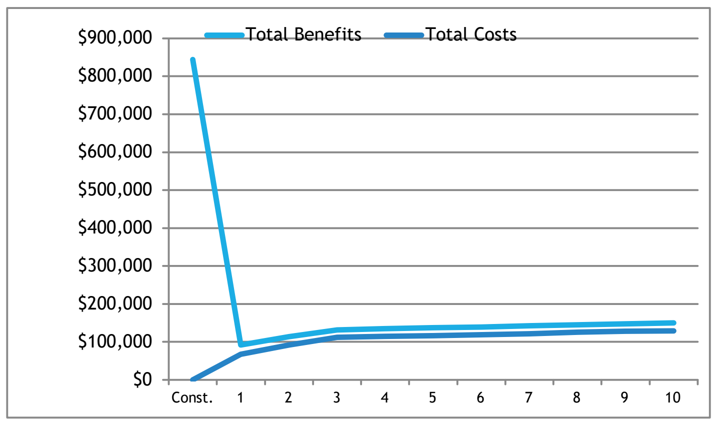
DATE: 11/15/2021

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	1.94
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	2.06
(Typical desired ratio would be 1.3 to 1) Average ROI	9.39%

Year	Sales Taxes	New Property Taxes	Corporate and Personal Income Taxes	PILOT Payment	Other State Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various State Services	Cost of Educating New Students	Property Taxes Abated	Other Costs & Incentives	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Present Value of Taxes Abated and Incentives
Const.	$624,195	$0	$220,000	$0	$0	$844,195	$844,195	$0	$0	$0	$0	$0	$0	$844,195	$844,195	$844,195	$0
1	$37,430	$22,572	$13,098	$1,886	$16,808	$91,793	$89,555	$10,193	$34,557	$22,572	$0	$67,322	$65,680	$24,472	$868,667	$23,875	$22,021
2	$45,934	$23,023	$16,822	$1,924	$25,716	$113,419	$107,954	$15,596	$52,872	$23,023	$0	$91,491	$87,082	$21,928	$890,594	$20,871	$21,914
3	$53,154	$23,484	$19,983	$1,962	$33,225	$131,808	$122,397	$20,150	$68,310	$23,484	$0	$111,944	$103,951	$19,865	$910,459	$18,446	$21,807
4	$54,071	$23,954	$20,383	$2,002	$33,889	$134,298	$121,668	$20,553	$69,676	$23,954	$0	$114,183	$103,444	$20,116	$930,575	$18,224	$21,701
5	$55,006	$24,433	$20,791	$2,042	$34,567	$136,838	$120,945	$20,964	$71,070	$24,433	$0	$116,466	$102,939	$20,372	$950,946	$18,006	$21,595
6	$55,960	$24,921	$21,207	$2,082	$35,258	$139,429	$120,229	$21,383	$72,491	$24,921	$0	$118,796	$102,437	$20,633	$971,579	$17,792	$21,490
7	$56,933	$25,420	$21,631	$2,124	$35,964	$142,071	$119,519	$21,811	$73,941	$25,420	$0	$121,172	$101,937	$20,899	$992,478	$17,582	$21,385
8	$57,925	$25,928	$22,063	$2,167	$36,683	$144,766	$118,816	$22,247	$76,928	$25,928	$0	$125,103	$102,678	$19,663	$1,012,141	$16,138	$21,280
9	$58,937	$26,447	$22,505	$2,210	$37,416	$147,515	$118,120	$22,692	$78,467	$26,447	$0	$127,606	$102,177	$19,910	$1,032,051	$15,942	$21,177
10	$59,970	$26,976	$22,955	$2,254	$38,165	$150,319	$117,429	$23,146	$78,467	$26,976	$0	$128,588	$100,453	$21,731	$1,053,781	$16,976	$21,073
Total	$1,159,515	$247,157	$421,436	$20,653	$327,691	$2,176,452	$2,000,826	$198,734	$676,779	$247,157	$0	$1,122,670	$972,780	$1,053,781	$1,053,781	$1,028,046	$215,443





Hudson Apartments, LLC

Other Economic Impacts of the Project

	In the First Year	Over 10 Years
Permanent jobs created	7	7
Construction jobs created	223	223
Number of New Residents in the Community	199	377
Number of Additional Students in the Local School District	37	71
Increase in Local Personal Incomes	$4,502,935	$85,223,653
Increase in Local Retail Sales	$32,255,849	$93,233,320
Increase in the Community's Property Tax Base	$44,000,000	$44,000,000

		Property Taxes
Estimated new annual tax revenues after 10 years:	City	$705,895
	County	$721,596
	School	$1,115,847
	Comm. Coll.	$502,425
	State	$27,515
	Totals	**$3,073,278**

Hudson Apartments, LLC

OVERALL COST-BENEFIT SUMMARY

	DIRECT REVENUES									DIRECT COSTS	INDIRECT COSTS		
TAXING ENTITY	Sales Taxes	PILOT Payment	New Property Taxes	School Federal & State Funding	Corporate & Personal Income Taxes	City Utilities & Franchise Fees	TOTAL DIRECT REVENUES	ALL INDIRECT REVENUES	TOTAL ALL REVENUES	PROPERTY TAXES ABATED	ALL INDIRECT COSTS	TOTAL COSTS	NET BENEFITS
City of Kansas City	$1,021,142	$529,844	$6,340,766			$844,303	$8,736,055	$296,189	**$9,032,244**	$579,080	$22,986	**$602,066**	$8,430,178
Wyandotte County	$434,238	$541,629	$6,481,797				$7,457,665	$155,357	**$7,613,022**	$6,481,797	$79,383	**$6,561,181**	$1,051,841
Kansas City USD 500		$837,554	$10,023,190	$11,806,538			$22,667,281	$0	**$22,667,281**	$8,705,018	$1,157,504	**$9,862,522**	$12,804,759
KC Community College		$377,120	$4,513,074				$4,890,194	$545,291	**$5,435,485**	$4,513,074	$198,734	**$4,711,808**	$723,677
State of Kansas	$1,159,515	$20,653	$247,157		$421,436		$1,848,761	$327,691	**$2,176,452**	$247,157	$198,734	**$445,891**	$1,730,561
TOTALS	$2,614,894	$2,306,800	$27,605,984	$11,806,538	$421,436	$844,303	$45,599,956	$1,324,527	**$46,924,483**	$20,526,127	$1,657,341	**$22,183,468**	$24,741,015

DRAFT: November 12, 2021

PERFORMANCE AGREEMENT

Dated as of December ___, 2021

BETWEEN THE

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

AND

HUDSON APARTMENTS, LLC

Prepared By:

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

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of December ___, 2021 (this **"Agreement"**), between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,** a municipal corporation organized and existing under the laws of the State of Kansas (the **"Issuer"**), and **HUDSON APARTMENTS, LLC** a Kansas limited liability company, or assigns (the **"Company"**);

WITNESSETH:

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

WHEREAS, pursuant to such authorization, the governing body of the Issuer has adopted a Resolution (the "Resolution") indicating the Issuer's intent to issue one or more series of taxable industrial revenue bonds in the principal amount of not to exceed $48,000,000 (the **"Bonds"**), for the purpose of acquiring, constructing, improving, installing, furnishing and equipping the Project and authorizing the Issuer to enter into this Agreement;

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

WHEREAS, pursuant to the foregoing, the Issuer desires to enter into this Agreement with the Company in consideration of the Company's desire to acquire, construct, improve, install, furnish and equip the Project as more fully described in the hereinafter defined Application upon the terms and conditions hereinafter set forth and in the Lease Agreement to be entered into between the Issuer and the Company relating to the Project (the **"Lease Agreement"**).

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

ARTICLE I

DEFINITIONS

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

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

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

"Agreement" means this Performance Agreement between the Issuer and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

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

“Board of Tax Appeals” means the State of Kansas Board of Tax Appeals.

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

“Bonds” means the Issuer’s taxable industrial revenue bonds issued in relation to the Project in the maximum aggregate principal amount of $48,000,000.

“Company” means Hudson Apartments, LLC, a Kansas limited liability company, and its successors and assigns.

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

“Exempt Period” means the ten (10) calendar years beginning on the January 1 following the issuance of the Bonds.

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

“Force Majeure” means acts of God, strikes, lockouts, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate government authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the Issuer to timely approve the plans or construction documents relating to the Project, war, terrorism, pandemic (including a material worsening of the conditions related to the COVID-19 pandemic existing as of the date hereof) or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement.

“Future Facility Additions” means any additions, improvements or renovations to or equipping of the Bond Financed Portion of the Project following the receipt of a final certificate of occupancy for the final building comprising the Project. As used herein, **“Future Facility Additions”** shall never include any future additions, improvements or renovations to or equipping of the Project that are exempt from ad valorem taxes.

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

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

“Project” means acquiring and constructing an approximately 228-unit commercial multifamily facility, as further described in **Section 3.3**, including land, buildings, structures, improvements and fixtures, that will be generally located at 3600 Rainbow Boulevard.

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

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

"Tax Payment" means a payment-in-lieu of taxes to be paid by the Company in the amounts set forth in **Section 2.3** and **Exhibit C** hereof.

ARTICLE II

EXEMPTION; PAYMENTS IN LIEU OF TAX

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

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

Section 2.3. Amount of Tax Payment. The Tax Payments shall be in the amounts shown in **Exhibit C**. The parties acknowledge that such Tax Payments do not include special assessments, if any, and the school district's capital outlay levy that cannot be abated under Kansas law and that the Tax Payments are subject to adjustment as set forth in **Exhibit C**.

Section 2.4. Term of Agreement. This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article V** hereof), shall terminate upon the later of (i) the expiration of the Exempt Period or (ii) the date of the final Tax Payment.

Section 2.5. No Abatement of Special Assessments and Certain Property Taxes. The Issuer and the Company hereby agree that the Abatement Statute and any tax abatement with respect to the Project shall not apply to special assessments and property taxes that cannot be abated under Kansas law. In the event special assessments are ever abated, the Company hereby agrees that 100% of the amount of such abated special assessments shall be paid to the Issuer at the times and in the manner that Tax Payments are paid to the Issuer pursuant to this Agreement.

Section 2.6. Obligation of Issuer to Effect Tax Abatement. The Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be Exempt Property during the Exempt Period and agrees to make all filings required by the Wyandotte County Board of Commissioners or the Board of Tax Appeals; provided, however, the Issuer shall not be liable for any failure of the Board of Tax Appeals to effect the exemption permitted by the Abatement Statute. The Issuer covenants that it will not knowingly take any action that the Issuer has knowledge may cause the Bond Financed Portion of the Project to no longer be Exempt Property. In the event the Bond Financed Portion of the Project is determined to no longer be Exempt Property, the Issuer shall, at the Company's request, cooperate with the Company in all reasonable ways to cause the Bond Financed Portion of the Project to be Exempt Property, including cooperating with the Company in any related litigation. The Company agrees to pay to the Issuer the costs that the Issuer incurs (including legal fees and expenses) in cooperating with the Company in the manner required by this Section.

Section 2.7. Compliance. Within ten (10) business days following the request of the Issuer, the Company shall provide the Issuer with (i) copies of the requisitions submitted by the Company to the bond trustee in accordance with the Lease Agreement for the preceding calendar year, (ii) a list containing a brief description and the amount of all costs of the Bond Financed Portion of the Project, and (iii) the total costs of the Project, all in such reasonable detail as the Issuer shall request.

Section 2.8. Value of the Project Not Determined by Bonds. The Issuer and the Company acknowledge that it is not the intent of the parties that the principal amount of the Bonds be used for the purpose of determining the appraised value of the Project or any portion thereof for tax purposes.

Section 2.9. Company's Right to Protest. Nothing in this Agreement shall be construed to limit or in any way restrict the ability of the Company to utilize any provision of Kansas law to appeal, protest or otherwise contest any property tax valuation, assessment or similar action with respect to the Project Site or any portion thereof.

Section 2.10. Credits for Tax Payments; No Duplicate Tax Liability. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive as a credit against its obligations to pay the Issuer Tax Payments**,** the amount of any ad valorem taxes (other than special assessments and property taxes that cannot be abated under Kansas law) paid by the Company to the County to the extent that the amounts paid to the County include any taxes due with respect to the Exempt Property.

Section 2.11. No Abatement on Appraised Value of Future Facility Additions. In the event any Future Facility Additions are determined to be Exempt Property as a result of the issuance of the Bonds, this Agreement or for any other reason, so long as this Agreement remains in effect, the Company hereby agrees that 100% of the amount of such abated ad valorem taxes attributable to the Future Facility Additions shall be paid to the Issuer at the times and in the manner that Tax Payments are paid to the Issuer pursuant to this Agreement. This provision shall not be construed as restricting the Company from applying to the Issuer or to any other governmental entity for any future tax abatement in connection with the Future Facility Additions.

Section 2.12. Tax Abatement Order; Adjustment of Tax Payment. The Issuer and the Company acknowledge that, prior to the Bond Financed Portion of the Project being determined to be Exempt Property, an order from the Board of Tax Appeals approving tax abatement on the Bond Financed Portion of the Project for the Exempt Period must be obtained. In the event the Board of Tax Appeals issues an order stating that less than 100% of the Bond Financed Portion of the Project is Exempt Property, the parties agree that the Tax Payment shall be decreased by an amount necessary to result in the sum of the new Tax Payment plus the payment of ad valorem taxes by the Company with respect to the Bond Financed Portion of the Project is equal to the original Tax Payment. In the event the Board of Tax Appeals issues an order stating that none of the Bond Financed Portion of the Project is Exempt Property, then the Tax Payment shall be reduced to 0.

Notwithstanding the foregoing, if (i) the entire Bond Financed Portion of the Project is not determined to be Exempt Property, or (ii) the Board of Tax Appeals issues an order that less than 100% of the Bond Financed Portion of the Project is Exempt Property, and such determination or order is a result of the Company's failure to comply with the terms and provisions of this Agreement (after any applicable notice and cure period), the Issuer shall be under no obligation to decrease the Tax Payment as provided in this Section. Furthermore, in no event shall the Issuer be under any obligation to make any payment to the

Company as a result of the Board of Tax Appeals determining that less than 100% of the Bond Financed Portion of the Project is Exempt Property. Notwithstanding any provisions herein to the contrary, in no event shall the Company be liable for the payment of any amounts, including the Tax Payments, which are in the aggregate greater than the amount of ad valorem taxes on the Project in the event there is no abatement of the same.

Section 2.13. Determination of Appraised Value and Assessments. The Company acknowledges that the county appraiser independently determines the appraised value of Property. The Company further acknowledges that the Issuer does not have input in or in any way control the determination of the appraised value of Property or the assessment of Property, and that the Issuer cannot and is not attempting to bind the county appraiser or any other governmental authority with respect to a determination of the appraised value of the Bond Financed Portion of the Project.

ARTICLE III

COVENANTS OF THE COMPANY

Section 3.1. Construction. The Project will be constructed, equipped and operated (or caused to be operated) in a manner that is consistent with the description of the Project herein. In the event the Project is constructed in a manner that the Issuer determines, in its reasonable discretion, is materially inconsistent with the description of the Project herein, the Issuer reserves the right to declare an Event of Default in accordance with **Section 5.1** hereof.

Section 3.2. Completion Date. Subject only to Force Majeure, the Company agrees to substantially complete construction of the Project on or before [__________, 202__]. "Substantially complete," for purposes of this Section, shall mean that the Project can be occupied or utilized for its intended purpose as a multifamily facility, as evidenced by receipt by the Company of temporary certificate of occupancy. The parties agree that the governing body of the Issuer will consider an ordinance authorizing the issuance of the Bonds on or about such time, but in no event will the Bonds be issued later than December 31, 202[_].

Section 3.3. Development of Project. The Issuer and Company hereby agree that the Project shall be as described below. The Company covenants that the Project, including all buildings, parking facilities, and other improvements constituting the Project shall be developed, constructed, completed, and operated (or caused to be operated) on the Project Site in substantial accordance and compliance with the terms and conditions of this Agreement and the final site plan approval from the Issuer's Planning Commission. On and subject to the terms and provisions set forth in this Agreement, Company shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Project, and shall operate (or cause to be operated) and use the Project in the manner described herein. The parties further agree as follows:

(a) The Project shall be designed, developed, and constructed as a Class A apartment development that shall include approximately 228 apartment units, consisting of studio, one-bedroom, two-bedroom, and/or three-bedroom units located within a multi-story apartment building, including site amenities and related infrastructure. Project amenities shall be suitable for a Class A apartment facility, including (i) a swimming pool with cabanas and grilling area; (ii) health and fitness facilities, including a yoga room; (iii) a club room with top floor balcony; (iv) a business center/student library; (v) in-unit washer/dryer, refrigerator, oven/range, and microwave; (vi) green space; (vii) pet washing area; and (viii) indoor bike shop, all as generally depicted in

Exhibit E attached hereto, though the parties acknowledge the depiction in **Exhibit E** is subject to modification pursuant to the Issuer's planning process.

(b) Company stipulates and agrees that its signage shall be subject to all applicable laws and requirements of the Issuer and any special use permits granted by the Issuer's governing body.

(c) The Project shall include parking improvements containing at least the number of spaces required by the Issuer's applicable laws and requirements.

(d) The Company's plans for landscaping on the Project Site shall be considered in accordance with all applicable laws and requirements of the Issuer and the Issuer's approval thereof will not be unreasonably withheld.

Section 3.4. Maintenance and Use. The Company shall cause the Project and the Project Site to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other Class A apartment space in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Company specifically understands and agrees that the Issuer shall not undertake or have any obligation under this Agreement for snow or ice removal on sidewalks located at or adjacent to the Project.

Section 3.5. Inspection. The Company agrees that the Issuer and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least 48 hours advance notice and to the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site to examine and inspect the Project and the records of the Company which demonstrate compliance with this Agreement, including, but not limited to, inspections necessary to confirm compliance with **Section 3.3**.

Section 3.6. Compliance with Laws. The Project will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and regulations and all other applicable laws, rules and regulations.

Section 3.7. Employment Certification. Beginning on March 1 in the calendar year following the issuance of Bonds, and on each March 1 thereafter and at any other time that the Issuer may request, for the term of this Agreement, the Company shall provide a written certification to the Issuer stating the total number of full-time employees employed at the Project.

Section 3.8. Payment of Fees and Reimbursement or Payment of Costs.

(a) The Company agrees to pay to the Issuer the standard fees charged by the Issuer in connection with tax abatement projects and the issuance of industrial revenue bonds. These fees include, but are not limited to, an initial application fee (which the Issuer agrees has been paid in full), a service fee that is due at the time of issuance of the Bonds and an annual administrative fee. The Company acknowledges receipt of a fee schedule from the Issuer and acknowledges that the fee schedule may be adjusted or amended by the Issuer at any time.

(b) The Company agrees to promptly reimburse the Issuer, within ten (10) business days following receipt by the Company of an invoice from the Issuer and reasonable supporting documentation, for any amounts that the Issuer pays to any other party as a result of the Issuer pursuing, obtaining or maintaining the tax abatement granted to the Company pursuant to this Agreement. These costs shall include, but shall not be limited to, all fees and expenses for filings with the Board of Tax Appeals (including the application fee and annual administration fee), legal notice publication expenses, and the costs and expenses of the Issuer's legal counsel. The Company agrees that the Issuer may, in lieu of seeking reimbursement from the Company, forward any invoice received by the Issuer to the Company, which invoice is for a cost which the Issuer could seek reimbursement from the Company pursuant to this paragraph, and the Company agrees to promptly pay such invoice and to promptly provide the Issuer with evidence of such payment.

Section 3.9. Abatement of Property. The Abatement Statute provides that, with certain exceptions, any property constructed or purchased in part with the proceeds of revenue bonds issued under the authority of the Act is exempt from taxation for a period of up to ten years to the extent of the value of that portion of the property financed by the revenue bonds. The tax abatement commences in the year following the year in which the Bonds are issued.

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

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

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

Company hereby represents that the NAICS code for the Project is not included within the list of Prohibited NAICS and agrees that during the term of the tax abatement, the property purchased with the proceeds of the Bonds will not be used in any of the Prohibited NAICS. Company understands that if any property purchased with the proceeds of the Bonds is used in a Prohibited NAICS, that property will not be subject to property tax abatement under Kansas law.

Company represents that the Project is not, and will not become, a swine production facility, a poultry or rabbit confinement facility or inventory, and that the Project is not located in a redevelopment project area.

Section 3.10. Solid Waste Services. Until termination of this Agreement, the Company agrees that it and all of its tenants, subtenants, operators and licensees shall exclusively use the solid waste services of the Unified Government for the Project. This requirement shall not apply to the Company or any user if the Company or user demonstrates that solid waste services provided by the Issuer are inadequate to serve such user's reasonable needs.

Section 3.11. LBE/MBE/WBE Employment Opportunity Goals. The Company agrees to comply with the goals set forth on **Exhibit D** in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses. The Company hereby understands and agrees that if it shall fail to use Best Efforts to meet the LBE/MBE/WBE goals set forth on **Exhibit D** for the Construction (as those terms are defined therein) of the Project, then the Tax Payments shall be increased as set forth in **Exhibit C**. The parties agree that failure to use Best Efforts to meet the LBE/MBE/WBE goals set forth on **Exhibit D** shall not cause an Event of Default hereunder, and the Issuer's sole remedy will be increasing the amount of Tax Payments as set forth in **Exhibit C**.

ARTICLE IV

SALE AND ASSIGNMENT

Except as otherwise provided herein, the Company will not, without the prior written consent of the Issuer, (a) assign, sell, lease, or otherwise transfer the Project Site, the Project, or equipment that comprises the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. The Issuer shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the Issuer as to whether the proposed assignee has sufficient financial wherewithal and experience to successfully complete and/or operate the Project according to the terms hereof. If an assignment is approved by the Issuer, the assignee shall assume and agree to pay and perform each and all of terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree that the Company may do any of the following without written consent of the Issuer:

(a) The Company may lease the residential units within the Project in the ordinary course of its business.

(b) The Company may grant a mortgage, leasehold mortgage, or other security on the Project to a lender in order to finance construction of the Project, including, but not limited to, collateral assignment of all or any portion of its rights or obligations under this Agreement or any other documents entered into in connection with the Bonds.

(c) Once all occupancy permits have been issued for the Project, the Company may sell, lease, assign, transfer or mortgage the Project (and this Agreement and any other documents entered into in connection with the Bonds including without limitation the Resolution, in connection with the same) upon written request to the Issuer and the approval of the County Administrator; provided, if the County Administrator disapproves any such disposition, the Company will have the right to appeal such decision to the Issuer's governing body within a reasonable time. The consent of the Issuer to any such disposition described in this subsection shall not be unreasonably withheld or delayed.

(d) The Company may terminate this Agreement, and thereafter freely sell, assign, transfer or mortgage.

(e) The Company, upon written notice to the Issuer, may freely sell, assign, lease or transfer all or any portion of the Project or Project Site, and/or its rights or obligations under this Agreement and any other documents entered into in connection with the Bonds (including, without limitation, the Resolution), to an entity managed by or under common control of or by the Company or one or more of its principals.

Upon the sale, assignment, or transfer of the Project as set forth herein, the Company (as assignor) shall be relieved of all further liability occurring on and after the effective date of such disposition, except as may be otherwise set forth in the Lease Agreement.

ARTICLE V

DEFAULT AND REMEDIES

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

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

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

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

Section 5.2. Remedies on Default. Upon the occurrence of an Event of Default hereunder, the Company shall be given 60 days (or such longer period as the Issuer and the Company may agree), following written notice by the Issuer to the Company of the occurrence of such Event of Default, to cure such Event of Default; provided that, if such Event of Default is of a nature that it cannot reasonably be cured within 60 days, then such occurrence will not constitute an Event of Default so long as Company: (a) commences to cure such failure within such 60-day period; and (b) diligently pursues such cure to completion. If such Event of Default is not cured within such time, this Agreement may be terminated by written notice to the Company from the Issuer. Such termination shall be effective immediately following delivery of such written notice. Upon the termination of this Agreement, the Company shall make a payment to the Issuer (or as the Issuer may otherwise direct) in an amount equal to the sum of (i) all due but unpaid Tax Payments attributed to prior calendar years, (ii) the pro rata total Tax Payments that would be due with respect to the current calendar year, (iii) the pro rata amount of any taxes that would be due for the remaining portion of the current calendar year assuming the Bond Financed Portion of the Project was not Exempt Property, and (iv) the amount of any costs and attorneys' fees incurred by the Issuer as a result of such Event of Default and in enforcing this Agreement.

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

ARTICLE VI

MISCELLANEOUS PROVISIONS

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

Agreement because the Issuer plans to grant or has granted tax abatement to another project or projects on terms that are more favorable than the terms provided for in this Agreement. Upon the occurrence of the Company's breach of its obligations set forth in this Section to waive any claim it may have against the Issuer as described above, the Issuer shall have the right to immediately terminate this Agreement and the associated tax abatement and require that the Company pay to the Issuer the amounts specified in **clauses (i)** through **(iv)** of **Section 5.2**.

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

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

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

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

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

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 323
Kansas City, Kansas 66101
Telephone: 913-573-5260
Email: bdeichler@wycokck.org

with a copy to:

Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 961
Kansas City, Kansas 66101
Telephone: 913-573-5060
Email: mbrown@wycokck.org

And a copy to:

Douglas G. Bach
County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, 9th Floor
Kansas City, Kansas 66101

Telephone: 913-573-5030
Email: dbach@wycokck.org

And a copy to:

Gilmore & Bell, P.C.
Gina Riekhof & Kevin Wempe
2405 Grand Blvd., Suite 1100
Kansas City, Missouri 64108
Telephone: 816-221-1000
Email: griekhof@gilmorebell.com; kwempe@gilmorebell.com

and to the Company at:

Michael Berenbom
Hudson Apartments, LLC
4705 Central Street
Kansas City, Missouri 64112
Telephone: 816-960-1444
Email: mberenbom@lane4group.com

with a copy to:

Curt Petersen
Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, Missouri 64112
Telephone: 913-234-7458
Email: cpetersen@polsinelli.com

All notices given by: (i) nationally recognized overnight delivery service, or (ii) electronic mail, followed up by regular United States mail or nationally recognized overnight delivery service in accordance with the above procedures, shall be deemed duly given one business day after they are so delivered. All notices given in person shall be deemed duly given when delivered.

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

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

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

[Remainder of page intentionally blank.]

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Mayor/CEO

ATTEST:

By:__________________________________
Unified Government Clerk

HUDSON APARTMENTS, LLC
a Kansas limited liability company

By:____________________________________
Name:
Title:

EXHIBIT A

APPLICATION FOR THE ISSUANCE OF INDUSTRIAL REVENUE BONDS

EXHIBIT B

PROJECT SITE

[Legal Description]

EXHIBIT C

TAX PAYMENT SCHEDULE

Tax Payments (or "PILOTs") shall be determined on a per-apartment-unit basis. Below is an approximate PILOT schedule based on 228 apartment units, and the parties acknowledge that the Tax Payments may be adjusted in accordance with the table below depending on the ultimate number of units constructed.

Tax Payments shown below do not include the school district's capital outlay levy that cannot be abated under Kansas law.

Number of units	228
Year 1 PILOT	$210,672
Year 1 PILOT per unit	$924
Annual Increase	2.00%
Annual Increase if LMW Failure	4.00%

Year[a]	**Annual PILOT**[b]	**PILOT per Door**[b]	**Annual PILOT if L/M/WBE Failure**[b]	**PILOT per Door**[b]
1	$210,672	$924	$210,672	$924
2	214,885	942	219,099	961
3	219,183	961	227,863	999
4	223,567	981	236,977	1,039
5	228,038	1,000	246,456	1,081
6	232,599	1,020	256,315	1,124
7	237,251	1,041	266,567	1,169
8	241,996	1,061	277,230	1,216
9	246,836	1,083	288,319	1,265
10	251,773	1,104	299,852	1,315

Business Category	Participation Percentage Goal Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

[a] Year 1 refers to calendar year beginning January 1 after issuance of Bonds.
[b] Does not include school district capital outlay levy.

EXHIBIT D

LBE/MBE/WBE PARTICIPATION AGREEMENT

THIS LBE/MBE/WBE PARTICIPATION AGREEMENT (the "**Agreement**"), by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the "**UG**") and Hudson Apartments, LLC or assigns (the "**Developer**"), sets forth procedures and goals for the utilization of local business, minority and women enterprises in connection with the development of an approximately 228-unit, commercial multifamily project in Kansas City, Kansas (the "**Project**"), as defined below.

I. SCOPE

A. These procedures are applicable to the Construction (as defined below) of the Project, as further described in that certain Performance Agreement between the UG and Developer, dated December ___, 2021 (the "**Performance Agreement"**), whether performed by or on behalf of Developer, including, but not limited to, all aspects of Construction of the Project and related facilities including labor, materials and supplies, and construction related services whether undertaken by or on behalf of Developer, but not including Specialized Services.

II. DEFINITIONS

A. "Construction" means all aspects of the construction of the Project including labor, materials and supplies, and construction related services, whether performed or contracted for by or on behalf of Developer; provided, however, "Construction" shall not include: (i) Specialized Services; and (ii) Professional Services.

B. "Contractor" means the Proposer selected by the Developer for the Project.

C. "Local Business Enterprise" (or "LBE") means a business headquartered or which maintains a Substantial Local Office that performs the significant functions of the business in Wyandotte County or a business of which at least 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 and it is determined and assigned based upon the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

D. "Minority Business Enterprise" (or "MBE") 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 a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

E. "Professional Services" means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development and construction of the Project.

F. "Project" means the Construction of a new apartment complex and as legally described in Exhibit 1 to this Agreement.

G. **“Proposer”** means a construction firm that submits a proposal in response to a solicitation for proposals issued by Developer with respect to the Construction of the Project or with respect to the annual operations of the Project.

G. **“Specialized Services”** means expertise, services, or products that are only available through sole source providers or national vendors or are unique to the business of the Project.

H. “**Substantial Local Office**” means an office operated and financially supported by a firm that has sufficient space, staff and equipment to carry on the local business of the firm and that is engaged in significant, on-going local involvement with the business community in Wyandotte County, KS. The term “Substantial Local Office” shall specifically exclude any office that has been established for the sole purpose of participating in a specific Project.

I. **“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.

III. <u>GOALS FOR LBE/MBE/WBE PARTICIPATION.</u>

Developer and its Contractor will use Best Efforts to meet the LBE/MBE/WBE participation percentage goals listed in the below chart based upon the total cost of the Construction of the Project. 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 for LBE, MBE, and WBE participation. These goals are not quotas or set asides.

Business Category	Participation Percentage Goal – Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, the Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs.

IV. <u>ELIGIBILITY FOR CREDIT</u>

A. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification by the Kansas Department of Commerce, the City of Kansas City, Missouri, the State of Missouri, the Missouri Department of Transportation, the MidAmerica Minority Business Development Council, and/or the Women’s Business Enterprise National Council or any other applicable or appropriate public or private entity or other entity mutually acceptable to the UG and the Developer (each, an “approved” business) may be counted towards the participation goals in Section III above.

B. In the event that a contract has been awarded on the Project to an approved LBE, MBE, or WBE business, and such LBE, MBE or WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall receive credit towards the goal for only that portion of work performed or services provided up to the point such business becomes unapproved.

V. CONSTRUCTION UTILIZATION

A. The goals set forth in Section III may be met by the expenditure of dollars with approved LBE, MBE and/or WBE businesses, contractors, labor suppliers, regular dealers, manufacturers, material suppliers, subcontractors, software vendors, consultants, other Construction-related products, suppliers, and/or services, or through joint ventures with approved LBEs, MBEs or WBEs. The participation of certified LBE, MBE and/or WBE Proposers may count toward a goal for which they qualify.

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

C. 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 counted both for MBE and WBE participation. However, a certified MBE or WBE that also qualifies as an LBE may also be counted towards the LBE goal. For additional clarification purposes, a qualified LBE, which also certified as an MBE or WBE, shall be counted toward both the LBE and the MBE or WBE goals in the Developer's sole discretion.

D. 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 agreement with such LBE, MBE or WBE. Brokering is not credited.

VI. CONTRACT AWARD COMPLIANCE PROCEDURES

A. Solicitation Documents. The solicitation documents, for each contract for which goals are established, shall contain a description of the requirements set forth in this Agreement and the LBE, MBE, and WBE goals. Upon request by the UG, Developer shall submit the solicitation documents and the bid list to the UG.

B. Subcontractor Relations – Documentation of Subcontracting Agreements. All subcontracting services for LBE, MBE and/or WBE businesses shall be evidenced by an agreement which shall include 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.

C. Best Efforts. For each LBE/MBE/WBE participation percentage goal that is not achieved, Developer shall be deemed to have used "**Best Efforts**" to meet such goal(s) if Developer shall have taken substantially all of 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 and/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, specifications, 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 and prior work history;

viii. Developer is seeking or has sought to educate and assist LBEs, MBEs, and WBEs in obtaining bonding, lines of credit or insurance required to perform the contract; and

ix. Developer is working 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 Developer to take all of the foregoing actions shall not be determinative that Developer has not used its Best Efforts. The parties acknowledge that all of the foregoing actions may not apply to every scope of the Project.

VII. UG'S ASSISTANCE TO PROJECT

The UG shall use its best efforts to provide assistance to Developer and its agents so that Developer may fulfill its participation goals as set forth in this Agreement. The Developer assumes all responsibility for using Best Efforts to meet the goals and complying with the procedures and processes set forth herein. Examples of such assistance by the UG include but are not limited to:

A. providing information and technical assistance regarding this Project to the Developer and its agents including the Contractor and any other contractors, subcontractors, LBEs, MBEs, WBEs, officials and other interested persons;

B. developing and maintaining a registry of approved LBE, MBE and WBE businesses;

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

D. updating the Developer and its agents on current or proposed affirmative action legislation enacted by the UG that may affect the Project;

E. frequently reviewing Developer and the Contractor and any other contractor or subcontractor performance and LBE, MBE, and/or WBE participation on the Project;

F. providing advice relative to utilization and compliance matters;

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

H. assisting the Developer and its agents in addressing issues related to the goals and procedures set forth in this Agreement;

I. reviewing complaints from LBEs, MBEs, WBEs, and any other interested persons regarding these goals and procedures with Developer and its agents; and

J. assisting in the Developer's development of forms to document compliance with these procedures.

VIII. DEVELOPER COMPLIANCE; RECORDS AND REPORTS.

A. **Records.** Developer shall maintain those records as may reasonably be required to demonstrate compliance (and/or its Best Efforts to comply) with the goals and procedures set forth in this Agreement. These records shall be made available to the UG at Developer's offices during business hours and upon reasonable advance notice.

B. **Construction Utilization Plan Reports.** Developer shall provide the UG with information sufficient to document the participation under this Agreement, which may include periodically providing the Construction Utilization Plan as set forth on Exhibit 2. Such information may include 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/or WBE; and a brief description of the work to be performed by each such LBE, MBE and/or WBE.

C. **Remedies.** If, after review of the Developer's construction and related reports by the Unified Government Contract Compliance Department, the UG determines that the participation goals contained in this Agreement for the Construction of the Project have not been met, and that the Best Efforts described herein have not been met, then the UG shall have, as its sole and exclusive remedies: such remedy as set forth in Section 3.11 of the Performance Agreement; and (ii) UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects undertaken by the Company in the UG.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ______________________________
Douglas G. Bach
County Administrator
Date: ______________________________

HUDSON APARTMENTS, LLC

By: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

EXHIBIT 1
Legal Description

EXHIBIT 2

Construction Utilization Plan

EXHIBIT E

PRELIMINARY SITE PLAN

Staff Request for Commission Action

Tracking No. 211190

Full Commission Meeting Date: 12/2/2021
Committee: Economic Development & Finance

Date of Standing Committee Action: 11/29/21 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/17/2021	Jeff Fisher	x5415	jfisher@wycokck.org	Public Works

Item Description:
RESOLUTION: Authorizing filing of an application with the Kansas Department of Health and Environment for a Loan under the Kansas Water Pollution Control Revolving Fund Act. Public Works will present information on the State Revolving Loan Fund and the projects to be funded in relation to the WIFIA Program. A public hearing to be held at a future date is required prior to approval of the loan.

This item is requested to be fast tracked to the Full Commission meeting on December 2, 2021.

Action Requested:
Adopt resolution

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

Attachments List:
Template of Application Resolution for KWPCRF

RESOLUTION OF GOVERNING BODY OF APPICANT

RESOLUTION NO. __________________

Resolution authorizing filing of application with the Kansas Department of Health and Environment for a Loan under the Kansas Water Pollution Control Revolving Fund Act (K.S.A. 1988 Supp. 65-3321 through 65-3329).

WHEREAS under the terms of the Kansas Water Pollution Control Revolving Fund Act (K.S.A. 1988 Supp. 65-3321 through 65-3329), the State of Kansas has authorized the making of the loans to authorize applicants to aid in the construction of specific public projects,

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF UNITED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITU, KANSAS, AS FOLLOWS:

Section 1. Loan Application. The Mayor and City Clerk of the City are hereby authorized to cause to be prepared and to execute a Loan Application, including all attachments thereto (jointly, the "Application"); in substantially the form presented to the Governing Body this date, in order to provide financing for the Project. The Application shall be forwarded to KDHE as soon as possible.

Section 2. Further Proceedings. The Mayor, City Clerk and the other officers and representatives of the City are hereby authorized and directed to take such other action as may be necessary to complete the Application and to coordinate processing of a loan agreement for the Loan (the "Loan Agreement"); provided that the authorization to execute the Loan Agreement shall be subject to further resolution of the Governing Body.

Section 3. Further Authority. This Resolution shall be in full force and effect from and after its adoption.

Adopted by the Governing Body of the City of United Government of Wyandotte County and Kansas City, Kansas on [Date of Public Hearing].

(SEAL)

____
Mayor

ATTEST:

____
City Clerk

Staff Request for Commission Action

Tracking No. 211173

Full Commission Meeting Date: 12/16/21
Committee: Economic Development & Finance

Date of Standing Committee Action: 12/6/21 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/10/2021	Andrea Parra	x8226	aparra@wycokck.org	Treasurer

Item Description:
Presentation of the Unified Government's Cash and Investments Policy with no changes and consideration of a resolution adopting said policy.

Action Requested:
Adopt resolution

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

Attachments List:
Resolution Adopting Cash Management Policy - final, Cash-Investment Policy-2021

RESOLUTION NO. R-______-21

A RESOLUTION ADOPTING THE UNIFIED GOVERNMENT'S CASH MANAGEMENT POLICY FOR 2022.

WHEREAS, the purpose of the Cash Management and Investment Policy (the "Policy") is to identify the policies and statements of the Unified Government regarding the safe and responsible management of Unified Government funds and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy objectives.

WHEREAS, the Policy shall be reviewed on an annual basis by the Cash Management Committee and shall be reviewed and approved annually by the Board of Commissioners. If it deems it necessary, the Cash Management Committee will recommend changes to the Policy to the Board of Commissioners. Any recommended modifications to the Policy must be reviewed and approved by the Board of Commissioners.

WHEREAS, the Cash Management Committee reviewed the previous Policy for 2021 and had no recommended changes to make for 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT:

SECTION 1. Adoption of Cash Management and Investment Policy. The Board of Commissioners of the Unified Government hereby approves and adopts the Policy, as set forth in Exhibit A, attached hereto. The Board of Commissioners finds that the attached Policy sets forth procedures which will allow the Unified Government to invest funds in a manner that will meet daily cash flow demands while providing a reasonable rate of return with the maximum security in conformity with all Kansas statutes governing the investment of public funds.

SECTION 2. Authorizations. That the County Administrator 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 3. Effective Date. This Resolution shall be effective upon adoption by the Unified Government Board of Commissioners.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT THIS 16th DAY OF DECEMBER, 2021.

____

Unified Government Clerk

Unified Government of Wyandotte County
and Kansas City, Kansas

Cash and Investment Policy

Section 1. General Purpose Statement
The Board of Commissioners has authority to invest all funds held by or belonging to Wyandotte County/Kansas City, Kansas ("Unified Government" or "UG"). The purpose of this Cash Management and Investment Policy is to identify the policies and statements of the Unified Government regarding the safe and responsible management of the Unified Government funds~~,~~ and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy objectives.

Section 2. Legal Authority
The Unified Government Board of Commissioners is granted the authority to invest temporarily idle funds, i.e. those funds which are not immediately required for the purposes for which the moneys were collected or received and the investment of which is not subject to or regulated by any other statute, under K.S.A. 12-1675 and 12-1677b which also identifies the types of investments the Unified Government may purchase.

Section 3. Policy Statement
The policy of the Unified Government is to invest its funds in a manner which will provide a reasonable rate of return with the maximum security while meeting the daily cash flow demands of the Unified Government and conforming to all statutes governing the investment of such funds.

Section 4. Scope
This Cash Management and Investment Policy shall apply uniformly to all officials, employees, departments, agencies, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the Unified Government's idle funds. All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials will conduct themselves as good stewards of public funds that will promote public confidence in the Unified Government's ability to govern effectively.

This Cash Management and Investment Policy applies to the Unified Government's cash management and investment activities primarily focused on idle funds and general obligation bond proceeds held by or under the control of the Unified Government. Debt service funds, reserve funds, and other financial assets held by various fiscal agents and trustees as provided under various bond ordinances are invested at the direction of the Unified Government but are not held by the UG nor under the direct control of the Director of Revenue/County Treasurer.

Section 5. Adoption and Annual Review
This Cash Management and Investment Policy shall be adopted by resolution of the Board of Commissioners. The Policy shall be reviewed on an annual basis by the Cash Management Committee

and shall be reviewed and approved annually by the Board of Commissioners. If it deems it necessary, the Cash Management Committee will recommend changes to this Policy to the Board of Commissioners. Any recommended modifications to the Policy must be reviewed and approved by the Board of Commissioners.

Section 6. Cash Management Committee; Delegation of Authority
A Cash Management Committee shall be established. The Cash Management Committee (CMC) shall consist of the following voting members: Unified Government's Chief Financial Officer, the Clerk, the Director of Revenue/County Treasurer, the Chief Counsel or designee and the following non-voting members: the Legislative Auditor or designee, Accounting Manager, Cash Manager and one member from the municipal advisory firm of the Unified Government. The Chief Financial Officer shall serve as the Chairperson of the CMC.

Responsibility for the operation of the investment program is delegated to the CMC which shall establish procedures and internal controls for the operation of the investment program consistent with this Policy.

Daily and routine investments of Unified Government idle funds will be made by the Chief Financial Officer or designee, under the guidelines set forth in this Policy and as recommended by the CMC.

Section 7. Investment Procedures
This Policy is administered through a separate set of written Investment Procedures, which should be referred to in conjunction with this Policy. The Cash Management Committee is hereby authorized to adopt written Investment Procedures consistent with this Cash Management and Investment Policy. Such Procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the Procedures adopted by the Cash Management Committee. The Director of Revenue/County Treasurer shall be responsible for all transactions undertaken and shall establish a system of internal controls to regulate the activities of subordinate officials.

In the development of the system of internal controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority, limitations of authority, and custodial safekeeping.

Section 8. Staff Qualifications

A. The Unified Government shall hire a Cash Manager or shall retain an outside manager to manage investments. The Cash Manager will have the necessary qualifications to perform investment duties as outlined in the Cash Management and Investment Policy and the Cash Management and Investment Procedures and will be supervised by the Chief Financial Officer or designee.

B. Duties of the Cash Manager position include the following:
   1. Management of the short-term and long-term investment portfolios in accordance with K.S.A. 12-1675 and 12-1677b and amendments thereto, with any other applicable statutes or ordinances or resolutions, and with this Cash Management and Investment Policy and the Cash Management and Investment Procedures and amendments thereto;
   2. Tracking investment transactions; ensuring accuracy and security of investments, monitoring record keeping of investments;

3. Performing inspections on safekeeping receipts held as collateral to cover investments; alerting banks regarding insufficient collateral;
4. Prepare cash flow forecasts;
5. Generate investment performance statistics and activity reports; and
6. Other duties as assigned by the Chief Financial Officer or the Director of Revenue/Treasurer.

C. Specific qualifications include a bachelor's degree in Finance, Accounting, Economics, Business, or Public Administration and two years of progressively responsible investing or accounting experience, or any equivalent combination of education and experience sufficient to successfully perform the essential duties of the job. If the individual appointed to the Cash Manager position does not possess the requisite investment experience, the individual will attend government investment training approved by the Chief Financial Officer within one year of appointment.

Section 9. Investment Advisor

The Chief Financial Officer, with the approval of the Cash Management Committee, may appoint an independent Investment Advisor registered with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940 and the rules adopted thereunder, or a "Municipal Advisor" as defined by Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, amending Section 15B of the Securities Exchange Act of 1934, and interpreted by the Securities and Exchange Commission in its final rules adopted September 10, 2013, to advise the Unified Government on investment activities. The Investment Advisor will be selected through a competitive process under the Unified Government's Procurement Code. The terms and conditions of such relationship shall be set out in a contract. The duties and responsibilities of the Investment Advisor at a minimum shall include the following.

1. Providing advice and analysis on the Unified Government's Investment Policy, portfolio management techniques, portfolio structures, and new investment securities and products;
2. Assistance in developing or improving and implementing cash flow modeling;
3. Providing advice on investment benchmarking and performance reporting;
4. Evaluation of the capabilities and usage of software utilized in management of and accounting for the investments;
5. Assisting in any investment related presentations to the Cash Management Committee or Board of Commissioners; and
6. Providing analysis, advice, and assistance on other investment-related matters, including investment of bond proceeds.

Section 10. Standards of Care

A. *Prudence*

The standard of prudence to be used by investment officials shall be the "prudent person standard" and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering first the safety and liquidity of their capital and next the probable income to be derived. If outside investment professionals are retained, they shall be held to the "prudent expert standard," that is, they shall exercise the judgment, care, skill, prudence and diligence, under the circumstances then prevailing, which persons of prudence, discretion and intelligence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments so as to minimize the risk of large losses, unless, under the circumstances, it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

The Chief Financial Officer, other investment officials, and the members of the CMC, when acting in accordance with the written Investment Procedures and the Cash Management and Investment Policy, and when exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

B. ***Ethics and Conflict of Interest***

Unified Government officers and employees authorized to perform investment duties shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial decisions. For purposes of this Policy, "officers and employees" means voting members of the Cash Management Committee and the Cash Manager; it shall not mean elected officials.

No officer or employee shall use his or her official position or office to obtain direct or indirect personal financial gain for himself or herself, his or her family, or any business in which the officer or employee has a financial interest. Officers and employees are governed by this Policy, the Unified Government Code of Ethics, and any applicable state laws.

Investment staff shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Unified Government.

Officers and employees shall disclose annually to the Legislative Auditor and to the Ethics Administrator any financial interest in financial institutions with which the Unified Government conducts business or any benefit which the officer or employee obtains from any Unified Government contract or from placement of an investment of Unified Government funds. For purposes of this Policy, "financial institution" means banks, savings banks, or savings and loan associations as defined in K.S.A. 12-1675a and amendments thereto. For purposes of this Policy, "financial interest" means (a) ownership or any interest or involvement in any relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than $5,000 per year, or its equivalent; (b) ownership of such interest in any property or any business as may be specified by the Ethics Commission; or (c) holding a position in a business such as an officer, director, trustee, partner, employee, or the like or holding any position of management. Financial interest does not include household operating accounts or a depository relationship with a financial institution.

Each financial institution in which the Unified Government deposits funds and each investment manager and each consultant retained by the Unified Government shall be notified of this section of the Policy and shall conform to its provisions and shall not participate in any violation of this section or in any effort to influence any officer or employee to breach the standards of ethical conduct set forth in this section.

Section 11. Objectives

The primary objectives of the Unified Government investment activities, in priority order, shall be:

A. ***Safety***. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

1. *Credit Risk*
   Credit risk, the risk of loss due to the failure of the security issuer or backer, will be minimized by:

   a. Limiting investment to the safest types of securities;
   b. Pre-qualifying financial institutions, broker/dealers, intermediaries, and advisors with whom the UG will do business; and
   c. Diversifying the investment portfolio so that potential loss on individual securities will be minimized.

2. *Interest Rate Risk*
   Interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, will be minimized by:

   a. Structuring the investment portfolio so that the securities mature to meet cash requirements of the general operating fund, thereby avoiding the need to sell securities prior to maturity; and
   b. Investing general operating funds primarily in shorter-term securities.

B. ***Diversification.***

1. *In General*
   It is the policy of the Unified Government to diversify its investment portfolio so as to protect its funds from material losses due to issuer defaults, market price changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

2. *By Institution*
   Investments will be diversified so that reliance on any one issuer or financial institution will not place an undue financial burden on the Unified Government in the event of default. Accordingly, no more than 25% of the total investment portfolio shall be with the same financial institution or issuer, except US treasuries, unless it would be prudent to do so under prevailing circumstances. If the above limit is exceeded, the Chief Financial Officer will notify the CMC.

3. *By Instrument Type*

Market and credit risk will be minimized by diversification among investment types. The following are maximum limits for the percentage of Unified Government investable funds to be invested in each investment type.

a.	Certificates of deposit	100%
b.	U. S. Treasury bills, notes or bonds	100%
c.	U. S. Government agency obligations	50%
d.	Kansas Municipal Investment Pool	50%
e.	Repurchase agreements	25/100%*
f.	Bank trust department municipal pools	25%
g.	Temporary notes or no-fund warrants	10%

Because of distortion created by deposit of proceeds from the sale of temporary notes issued by the Unified Government, measurement of the maximum limits on investments by institution and by instrument type for purposes of this subsection 11.B. shall occur at least one week after the deposit of such proceeds.

* NOTE: Investments in short term securities shall be limited to 10% of investable funds, and investments in repurchase agreements shall be limited to 25% of investable funds, except as set out below. While it is not the goal to invest 100% of investable funds in either short term securities or repurchase agreements, the ability to invest the maximum limit in these two investment types is recognized as an option in certain market circumstances when these investments offer higher returns than other investment types at minimal risk. The option to invest more than the 10% or 25% limit respectively will be used only when the Cash Manager determines, with the concurrence of the Chief Financial Officer and the Unified Government's municipal advisory firm, that it is advantageous and prudent to do so.

C. *Liquidity.*

1. The Unified Government's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated without incurring material losses by structuring the portfolio so that securities mature concurrent with anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

2. The Unified Government understands the importance of having sufficient funds invested in overnight sweep accounts to meet weekly payrolls, accounts payable, scheduled debt service, and extraordinary expenses that may occur, which may range from 10% to 25% of available investment funds.

3. It is important for a county government to have the necessary funds for the scheduled tax distributions to other governmental entities. In particular, liquidity is essential for the January and June tax distributions. Therefore, it is the policy of the Unified Government that such funds be held liquid to provide assurance as to the availability and

safety of these funds held on behalf of the other governmental entities under the Unified Government's trust.

D. ***Maturity.***

1. All investments shall be made to mature in accordance with cash needs identified in regularly prepared and updated cash flow forecasts. The Unified Government recognizes that the laddering of investments is a sound approach to mitigate short-term interest rate fluctuations. Additional considerations in the structuring of investments shall include:

    a. Review of economic and financial indicators, such as Federal Reserve monetary policy position statements and the U.S. Treasury yield curve; and

    b. Input from the Unified Government's municipal advisory firm.

2. The Unified Government has adopted the following maturity target ranges for its core investment portfolio. Core investments include all operating funds of the Unified Government and exclude bond proceed funds held by a bond trustee for the purpose of project construction, debt service payments, debt reserves or other escrow requirements.

a.	0 – 12 months	30% to 60%
b.	12 – 24 months	20% to 40%
c.	24 – 36 months	15% to 30%
d.	36 – 48 months	10% to 20%

The maturity targets are provided as a guideline. Notwithstanding the above maturity target ranges, cash flow requirements and existing interest rate markets may dictate the need to adjust the timing of investment maturities.

4. The sale of securities before maturity shall require the prior approval of the Chief Financial Officer based on the following reasons:

    a. A security with declining credit quality may be sold early to minimize loss of principal.
    b. Liquidity needs require a security to be sold.
    c. It is advantageous to the portfolio to sell such securities.
    d. Financial failure of the issuer is likely.

5. As long as this Policy continues to be approved by the State Pooled Money Investment Board, the maximum maturity for investments shall be four years. Otherwise the maximum maturity for investments shall be two years.

E. ***Return on Investment.*** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the UG's investment risk constraints, state statutes, cash flow characteristics of the portfolio, and prudent investment principles. As a benchmark for risk-free investment transactions, the U.S. Treasury Bill rate for the Unified Government's total portfolio weighted average maturity term will be the minimum standard for the portfolio's rate of return. Return on investment is the last in importance compared to the safety, diversification, liquidity and maturity objectives described above.

Section 12. Performance Evaluation and Reporting
Investment performance shall be continually monitored and evaluated by the CMC. Investment performance statistics and activity reports will be generated by the Cash Manager. Summary investment reports will be provided quarterly to the Economic Development and Finance Standing Committee of the Unified Government Board of Commissioners, with copies to the County Administrator, the Unified Government Commission, and the Cash Management Committee.

Reports shall include but not be limited to information on interest received, interest earned, investment yield, types of investments, distribution by type of investments, maturity schedule by month, weighted average days to maturity, evaluation of portfolio to selected benchmark, and any other information deemed necessary by the Chief Financial Officer or requested by the County Administrator or the Board of Commissioners.

Section 13: Eligible Financial Institutions
A. ***Minimum Qualifications for Depositories***

1. In order to ensure the safety of principal, the Unified Government shall deposit funds, including those designated for investment purposes, only in eligible financial institutions which meet the minimum criteria set forth below. Financial institutions failing to meet the minimum criteria shall not be considered eligible.

2. Financial institutions must meet the following minimum qualifications:

   a. The deposits of the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC).

   b. The financial institution meets the criteria for eligibility under state law for active or idle funds as appropriate.

3. If a financial institution loses its eligibility under state law after Unified Government funds are deposited or invested, no additional funds shall be deposited in such institution. Funds shall be removed as quickly as is prudent under the circumstances, but funds invested with a prescribed time for maturity need not be withdrawn before such maturity.

B. ***Depositories for Active Funds***

1. *Security Required.* If a financial institution is designated as an official depository for active funds, before any Unified Government funds are deposited, satisfactory security must be obtained for such deposits. Satisfactory security is as described in K.S.A. 9-1402, as amended, and this Policy.

2. *Selection Criteria.* In addition to the required criteria listed above, the Unified Government may also consider the following when selecting a financial institution as a depository for active funds:

   a. Full service capabilities
   b. Submission of financial statements and availability schedules
   c. Acceptable staff experience
   d. Statement of equal opportunity employment practices
   e. Extent of reinvestment of deposits in Wyandotte County.

3. *Competitive Selection.* The Chief Financial Officer shall solicit proposals prior to the designation of one or more depositories. The Unified Government's purchasing policies shall be followed when obtaining proposals on the Unified Government's depository specifications. Selection of the depositories shall be based on the capacity of an institution to perform the services required and on the most favorable terms and conditions for handling of Unified Government funds.

4. *Governing Body Designation.* K.S.A. 9-1401, as amended, requires the governing body of the Unified Government to designate by official action the financial institution or institutions, which shall serve as depositories of its active funds.

C. ***Idle Funds***

1. *In General.* Idle funds shall be invested only in the manner set out in K.S.A. 12-1675 and 12-1677b, and amendments thereto, and in this Policy. Investment transactions shall only be conducted with:

   a. Qualified financial institutions which meet the minimum requirements contained in this Section 13 and the criteria for eligibility under state law; or
   b. Qualified primary government security dealers and broker/dealers as set out below.

2. *Certification.* In order to be qualified for investment of Unified Government idle funds, a financial institution, securities dealer, or broker/dealer must certify in writing that the person responsible for the investment has read and understood and agreed to comply with this Policy.

3. *Competitive Selection.* Investments of idle funds will be offered to all approved institutions and dealers who have requested to be on the list of interested bidders. Investments will be awarded through a competitive process involving solicitation of bids from qualified institutions and dealers.

   A list will be maintained of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved primary government security dealers and broker/ dealers.

4. *Primary Government Securities Dealers and Broker/Dealers.*
Investment transactions may be conducted with primary government securities dealers which report to the market report division of the Federal Reserve Bank of New York or any broker-dealer which is registered in compliance with the requirements of Section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to K.S.A. 17-12a401, and amendments thereto.

In order to be qualified to conduct investment transactions with the Unified Government, broker/dealers must meet the minimum requirements for credit worthiness established by the Kansas Pooled Money Investment Board, including minimum capital requirements and years of operation, and must be approved by the Cash Management Committee.

All broker/dealers who wish to become qualified for investment transactions must supply to the Chief Financial Officer on an annual basis the following items as appropriate:

a. A copy of the most recent audited annual financial statement;
b. If requested by the Unified Government, a copy of the most recent, unaudited annual financial statement;
c. Proof of Financial Industry Regulatory Authority (FINRA) certification;
d. Proof of state registration with the Kansas Securities Commission;
e. Completed broker/dealer questionnaire (non-primary dealers only);
f. Business resume of individual assigned to UG account; and
g. Notice of any regulatory action taken against the broker/dealer.

5. *Safekeeping and Custody*.
All security transactions, including collateral for repurchase agreements, shall occur on a delivery versus payment basis. This ensures that securities are deposited in the eligible financial institutions prior to the release of funds. Safekeeping and custody agreements will be maintained with third-party financial institutions. All securities, including those acquired by repurchase agreements, shall be perfected in the name of the Unified Government and shall be delivered to a third-party custodian designated by the Unified Government and evidenced by safekeeping receipts.

Section 14. Authorized Investments

A. *Idle Funds*

The investments authorized for the idle funds (those funds not immediately required for the purposes for which the moneys were collected) under this Policy shall be in conformance with K.S.A. 12-1675, K.S.A. 12-1677b, and amendments thereto, and any other applicable statutes or ordinances or resolutions and amendments thereto. As long as this Policy continues to be approved by the Kansas Pooled Money Investment Board, the investments permitted by K.S.A. 12-1677b shall be authorized investments under this Policy. For purposes of this Policy, “investment rate” means a rate which is the equivalent yield for United States government securities having a maturity date as published in the Wall Street Journal, nearest the maturity date for equivalent maturities. The 0-90 day rate shall be computed on the average effective federal funds rate as published by the Federal Reserve system for the previous week.

If for any reason this Policy is not approved by the Kansas Pooled Money Investment Board, the investments permitted by K.S.A. 12-1675 shall be the only authorized investments under this Policy until such time as this Policy obtains the approval of the Kansas Pooled Money Investment Board.

As long as this policy continues to be approved by the Kansas Pooled Money Investment Board, the following are authorized investments, pursuant to K.S.A. 12-1675 and 12-1677b. The maximum maturity for investments under this subsection shall be four years.

1. *United States Treasury and Agency Securities.* Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States-sponsored enterprises which under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities. Investments under this paragraph shall be limited to securities which do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, "interest rate risk" means market value changes due to changes in current interest rates.

2. *Interest-bearing Time Deposits.* In any banks, savings and loan associations, and savings banks which have a main or branch office in Kansas.

3. *Repurchase Agreements.* With banks, savings and loan associations, and savings banks which have a main or branch office in Kansas or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government-sponsored enterprises which under federal law may be accepted as security for public funds.

4. *Temporary Notes Issued by the Unified Government.*

5. *Municipal Investment Pool Fund.* The fund established in K.S.A. 12-1677a and amendments thereto and managed by the Kansas Pooled Money Investment Board.

6. *Multiple Municipal Client Investment Pools.* Managed by the trust departments of banks which have offices located in Wyandotte County or with trust companies incorporated under the laws of Kansas which have contracted to provide trust services under K.S.A. 9-2107, and amendments thereto. Moneys invested under this paragraph shall be secured as provided in K.S.A. 9-1402, and amendments thereto, and this Policy.

B. *Local Emphasis*

1. Subject to the other requirements of this Policy, funds available for investment under this section will be offered first to eligible financial institutions with a main or branch office located in Wyandotte County. If such financial institutions cannot or will not make the investments available at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, or if such financial institutions are limited from bidding on the investment by the diversification requirements of this Policy,

then the funds may be offered to other eligible financial institutions or entities permitted under this Policy.

2. Notwithstanding any other requirements of this Policy, the Unified Government will offer $235,000 to every financial institution with a main or branch office located in Wyandotte County if such financial institutions will make the investment at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, at a maturity term to be determined by the Unified Government.

C. ***Investment of Bond Proceeds***

The Unified Government will invest proceeds of bonds (other than industrial revenue bonds for which the Unified Government is merely a conduit issuer) and temporary notes in conformance with K.S.A.10-131, and amendments thereto. The following lists the investments, which the Unified Government will consider, and which shall be authorized for the investment of bond proceeds:

1. Investments authorized for idle funds by K.S.A. 12-1675 and this Policy.

2. The municipal investment pool established pursuant to K.S.A. 12-1677a.

3. Direct obligations of the United States government or any agency thereof;

4. Temporary notes issued by the Unified Government.

5. Interest-bearing time deposits in commercial banks located in Wyandotte County.

6. Obligations of the Federal National Mortgage Association, Federal Home Loan banks and Federal Home Loan Mortgage Corporation.

7. Repurchase agreements collateralized by direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or the Federal Home Loan Mortgage Corporation.

8. Investment agreements with or other obligations of a financial institution, the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation;

9. Investments in shares of units of a money market fund or trust, the portfolio of which is comprised entirely of direct obligations of the U.S. government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

10. Receipts evidencing ownership interest in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

11. Municipal bonds or other obligations issued by any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same.

12. Bonds of any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

13. No moneys shall be invested in a derivative as that term is defined in K.S.A. 10-131, and amendments thereto.

D. ***Arbitrage***

The Internal Revenue Code provides that on a periodic basis the Unified Government is required to compute rebate on each bond issue. Rebate is the calculated dollar amount representing the difference between what the issuer actually earned from the investment of certain funds related to the bond issue and the amount the issuer would have earned had those same funds been invested at an interest rate equal to the yield on the bond issue. Absent an exception to rebate, the Unified Government is required to pay or "rebate" to the United States the dollar amount representing these excess earnings.

For each bond issue, rebate must be calculated and paid at least once every five years and within 60 days after the last bond of the issue is paid. Payment of rebate is a condition to maintaining the tax-exempt status of each bond issue, and failure by the Unified Government to comply with the rebate requirements may cause the interest on an issue of bonds to become taxable, retroactive to their date of issuance.

The Unified Government's investment position is to pursue the maximum yield on investments without jeopardizing the tax-exempt status of the bonds. To the extent possible, the Unified Government will seek to comply with applicable exceptions to rebate and when necessary rebate any excess earnings to the United States. The potential rebate of excess earnings will not influence the Unified Government's investment policies.

Section 15. Collateral Requirements

A. ***Full Collateralization Required.*** All Unified Government deposits shall be fully insured or collateralized at all times.

B. ***Initial Placement*****.** Moneys to be deposited in financial institutions shall not be released until the financial institution has executed and adopted a security agreement and required custodial agreements.

C. ***Allowable Collateral***. Acceptable collateral for Unified Government deposits, including idle fund investments, as permitted by K.S.A. 9-1402, and amendments thereto, shall be limited to:

1. Except as otherwise set out in this subsection C.1., the financial institution may pledge or assign securities owned directly or indirectly by it, the market value of which is equal to 105% of the total deposits at any given time. The following are allowable securities:

   a. Direct obligations of or obligations that are insured as to principal and interest by, the United States or any agency thereof.

   b. Obligations including letters of credit and securities of United States-sponsored corporations which under federal law may be accepted as security for public funds, subject to the following restrictions:

      (1) The letter of credit must be in the format acceptable to the Director of Revenue.

      (2) The Unified Government must be designated as the irrevocable and unconditional beneficiary of the letter of credit.

      (3) The issuer and the depository bank must notify the Director of Revenue by certified or registered mail at least 45 days prior to the cancellation or the non-renewal of a letter of credit.

      (4) The issuer may not provide letters of credit for any one depository bank in an amount which exceeds ten percent of the issuer's capital and surplus.

      (5) If a letter of credit issued by the Federal Home Loan Bank is to be pledged as collateral, the amount of the letter of credit shall be equal to 100% of the deposits to be collateralized plus the interest expected to be received by the Unified Government upon maturity of the investment.

2. The following securities may be used as collateral only if the financial institution pledges or assigns them in an amount, the market value of which is equal to 125% of the Unified Government deposits. Not more than 5% of the Unified Government's total idle funds portfolio may be collateralized by the following securities.

   a. Bonds of any Kansas municipality which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States.

b. Bonds of the State of Kansas.

c. General obligation bonds of any Kansas municipality.

d. Revenue bonds of any Kansas municipality if approved by the state bank (or savings and loan) commissioner and which are rated at least Aa by Moody's Investors Service or AA by Standard and Poor's Corporation Bonds secured by revenues of a utility which has been in operation for less than three years will not be accepted as collateral.

e. Temporary notes of any Kansas municipality which are general obligations of the municipality issuing the same.

f. Warrants of any Kansas municipality, the issuance of which is authorized by the State Court of Tax Appeals and which are payable from the proceeds of a mandatory tax levy.

g. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

3. For overnight repurchase agreements in which the Unified Government is the buyer, the seller shall deliver the following securities to the custodian for the Unified Government in the amount of 102% of the market value of the securities on the purchase date:

a. Direct obligations of or obligations that are insured as to principal and interest by the United States or any agency thereof, or

b. Obligations and securities of U.S. government-sponsored corporations which under federal law may be accepted as security for public funds, subject to any restrictions contained in Section C.1.b. above.

D. ***Peak Period Agreements.*** Peak-period agreements permitted under K.S.A. 9-1403 are not permitted under this Policy.

E. ***Collateral Substitution.*** Collateralized investments often require substitution, additions and/or deletions of collateral. Any financial institution requesting these actions must contact the Chief Financial Officer or the Director of Revenue/County Treasurer. Substitution of collateral shall be required whenever, in the opinion of the Unified Government Chief Financial Officer, the collateral no longer satisfies or complies with the security requirements established under this Policy.

F. ***Valuation of Collateral.*** For purposes of compliance with this section, all collateral shall be priced on a market value basis no less then monthly. Collateral requirement is defined as the outstanding amount of Unified Government funds deposited plus accrued interest thereon less federal deposit insurance coverage.

G. ***Collateral Compliance Report.*** Each financial institution with Unified Government deposits shall submit monthly to the Chief Financial Officer or the Director of Revenue/County Treasurer, or more frequently if requested, a report documenting the institution's compliance with the collateral requirements of this Policy.

H. ***Custodial Agreement.*** Each depository bank depositing securities with a custodial bank shall enter into a written custodial agreement with the custodial bank and the Unified Government for the safekeeping of the securities.

I. ***Failure to Meet Collateral Requirements.*** If a depository bank fails to meet requirements established by this Policy, the depository bank shall be offered the following options:

1. Close the account and return to the Unified Government all principal and accrued interest without penalty; or

2. Convert the deposit to a repurchase agreement under terms acceptable to the Unified Government.

Staff Request for Commission Action

Tracking No. 211184

Full Commission Meeting Date: 12/16/2021
Committee: Economic Development & Finance

Date of Standing Committee Action: 11/29/2021
(If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/16/2021	Debbie Jonscher	x5847	djonscher@wycokck.org	Finance

Item Description:
A resolution authorizing the offering for sale of municipal temporary notes and general obligation bonds of the Unified Government of Wyandotte County/Kansas City, Kansas.

Action Requested:
Requesting Approval

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

Attachments List:
Sale Resolution GO Bonds and Notes (UG Spring 2022)

RESOLUTION NO. _______________

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF MUNICIPAL TEMPORARY NOTES AND GENERAL OBLIGATION BONDS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS.

WHEREAS, pursuant to the provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the governing body of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Issuer" or the "Unified Government") has previously authorized certain internal improvements described as follows (the "Improvements"):

Improvements to be Funded with General Obligation Bonds and/or Municipal Temporary Notes

CMIP	Project Name	Estimated Project Costs to be Financed
9410321	Annual Concrete Repair Program, 2021	$1,772,000
9410322	Annual Concrete Repair Program, 2022	$1,500,000
9410820	Annual Neighborhood ADA Pedestrian Handicapped Ramps, 2020	$400,000
9410821	Annual Neighborhood ADA Pedestrian Handicapped Ramps, 2021	$400,000
9410919	Fairfax Industrial Area Improvements, 2019	$100,000
9410920	Fairfax Industrial Area Improvements, 2020	$100,000
9410921	Fairfax Industrial Area Improvements, 2021	$100,000
9411020	Annual R/R Crossing Improvement, 2020	$150,000
9411121	Annual Pavement Preservation Program, 2021	$3,000,000
9411122	Annual Pavement Preservation Program, 2022	$2,400,000
9411221	Annual Alley Improvement Program, 2021	$300,000
9411222	Annual Alley Improvement Program, 2022	$300,000
9420119	Annual Bridge Repair, 2019	$300,000
9420120	Annual Bridge Repair, 2020	$300,000
9420121	Annual Bridge Repair, 2021	$300,000
9430118	Annual Priority Traffic Signal Replacements, 2018	$300,000
9430119	Annual Priority Traffic Signal Replacements, 2019	$800,000
9430120	Annual Priority Traffic Signal Replacements, 2020	$400,000
9430121	Annual Priority Traffic Signal Replacements, 2021	$800,000
9430122	Annual Priority Traffic Signal Replacements, 2022	$800,000
9480122	Annual Elevator Upgrades, 2022	$500,000
9480220	Annual Facilities/Parking Annual Maintenance & Repair, 2020	$700,000
9480221	Annual Facilities/Parking Annual Maintenance & Repair, 2021	$700,000
9480222	Annual Facilities/Parking Annual Maintenance & Repair, 2022	$700,000
9480319	Annual ADA Modif-UG Facilities, 2019	$100,000

9480320	Annual ADA Modif-UG Facilities, 2020	$100,000
9480321	Annual ADA Modif-UG Facilities, 2021	$100,000
9622141	Holiday Drive Bridge Replacements	$1,300,000
9622169	Bridge #223 (36th and Ohio Ave.) Replacement	$410,000
9622170	Bridge #210 (18th St.) over Turkey Creek	$150,000
9698085	Fire Station Replacement and Repair	$500,000
9698096	Future Fire Station 2021	$9,300,000
9698176	City Hall Structure Study and Stabilization	$5,000,000
9698212	Police Tow Lot	$3,392,000
9698408	CSI Lab	$1,650,000
9701027	47th Street Complete Street Improvements, Rainbow to Mission	$700,000
9701054	Fiber Connectivity Projects	$1,000,000
9701072	6th St. Improvements, Ann Ave. to Central Ave.	$650,000
9701073	7th St./US-69 and Central Ave. Reconstruction	$2,000,000
9701609	Hutton & Leavenworth Road Intersection	$5,000,000
9701612	Leavenworth Road, 78th - 63rd Street	$3,500,000
9701618	Hutton & Donahoo Rd Intersection Improvements	$350,000
9703037	Safe Routes to Schools-Phase G (Northwest Middle and Caruthers Elem.)	$528,000
9714253	Wyco County Park Road Repairs	$200,000
9714425	WyCo Lake Waterline Study & Repair	$2,090,000
	NON-EXEMPT SUBTOTAL	**$55,142,000**
9460520	Annual Sanitary Sewer System Capacity Upgrades, 2020	$1,500,000
9460521	Annual Sanitary Sewer System Capacity Upgrades, 2021	$3,500,000
9460522	Annual Sanitary Sewer System Capacity Upgrades, 2022	$1,500,000
9636354	Annual Monitoring and Control Improvements, 2018-2020	$6,500,000
9460622	Annual Monitoring and Control Improvements, 2022	$1,000,000
9460722	Annual Wastewater System Renewal, 2022	$8,000,000
9460822	Annual Overflow CSO Reduction Program, 2021-2022	$8,000,000
9636039	Relocation of Sewer Maintenance Facilities	$10,500,000
9636045	Kaw Point Bio solids Digestion	$8,000,000
9636047	Plant 20 Biosolids Dewatering	$5,000,000
9636048	Green Infrastructure Improvements	$2,000,000
9636056	Wolcott Expansion/Conner Creek	$41,187,000
9636125	CID Dump Station Improvements /Relocation	$1,000,000
9636131	Pump Station 18, 5, 4 Upgrade	$3,250,000
9636132	Pl 20 & 3 Equipment and Structural Rehab	$2,100,000
9636213	Lombardy Dr Sanitary Sewer Improvements	$1,700,000

9635057	Kansas Levee Betterment	$1,050,000
	SEWER SUBTOTAL	**$105,787,000**
9450220	Stream Bank Stabilization Improvements, 2020	$100,000
9450221	Stream Bank Stabilization Improvements, 2021	$100,000
9450321	Stormwater Enhancements, 2021	$500,000
9635057	Kansas Levee Betterment	$2,050,000
	STORM SUBTOTAL	**$2,750,000**
	Total	**$163,679,000**

WHEREAS, it is necessary for the Issuer to provide cash funds to meet its obligations incurred in constructing the Improvements prior to the completion thereof and the issuance of the Issuer's general obligation bonds, and it is desirable and in the interest of the Issuer that such funds be raised by the issuance of one or more series of temporary notes of the Issuer; and

WHEREAS, pursuant to Charter Ordinance No. CO-03-09 and Article 12, Section 5 of the Constitution of the State of Kansas the Unified Government previously exercised its authority to issue and sell its general obligation bonds and/or temporary notes for the purpose of funding certain of the Improvements described herein;

WHEREAS, the Issuer has previously issued $49,905,000 principal amount of Municipal Temporary Notes, Series 2021-I (the "Existing Notes"); and

WHEREAS, all aspects of the Improvements being financed with the temporary notes will not be completed prior to the maturity date of the Existing Notes and it is necessary for the Issuer to provide cash funds to meet its obligations on a portion of the Existing Notes and to temporarily finance a portion of the costs of the Improvements by the issuance of one or more series of additional temporary notes of the Issuer; and

WHEREAS, the Issuer desires to issue its general obligation bonds in one or more series in order to permanently finance a portion of the costs of the Improvements and to retire a portion of the Existing Notes which were issued to temporarily finance a portion of the costs of the Improvements; and

WHEREAS, the Issuer hereby selects the firm of Baker Tilly Municipal Advisors, LLC, Saint Paul, Minnesota ("Municipal Advisor"), as Municipal Advisor for one or more series of municipal temporary notes and one or more series of general obligation bonds of the Issuer, to be issued in order to provide funds to pay the costs of the Improvements; and

WHEREAS, the Issuer desires to authorize the Municipal Advisor, in conjunction with the Clerk, Chief Financial Officer, and other officers and representatives of the Issuer to proceed with the offering for sale of said municipal temporary notes and general obligation bonds, and related activities; and

WHEREAS, one of the duties and responsibilities of the Issuer is to prepare and distribute a preliminary official statement relating to said municipal temporary notes and general obligation bonds; and

WHEREAS, the Issuer desires to authorize the Municipal Advisor, in conjunction with the Clerk, Chief Financial Officer, and other officers and representatives of the Issuer to proceed with the preparation and distribution of a preliminary official statement and notice of bond sale and to authorize the distribution thereof and all other preliminary action necessary to sell said municipal temporary notes and general obligation bonds.

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

Section 1. **General Obligation Financing Authorized.** The Issuer is hereby authorized to offer at competitive public sale one or more series of municipal temporary notes and one or more series of general obligation bonds to fund total project costs of approximately $163,679,000 plus interest and costs of issuance (collectively, the "Obligations") as described in the Notice of Sale to be prepared by officials and representatives of the issuer, as authorized below. Such project costs may be paid through the issuance of tax-exempt or taxable Obligations.

Section 2. **Preliminary Official Statement.** The Chief Financial Officer is hereby authorized to cause to be prepared a Preliminary Official Statement, and such officials and other representatives of the Issuer are hereby authorized to use such document in connection with the public sale of the Obligations.

Section 3. **Notice of Bond Sale.** The Chief Financial Officer, in conjunction with the Municipal Advisor and Gilmore & Bell, P.C., Kansas City, Missouri ("Bond Counsel"), is hereby authorized and directed to give notice of said bond sale by publishing a summary of the Notice of Sale not less than 6 days before the date of the bond sale in a newspaper of general circulation in Wyandotte County, Kansas, and the ***Kansas Register*** and is hereby authorized to distribute copies of the Notice of Sale and Preliminary Official Statement relating to the Obligations to prospective purchasers of the Obligations. Bids for the purchase of the Obligations shall be submitted upon the terms and conditions set forth in said Notice of Sale, and shall be delivered to the governing body at its meeting to be held on the date of such sale, at which meeting the governing body shall review such bids and shall award the sale of the Obligations or reject all bids for a particular series of the Obligations.

Section 4. **Compliance with Federal Securities Laws.** For the purpose of enabling the purchaser(s) of the Obligations (collectively, the "Purchasers") to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the appropriate officers of the Issuer are hereby authorized: (a) to approve the form of the Preliminary Official Statement; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to certain national repositories and the Municipal Securities Rulemaking Board, as applicable; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchasers to comply with the requirement of the Rule.

The Issuer agrees to provide to the Purchasers within seven business days of the date of the sale of Obligations or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchasers, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchasers to comply with the requirements of Rule 15c2-12(3) and (4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 5. **Further Authority.** The Mayor/Chief Executive, Chief Financial Officer, Clerk and the other officers and representatives of the Issuer, Bond Counsel and the Municipal Advisor are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Obligations.

Section 6. **Effective Date.** This Resolution shall be in full force and effect from and after its adoption.

ADOPTED by the governing body on December ____, 2021.

(SEAL)

____
Mayor/Chief Executive Officer

ATTEST:

____
Clerk

Staff Request for Commission Action

Tracking No. 211191

Full Commission Meeting Date: 12/16/21
Committee: Economic Development & Finance

Date of Standing Committee Action: 11/29/21
(If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/17/2021	Kathleen VonAchen	x5186	kvonachen@wycokck.org	Finance

Item Description:
Resolution approving the 2022 Budget, Marketing Plan, and New Five-Year Agreement Between the Unified Government and Visit Kansas City Kansas

Action Requested:
Adopt resolution

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

Attachments List:
Resolution approving UG-Visit KCK Agreement and 2022 Budget and Marketing Plan, Exhibit A - 2022 Visit KCK Budget-Final, Exhibit B - 2022 Marketing Plan, Exhibit C - Unified Government and Visit KCK - final

RESOLUTION NO. ________________

RESOLUTION APPROVING THE 2022 BUDGET, MARKETING PLAN AND NEW FIVE-YEAR AGREEMENT BETWEEN THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS AND VISIT KANSAS CITY KANSAS

WHEREAS, the Unified Government of Wyandotte County, Kansas City, Kansas ("Unified Government") and the Visit Kansas City Kansas ("the Visit KCK") entered into that certain Agreement dated January 1, 2017; and

WHEREAS, the Unified Government and Visit KCK desire to enter into a new 5-year Agreement with similar terms.

WHEREAS, the Agreement provides that the Unified Government shall engage and retain the Visit KCK to encourage, promote, and solicit tourism, events and special marketing activities for Kansas City, Kansas; and

WHEREAS, the Agreement further provides that each year, Visit KCK shall submit a Budget and Marketing Plan to the Unified Government, and shall make an oral and visual presentation of the Budget and Marketing Plan to the Unified Government Board of Commissioners; and

WHEREAS, the Agreement further provides that the Budget and Marketing Plan shall be submitted to the Unified Government Board of Commissioners each year for final approval.

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

<u>Section 1</u>. That the 2022 Visit KCK Budget and Marketing Plan, in substantially the form attached hereto as <u>Exhibits A and B</u>, are hereby adopted by the Board of Commissioners.

<u>Section 2</u>. That the new 5-year Agreement between the Unified Government and Visit KCK for 2022 through 2026, attached hereto as <u>Exhibit C</u>, is hereby adopted by the Board of Commissioners.

<u>Section 3</u>. That the County Administrator, and the Unified Government's other officers, agents, and employees are hereby authorized and directed to take such further action and execute such other documents, certificates, and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 16th DAY OF DECEMBER 2021.

ATTEST:

____
Unified Government Clerk

Visit Kansas City Kansas

2022 Budget

	Operating Income	2022 Budget
1110	KCK Transient Guest Tax / UG Contract	1,406,875
1120	Event Opportunity Fund Income	100,000
1130	Tourism Celebration Event Income	10,000
1127	Other Income	30,000
1410	Money Market Interest	4,200
	TOTAL INCOME	**1,551,075**
	Marketing / Program Expenses	
2010	Advertising	285,200
2020	Community Event Sponsorships	27,000
2025	Marketing Grant Program	10,000
2030	Partnership Marketing	4,700
2040	Ad Development	47,000
2050	Digital Marketing	77,323
2120	Mileage and Meals	10,500
2250	Printing - Publications	50,150
2310	Dues, Sponsorships	18,386
2410	Research and Tracking	28,575
2420	Giveaways/Merchandise	9,000
2425	Sports Sales & Marketing	58,100
2430	Convention/Meeting Sales & Marketing	13,295
2435	Event Opportunity Fund Grants	100,000
2440	Group Sales & Marketing	12,350
2445	Neighborhoods & Trails	25,088
2450	Visitor Information/Leisure Shows	2,450
2465	Public Relations	57,150
2510	Postage	14,500
2615	Tourism Celebration Event Expenses	14,600
2630	Community Awareness	9,600
2635	Education	16,000
2640	Legislative	1,430
2660	CRM Database	17,000
58%	**PROGRAM EXPENSES**	**909,397**
	Operational Expenses	
4110	Office Supplies	3,500
4130	Rent/Utilities	45,550
4140	Telecommunications	9,000
4145	Equipment Leases	3,820
4150	Audit	6,800

4160	Corporate Insurance	5,583
4170	Software and Training	1,000
4190	Technology/IT	17,000
4215	Professional Fees	1,000
4365	Accounting and Payroll Services	11,000
7%	**OPERATING EXPENSES**	**104,253**
	Personnel Expenses	
4310	Salaries	419,222
4320	Payroll Taxes	34,861
4340	Fringe Benefits	93,342
35%	**PERSONNEL EXPENSES**	**547,425**
	TOTAL REVENUE	**1,551,075**
	TOTAL EXPENSES	**1,561,075**
	PROFIT/LOSS	**10,000**

Visit Kansas City Kansas

Budget Comparision

	Operating Income	2021 Budget	2022 Budget	Change
1110	KCK Transient Guest Tax / UG Contract	1,399,099	1,406,875	0.6%
1120	Event Opportunity Fund Income	100,000	100,000	0%
1130	Tourism Celebration Event Income	10,000	10,000	0%
1127	Other Income	30,000	30,000	0%
1410	Money Market Interest	3,500	4,200	20%
	TOTAL INCOME	**1,542,599**	**1,551,075**	**0.5%**

	Marketing / Program Expenses	2021	2022	Change
2010	Advertising	275,950	285,200	3%
2020	Community Event Sponsorships	13,000	27,000	108%
2025	Marketing Grant Program	7,500	10,000	33%
2030	Partnership Marketing	3,700	4,700	27%
2040	Ad Development	49,500	47,000	-5%
2050	Digital Marketing	76,268	77,323	1%
2120	Mileage and Meals	9,000	10,500	17%
2210	Printing - Office	1,500	0	-100%
2250	Printing & Publications	59,650	50,150	-16%
2310	Dues, Sponsorships	21,066	18,386	-13%
2410	Research and Tracking	35,978	28,575	-21%
2420	Giveaways/Merchandise	9,000	9,000	0%
2425	Sports Sales & Marketing	62,450	58,100	-7%
2430	Convention/Meeting Sales & Marketing	21,795	13,295	-39%
2435	Event Opportunity Fund Grants	100,000	100,000	0%
2440	Group Sales & Marketing	13,435	12,350	-8%
2445	Neighborhoods & Trails	29,500	25,088	-15%
2450	Visitor Information/Leisure Shows	5,200	2,450	-53%
2465	Public Relations	53,150	57,150	8%
2510	Postage	14,000	14,500	4%
2615	Tourism Celebration Event Expenses	15,000	14,600	-3%
2630	Community Awareness	8,900	9,600	8%
2635	Education	17,900	16,000	-11%
2640	Legislative	1,430	1,430	0%
2660	CRM Database	19,500	17,000	-13%
58%	**MARKETING EXPENSES**	**924,372**	**909,397**	**-1.6%**

	Operational Expenses	2021	2022	Change
4110	Office Supplies	5,000	3,500	-30%
4130	Rent/Utilities	35,750	45,550	27%
4140	Telecommunications	8,004	9,000	12%
4145	Equipment Leases	5,200	3,820	-27%
4150	Audit	7,200	6,800	-6%
4160	Corporate Insurance	5,491	5,583	2%
4170	Software and Training	1,000	1,000	0%
4190	Technology/IT	10,004	17,000	70%
4215	Professional Fees	1,000	1,000	0%
4365	Accounting and Payroll Services	10,750	11,000	2%
7%	**OPERATING EXPENSES**	**89,399**	**104,253**	**17%**

	Personnel Expenses	2021	2022	Change
4310	Salaries	407,503	419,222	2.9%
4320	Payroll Taxes	31,713	34,861	9.9%
4340	Fringe Benefits	89,612	93,342	4.2%
35%	**PERSONNEL EXPENSES**	**528,828**	**547,425**	**3.5%**

	2021	2022	
TOTAL REVENUE	**1,542,599**	**1,551,075**	**0.5%**
TOTAL EXPENSES	**1,542,599**	**1,561,075**	**1.2%**
PROFIT/LOSS	**0**	**10,000**	

VISIT KANSAS CITY KANSAS

2022 Marketing Plan

MISSION

Generate economic impact through tourism by promoting Kansas City, Kansas as a destination for visitors, conventions and sporting events.

ORGANIZATIONAL PRIORITIES

Increase Visitors to KCK

Market to Visitors • Branding • Content Development • Technologies • Research/Targeting WHO: Regional Families, Urban Explorers, Sports Fans	Attract Sports, Events & Meetings • Sports Sales Strategy • Sales Initiatives • Cooperative Partnerships • Event Opportunity Fund WHO: Sports Tournaments & Event Planners, Group Tours, Meetings

Improve Visitor Experience

Welcome Visitors & Groups • Wayfinding • Visitor Center • Meeting & Group Services WHO: Visitors who are in town for leisure, sports, group tour or meeting	Product Development • Neighborhoods & Trails • New Attractions • Sports Facilities & Venues WHO: Attractions/Venues, Developers, Community, Government & EDC Stakeholders

Strengthen Tourism Industry

Community Alignment • Tourism Vision/Master Plan • Community Partnerships • Funding • Sustainability WHO: Community, Government, Neighborhood and Local Stakeholders	Tourism Industry Development • Tourism Workforce • DEI Initiatives WHO: Local and Regional Tourism Industry

2022 KEY INITIATIVES

Marketing
- Increase neighborhood promotion by launching KCK Legacy Trail
- Increase advertising spend to our key audiences: Regional Families, Urban Explorers & Sports Fans
- Create new content reflecting KCK's heritage, culture and diversity
- Host a media fam tour in conjunction with Women in Travel conference in KC

Sales
- Utilize Event Opportunity Grants to drive hotel room nights in 2022 & beyond
- Develop a Sports Advisory Group to assist Visit KC in strategy for going after sports events & tournaments
- Create partnerships with sports venues that drive room nights into KCK
- Launch Sports & Meeting direct mail & social media campaigns

Services
- Develop a plan for office location and expanded visitor center
- Work to improve the visitor experience in Kansas City, KS
- Add part-time visitor information team to staff information booths and provide information to visitors

Community
- Grow relationships with neighborhood and community groups
- Sponsor & participate in regional tourism initiatives such as KC Restaurant Week & KC Parade of Hearts
- Work to grow the tourism workforce and fill tourism jobs in Wyandotte County
- Collaborate with non-tourism businesses and organizations, and seek to develop beneficial paid partnership opportunities

To effectively achieve our mission, Visit Kansas City Kansas has identified the following Objectives. All Visit Kansas City Kansas projects and marketing efforts are based on furthering these objectives.

OBJECTIVE 1

Attract leisure travelers to Kansas City KS

A leisure traveler is someone taking a trip for pleasure. Visit Kansas City Kansas will continue to focus on strategic marketing messages that promote KCK as a family-friendly, affordable, diverse and fun destination. We have segmented our audiences into three categories: Families - mom, dad and kids looking for "ready-made adventures"; Urban Explorers – visitors who seek urban and authentic experiences; Sports/Events attendees – people who are attending a sporting event or festival as their main reason to visit.

Strategies:
- Continue to develop and market KCK Trails experiences by launching one trail per year
- Target paid advertising to our core audiences: regional families, urban explores and sports & event attendees
- Create new content targeting our core audiences reflecting KCK's heritage, culture and diversity

- Create new ad campaign and messaging to reflect new brand
- Increased focus on Digital Marketing
- Expand email marketing distribution through Visitor E-newsletter, Weekly What's Happening, Industry E-newsletter
- Increase visibility and visitor engagement through Social Media channels
- Increase visibility by growing blogger program using local, regional and nationally recognized bloggers
- Promote KCK as a destination at targeted leisure shows
- Continue to develop and market videos and vignettes
- Maximize print advertising dollars through co-op marketing opportunities.
- Develop and distribute in-house publications that promote Kansas City, Kansas such as Visitor Guide, Wyandotte County Museums brochure, Guide by Cell, KCK Murals.
- Continue to support the WyCo Museums and Historical sites organization and special events
- Build relationships and host travel journalist to tell the story of KCK attractions, using coop opportunities when available.
- Continue Familiarization Tours (FAMS) with influencers to increase engagement and followers on social media.
- Partner with tourism related regional, state and national organizations to increase awareness of KCK and to expand our marketing reach

OBJECTIVE 2

Attract meetings and group travelers to Kansas City KS

A business traveler is defined as someone taking a trip for a work-related purpose, often with their expenses being covered by their employer. This objective includes the sales and services of convention and meetings, SMERF business (Social, Military, Educational, Religious and Fraternal), motorcoach, and the individual business traveler. Visit KCK will continue to focus on strategic marketing that defines KCK as a unique, affordable, diverse, quality meeting destination with multiple entertainment options.

Strategies:

- Utilize Event Opportunity Grants to drive hotel room nights in 2022 & beyond
- Conduct targeted sales blitzes
- Promote KCK at targeted tradeshows
- Partner with planners by providing personalized services, including RFP distribution and site visits
- Advertise in targeted digital and print meeting publications
- Conduct meetings with hoteliers and maintain regular and constant communication
- Actively participate in Meet Kansas marketing and trade show opportunities
- Membership and active participation in meeting planners' associations
- Update sales materials to best sell meeting spaces currently available
- Market to SMERF and business meetings through membership, advertising and trade show opportunities
- Service SMERF and business meetings by providing RFP distribution, itinerary development, support and welcome services

<u>OBJECTIVE 3</u>

Attract sports and special events to Kansas City KS

Focus will be given to attracting youth or amateur sports and special events. These are limited time events that often result in overnight stays. The actual event may be held in a neighboring city, but KCK will benefit from attendees or participants staying in our hotels, and spending dollars in our community. In those cases, Visit KCK will work with the host community to best benefit KCK.

Strategies:

- Create partnerships with sports venues that drive room nights into KCK
- Provide support, organizational and marketing assistance to events that attract visitor spending
- Encourage the development and expansion of annual events
- Work with CVBs and sporting entities in the KC region to attract and service regional events
- Work with local venues to attract and bid on special events
- Actively participate in Sports Kansas marketing and trade show opportunities
- Provide marketing and event information to hospitality industry, visitors and residents
- Advertise in targeted sports publications
- Attend tradeshows for brand awareness, promotion of facilities, and to generate new leads

<u>OBJECTIVE 4</u>

Educate local community and tourism partners on the tourism industry; what there is to do in KCK, the economic impact of tourism and the efforts Visit KCK.

When local residents are knowledgeable about what there is to do in their community, they will influence visitors and the quality of their experience. Gathering research on the economic impact of tourism to the community will provide Visit KCK the capability to target marketing efforts for best results.

Strategies:

- Grow relationships with neighborhood and community groups
- Develop partnerships with non-tourism businesses and organizations, and seek to develop beneficial paid partnership opportunities
- Continue to sponsor and provide resources at community events
- Promote Hospitality Training programs
- Maintain Calendar of Events on website
- Distribute weekly What's Happening in KCK to front line hospitality workers
- Conduct research on economic impact of tourism on local economy
- Provide monthly reports to the Visit KCK Board of Directors
- Present scheduled reports to the UG Commission
- Train and enhance the use of the Extranet to tourism partners to increase engagement and communication

OBJECTIVE 5

Actively support Tourism Product Development

New and expanded tourism destination development is important to the strength and success of the tourism industry. Visit KCK will advocate for new development that will create economic impact, increase transient guest and sales tax revenues, and will create new jobs and business for our community.

Strategies:

- Develop sales & marketing plans for new event venues including Reardon Center, American Royal and Homefield project
- Encourage the development of a long-range county wide tourism vision
- Work to develop a tourism wayfinding signage program for Kansas City Kansas
- Advocate for the development of new and additional tourism opportunities, including a potential convention space
- Conduct research on local tourism market
- Continue to build relationships and meet on a regular basis with local economic development and business organizations
- Partner with educational institutions to help develop a prepared hospitality industry

OBJECTIVE 6

Take an active role in regional, state and national tourism related organizations

Tourism organizations provide hospitality related training and education for staff, research data, expanded marketing opportunities, collaborative sales endeavors and cooperative tourism development initiatives. KCK is a major destination driver for the state of Kansas and for the KC metropolitan area. Visit KCK staff needs to be knowledgeable of trends and strategies, plus should be a leader in moving tourism forward in our region.

Strategies:

- Membership in targeted tourism-related organizations
- Leadership participation when appropriate
- Maintain a staff that is well informed of tourism-related issues and strategies
- Advocate for tourism-related legislative issues that will affect KCK

AGREEMENT BETWEEN THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KCK AND VISIT KANSAS CITY KANSAS

THIS AGREEMENT is made and entered into effective January 1, 2022 (the "Effective Date") between the Unified Government of Wyandotte County/Kansas City, Kansas, a municipal corporation (hereinafter the "Unified Government"), and the Visit Kansas City, Kansas Inc. (hereinafter the "Visit KCK").

Recitals:

WHEREAS, the Unified Government, pursuant to K.S.A. 12-1696 *et seq*. and Charter Ordinance CO-2-02, has levied a transient guest tax upon the gross receipts derived from transient guests for sleeping accommodations in any hotel, motel, or tourist court within the boundaries of the City of Kansas City, Kansas;

WHEREAS, the proceeds derived from the transient guest tax are to be used for the promotion of conventions and tourism within the Unified Government, for the promotion of downtown tourism development, and, if necessary, to make payments on bonds issued for the renovation of Jack Reardon Civic Center and the construction and equipping of an adjacent hotel facility to be operated as Hilton Garden Inn Hotel (collectively, the "Convention Center Complex");

WHEREAS, the Unified Government and Visit KCK (formerly the Convention & Visitors Bureau) entered into that certain Agreement dated January 1, 2012, which expired on December 31, 2016 (the "2012 Agreement");

WHEREAS, the Unified Government and Visit KCK also entered that certain Agreement dated January 1, 2017, which expires on December 31, 2021 (the "2016 Agreement")

WHEREAS, the Unified Government and Visit KCK desire to enter into a new agreement under the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual undertakings set forth below, the Unified Government and Visit KCK hereby agree as follows.

Engagement

1. The Unified Government hereby engages and retains Visit KCK to render convention and tourism promotion and marketing services for the Unified Government, and Visit KCK agrees to accept such engagement and to discharge its duties as set forth in this Agreement (hereinafter "Agreement").

2. Visit KCK is engaged and retained as an independent contractor and not as an officer, agent, servant, or employee of the Unified Government.

3. Visit KCK shall encourage, promote, and solicit tourism, conventions, events and special activities for Kansas City, Kansas. Services will include but are not limited to the following tasks: (1) enhancement of tourism opportunities; (2) attraction of major

tourism and convention events to Kansas City, Kansas (3) special projects, all as set out in the Marketing Plan submitted by Visit KCK and approved by the Unified Government; and (4) Sporting Events

Term, Termination and Amendments

4. The term of the Agreement shall be for five years, expiring December 31, 2026. The parties agree to begin negotiations for any renewal agreement in January of 2026.

5. Either party may terminate this Agreement by giving to the other party twelve months' advance notice in writing of its intent to terminate.

6. Upon termination of this Agreement, after Visit KCK's payment of all allowable expenses under the Agreement, Visit KCK shall deliver to the Unified Government all funds received by Visit KCK from the Unified Government and representing sums collected by the Unified Government from the transient guest tax and all tangible personal property purchased with Unified Government funds then remaining in the possession of Visit KCK. Upon termination Visit KCK shall provide the Unified Government a final accounting of all funds received since the last accounting period.

7. This Agreement may not be amended without the written consent of both parties. In the event that the Visit KCK wishes to open a visitor's center in Kansas City, Kansas, Visit KCK shall provide written notice of such intent to the Unified Government and the parties shall meet at their earliest convenience to discuss any amendments to the Agreement that may be necessary based upon such action. Should an agreement be reached to open and operate a Visitors Center in Kansas City, Kansas, the operation of this facility will not be considered as part of the 20% Administrative expenses referenced in the section below.

Submission and Approval of Annual Budget and Marketing Plan

8. Each year on or before November 1st, Visit KCK shall submit to the Unified Government County Administrator a detailed Budget and Marketing Plan with a presentation of Visit KCK's annual goals for the next calendar year. On an annual basis, an oral and visual presentation of the Budget and Marketing Plan and annual goals shall be made by Visit KCK to the Unified Government Board of Commissioners and shall be submitted for final approval by the Unified Government Board of Commissioners. The budget shall reflect the proposed expenditures to be made by Visit KCK and the purpose for which such expenditures will be made. Such expenditures shall only be for the purpose of convention and tourism promotion as authorized by Charter Ordinance No.CO-03-08. Except as provided in paragraph 8, administrative expenses shall not exceed 20% of the total expenditures. Administrative costs include any expenditures not directly related to marketing or the promotion of tourism. The cap on administrative expenses set forth above will be reviewed annually by the Unified Government.

9. Visit KCK Board of Directors shall review and approve all budgets, marketing plans and goals prior to submission to the Unified Government. Any amendments to the budget, marketing plan or goals must be reviewed and approved by the Visit KCK Board of Directors prior to submission to the Unified Government.

Payments

10. Except as otherwise provided in this paragraph and below in paragraphs 11 through 18, and subject to the Cash Basis Law, K.S.A. 10-1101 and amendments thereto, the Unified Government will pay to Visit KCK:

(a) $1,406,875.00 (One million five hundred and six thousand eight hundred seventy-five dollars and NO/100) Base Amount in the year 2022;

(b) In the years 2023 through 2026, the annual Base Amount payment to the Visit KCK shall be adjusted according to the Consumer Price Index (CPI) – All Urban Consumers, as derived by the U.S. Bureau of Labor Statistics. The detail of the CPI to use shall be as follows:

Area: Midwest;
Seasonal: Not Seasonally Adjusted;
Item: All Items;
Base Period: Current Base (1982-1984).

The previous year's annual percent change will be used to adjust the amount of payment to Visit KCK for the following year (*i.e.*, the 2020 to 2021 annual percent change will be used to adjust the payment for 2023, and so forth) as long as the CPI's annual percent change is positive. However, in no event shall the payment to Visit KCK be reduced due to a negative CPI annual percent change. If the CPI annual percent change for the previous year is negative or unchanged, the following year's payment to Visit KCK shall remain the same as the previous year's payment.

(c) In the year 2022, an additional $100,000.00 (One Hundred Thousand Dollars and No/100) for special events which further Visit KCK's efforts to improve and increase tourism within Kansas City, Kansas (the "Event Opportunity Fund") shall be paid to Visit KCK. Visit KCK may request additional Event Opportunity Fund money for budget years 2023 through 2026, however, such funding shall be subject to approval by the Unified Government Commission at its sole and complete discretion when approving Visit KCK's annual budget.

11. The Unified Government reserves the right to reduce payments under this Agreement if such reduction is deemed necessary by the Board of Commissioners as part of its annual budget process. The contract is based on the project transient guest tax revenues exceeding $3,000,000.00 (Three million dollars and NO/100) or more annually. Should the annual revenue drop below this amount, the Unified Government will reduce the annual payment to Visit KCK on a dollar-for-dollar bases for the upcoming year.

12. Except as provided in this Section 12, it is the intention of the Unified Government and Visit KCK that the Unified Government will advance 25 percent of budgeted funds on a quarterly basis to Visit KCK in furtherance of Visit KCK activities. Said advances are to be made by the tenth day of the month following the month that there is a receipt by the Unified Government of quarterly disbursements from the State of Kansas of the proceeds of the transient guest tax. Under state law, the Unified Government may obligate only those funds budgeted and credited to a Unified Government fund. It is further understood and agreed that Visit KCK will submit an accounting of its expenditures in budgetary format, on both an accrual and a cash basis, in accordance with generally accepted accounting practices to the Unified Government Chief Financial Officer. The accounting on a cash basis shall be monthly, and the accounting on an accrual basis shall be at the end of Visit KCK's fiscal year, that is, as of December 31. The accounting submissions shall be a condition precedent to advancement by the Unified Government of the next quarterly payment.

<u>Location</u>

13. Visit KCK shall notify the Unified Government of any proposed change by Visit KCK of its current office location at least 60 days in advance of such move taking place.

Board of Directors

14. During the Term of this Agreement, Visit KCK's Board of Directors shall consist of twelve (12) voting members, drawn from the following positions:

(a) Unified Government Mayor or their designee.
(b) Unified Government County Administrator or their designee.
(c) Unified Government Economic Development and Finance Standing Committee Chairperson or their designee.
(d) Unified Government representative selected by the Unified Government Mayor.

(E) All other voting Board members shall be selected according to the bylaws of Visit KCK.

<u>Miscellaneous</u>

15. The Unified Government's designated representative, upon reasonable notice, shall have the right to inspect all books and records of Visit KCK pertaining to this Agreement.

16. Visit KCK shall provide the Unified Government an annual audit of Visit KCK performed by an independent certified accounting firm. The audit shall be on a

calendar year basis. Visit KCK shall submit the audit to the Unified Government no later than July 30 for the preceding fiscal year.

17. Visit KCK agrees to indemnify, save harmless, and defend the Unified Government from any and all claims, causes of action, and damages of every kind arising from the operation of Visit KCK, its officers, agents, and employees, including the Convention and Visitors Bureau and its officers, agents, and employees, carried out in furtherance of this Agreement. Visit KCK shall carry or cause to be carried comprehensive general liability insurance, directors' and officers' liability insurance, and automobile liability insurance covering all the operations embraced by this Agreement in the amount of $2,000,000 for each person and $2,000,000 per occurrence. The insurance policies must be written by companies acceptable to the Unified Government and shall name the Unified Government as an additional insured. Prior to disbursement of funds under this Agreement, Visit KCK shall submit to the Unified Government a certificate of insurance showing the coverage required herein.

18. The provisions found in Contractual Provisions Attachment which is attached hereto and marked as Exhibit A are hereby incorporated in this Agreement and made a part hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

____
Douglas G. Bach
County Administrator

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

Subscribed in my presence and sworn to before me this ________ day of ______________________________, 2021.

____
Notary Public

My Appointment Expires:

____

VISIT KANSAS CITY KANSAS

____

________________, Chairperson
Board of Directors

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

Subscribed in my presence and sworn to before me this ________ day of _____________________________, 2021.

____
Notary Public

My Appointment Expires:

____

Staff Request for Commission Action

Tracking No. 211185

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

Date of Standing Committee Action: 11/29/2021 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/16/2021	Kathleen VonAchen, Reginald Lindsey	x5186, x5292	kvonachen@wycokck.org, rlindsey@wycokck.org	Budget

Item Description:
REPORT: 3RD QTR 10K BUDGET REVISIONS.
For Information Only

Action Requested:
For Information Only

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

Attachments List:
3rd Quarter 2021 Summary of Budget Revisions-$10K-$50K, 3rd Quarter 2021 Summary of Budget Revisions-Greater Than $50K

BUDGET REVISIONS $10,000 to $50,000 - 3RD QUARTER 2021 *(For information only)*

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	Consolidated Parks	Parks & Recreation	CMIP	Maintenance Shop HVAC	Inside Department	$36,475	July 14, 2021
2	Sunflower Hills	Parks & Recreation	Operating	Increased operating expenditures due to increased activity and revenues	Inside Department	$40,000	July 15, 2021
3	Sunflower Hills	Parks & Recreation	Operating	Improvements to Junior Golf Course	Inside Department	$15,000	August 17, 2021
4	County General	Public Works-Buildings	Operating	Emergency Elevator Repair at Health Department	Inside Department	$18,000	August 24, 2021
5	Health	Health	Operating	Contract cost for specialty services	Inside Department	$30,000	September 26, 2021
				GRAND TOTAL		**$139,475**	

BUDGET REVISIONS GREATER THAN $50,000 - 3RD QUARTER 2021*(For information only)*

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	County General	Sheriff	Capital/Operating	Taser	Inside Department	$116,120	July 9, 2021
2	Health	Health Department	Operating	COVID Community Testing Partner	Inside Department	$190,000	August 5, 2021
3	City General	Knowledge Office	Operating	Software Renewal	Outside Department	$137,000	August 9, 2021
4	City General	Legal	Operating	Legal Cost	Outside Department	$185,000	September 8, 2021
5	County General	Coroner's Office	Operating	Autopsies Cost	Outside Department	$150,000	September 14, 2021
				GRAND TOTAL		**$778,120**	

Staff Request for Commission Action

Tracking No. 211187

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

Date of Standing Committee Action: 11/29/2021 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/16/2021	Debbie Jonscher, Reginald Lindsey	x5847, x5292	djonscher@wycokck.org, rlindsey@wycokck.org	Finance

Item Description:
REPORT: 3RD QTR BUDGET TO ACTUALS.

For information only.

Action Requested:
For information only.

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

Attachments List:
UG Quarterly Financial Report FY 2021 Q3

QUARTERLY FINANCIAL REPORT

Third 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

Third Quarter of 2021

The Unified Government has completed the third 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 third 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		
		3rd Qtr YTD	% of		3rd Qtr YTD	% of
numbers in 000's	Budget	Actual	budget	Budget	Actual	budget
Revenues	$ 202,109	$ 171,400	84.8%	$ 246,322	$ 205,516	83.4%
Expenditures	$ 214,869	$ 149,343	69.5%	$ 235,669	$ 161,774	68.6%
Net Alloc & Transfers	$ 1,910	$ 686	35.9%	$ (212)	$ (112)	52.6%
Net Change	$ (10,850)	$ 22,742		$ 10,440	$ 43,630	
Balance, Start of Year	$ 27,963	$ 27,963		$ 31,006	$ 31,006	
Balance Year-to -Date	$ 17,113	$ 50,704		$ 41,446	$ 74,636	

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

- Revenue collections are 1.4% 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 19.9% or $34.1M from the 2020 3rd 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. Third quarter expenditures are in line with prior expenditures as a percent of budget. Year to date expenditures are up $12.4M 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 Budget	2021 3rd Qtr YTD Actual	% Rev Collected
Property Tax	$ 25,800	$ 25,860	100.2%
Sales Tax	$ 49,631	$ 37,893	76.3%
Other Tax	$ 50,171	$ 36,967	73.7%
Permits/Licenses	$ 1,202	$ 971	80.8%
Intergovernmental Revenues	$ 18,964	$ 15,396	81.2%
Charges for Service	$ 12,318	$ 8,862	71.9%
Fines, Forfeits, Fees	$ 2,598	$ 1,805	69.5%
Misc. & Transfers-In	$ 6,134	$ 3,588	58.5%
Total	**$ 166,819**	**$ 131,341**	**78.7%**

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

City General Fund revenue collected through the third quarter are 3.7% 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 16.7% above revenues collected for the same period last year with one time ARPA revenue replacement funding of $14.6M making up 77.7% of that increase in year to year revenues.

Tax Revenue collections exceeded third quarter projections by 5.2%. 100% of projected property tax revenues are collected with tax payments due. Sales and use tax revenues total $37.9M and are 1.3% above target. Other taxes ended the quarter 1.3% under targeted collections.

Permits & Licenses collections include landlord rental licenses and right-of-way permits. Collections are 5.8% above target for the quarter and are in line with prior year collections for the quarter.

City General Fund Revenues *numbers in 000s*	2020 3rd Qtr YTD Actual	2021 3rd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 24,207	$ 25,860	$ 1,653
Sales Tax	$ 33,225	$ 37,893	$ 4,668
Other Tax	$ 37,677	$ 36,967	$ (710)
Permits/Licenses	$ 979	$ 971	$ (8)
Intergovernmental Revenues	$ 758	$ 15,396	$ 14,638
Charges for Service	$ 7,670	$ 8,862	$ 1,191
Fines, Forfeits, Fees	$ 1,475	$ 1,805	$ 329
Misc. & Transfers-In	$ 6,555	$ 3,588	$ (2,967)
Total	**$ 112,547**	**$ 131,341**	**$ 18,794**

Table 3: City General Fund Revenues Year to Year Comparison

Intergovernmental Revenues includes $18.1M in ARPA revenue replacement and COVID FEMA reimbursements. ARPA revenues are booked in the 3rd Quarter.

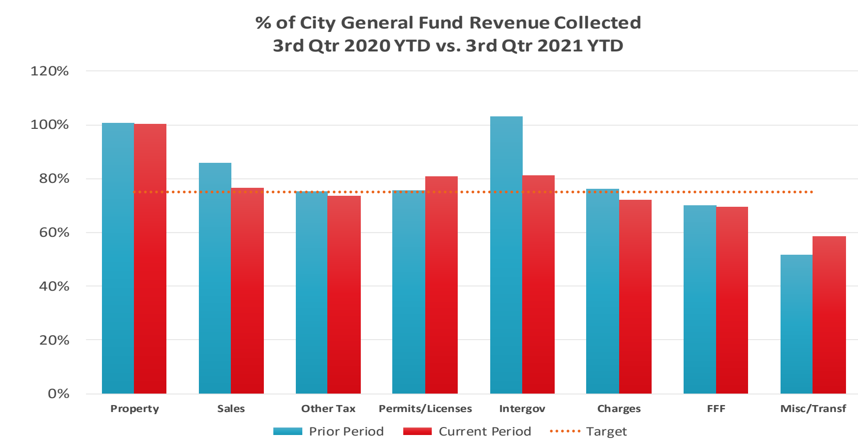


Figure 1: City General Fund Prior Year vs. Current Year

Charges for Service including residential trash fees and building inspection fees ended the quarter 3.1% below target but 15.5% above prior year levels. Building inspection charges make up 13.8% of revenues and are 115% above prior year levels.

Fines, Forfeits, Fees include Municipal Court revenue and are 4.5% below the projections for the quarter. Penalties for Development Agreements make up 28.8% of this category and are 10.1% below target.

Misc. & Transfers-In ended 16.5% below projected revenues due to an additional 1% casino contribution penalty collecting no revenue as of the third 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 3rd Qtr YTD Actual	% of Budget
Personnel	$ 114,213	$ 79,692	69.8%
Services	$ 30,754	$ 22,542	73.3%
Supplies	$ 4,224	$ 2,377	56.3%
Grants, Claims	$ 5,386	$ 3,012	55.9%
Misc. & Transfers-Out	$ 1,399	$ 510	36.5%
Capital Outlay	$ 3,105	$ 1,053	33.9%
Total	**$ 159,080**	**$ 109,186**	**68.6%**

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

Personnel expenditures ended the quarter 5.2% below target. The trend reflects additional funding built into the amended budget for anticipated contract obligations and difficulty in hiring and retention through the year.

Services expenses ended 1.7% lower than the third 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 18.7% below target, with the most notable savings being in clothing expenses ending the third quarter at 30.9% of expenditures for the year. Seasonal utilities are expected to be higher for the fourth quarter.

Grants, Claims ended the quarter 19.1% 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 annual allocation of $3.27M, 60.7% of the budget allocation.

City General Fund Expenditures *numbers in 000s*	2020 3rd Qtr YTD Actual	2021 3rd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 76,989	$ 79,692	$ 2,702
Services	$ 15,977	$ 22,542	$ 6,565
Supplies	$ 2,884	$ 2,377	$ (507)
Grants, Claims	$ 3,443	$ 3,012	$ (430)
Misc. & Transfers-Out	$ 342	$ 510	$ 168
Capital Outlay	$ 1,173	$ 1,053	$ (120)
Total	**$ 100,808**	**$ 109,186**	**$ 8,378**

Table 5: City General Fund Expenditures Year to Year Comparison

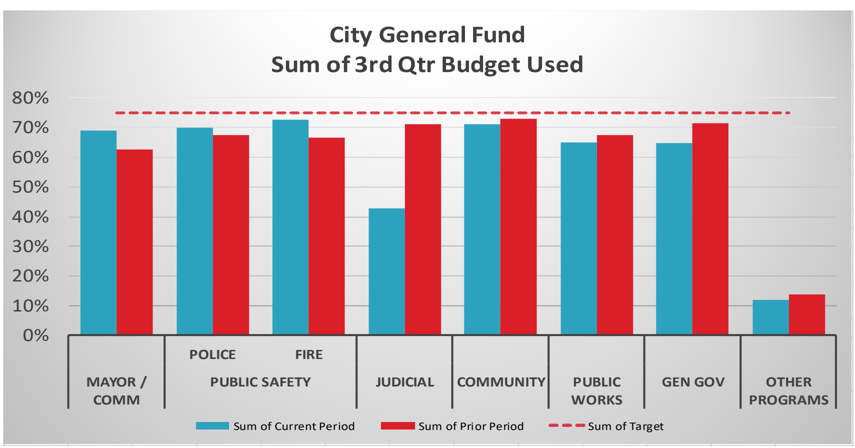


Figure 2: City General Fund Dept. Expenditures as a % of Budget

Misc & Transfers-Out ended the quarter at 36.5% 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 33.9% 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 made available to departments at the end of the third quarter.

City departments are overall in line with budgeted expenditures. The Other Programs category includes Reserves and Personnel Adjustments Departments that are budgeted at the fund level and make up 44% of the budget for this grouping. These budgets include anticipated employee payouts amounts and reserves and contingencies funding that would be expended out of department budgets if needed during the year.

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 3rd Qtr YTD Actual	% Rev Collected
Property Tax	$ 42,730	$ 42,824	100.2%
Sales Tax	$ 7,884	$ 6,016	76.3%
Other Tax	$ 9,399	$ 8,222	87.5%
Permits/Licenses	$ 1,116	$ 793	71.1%
Intergovernmental Revenues	$ 6,200	$ 6,173	99.6%
Charges for Service	$ 1,185	$ 970	81.8%
Fines, Forfeits, Fees	$ 3,160	$ 2,456	77.7%
Misc. & Transfers-In	$ 3,528	$ 2,749	77.9%
Total	**$ 75,201**	**$ 70,203**	**93.4%**

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

County General Fund revenue ended the third quarter of 2021 18.4% above budgeted revenue targets and 20% 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 20.1% above the 2021 target budget, 6.8% above revenue received in the same quarter of the prior year due with both property tax payments due. Sales Tax ended the quarter 1.3% above target. Other Tax revenue, including motor vehicle and delinquent tax, ended 12.5% above projections. Casino revenues ended 7.4% below the third quarter target.

Permits & Licenses are 3.9% below target for the quarter. This category consists of Auto Licenses, Auto License Fees and Antique Vehicle Licensing.

County General Fund Revenues *numbers in 000s*	2020 3rd Qtr YTD Actual	2021 3rd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 40,081	$ 42,824	$ 2,744
Sales Tax	$ 5,239	$ 6,016	$ 777
Other Tax	$ 6,864	$ 8,222	$ 1,358
Permits/Licenses	$ 699	$ 793	$ 95
Intergovernmental Revenues	$ 56	$ 6,173	$ 6,117
Charges for Service	$ 955	$ 970	$ 15
Fines, Forfeits, Fees	$ 1,838	$ 2,456	$ 618
Misc. & Transfers-In	$ 2,788	$ 2,749	$ (39)
Total	**$ 58,519**	**$ 70,203**	**$ 11,684**

Table 7: County General Fund Revenues Year to Year Comparison

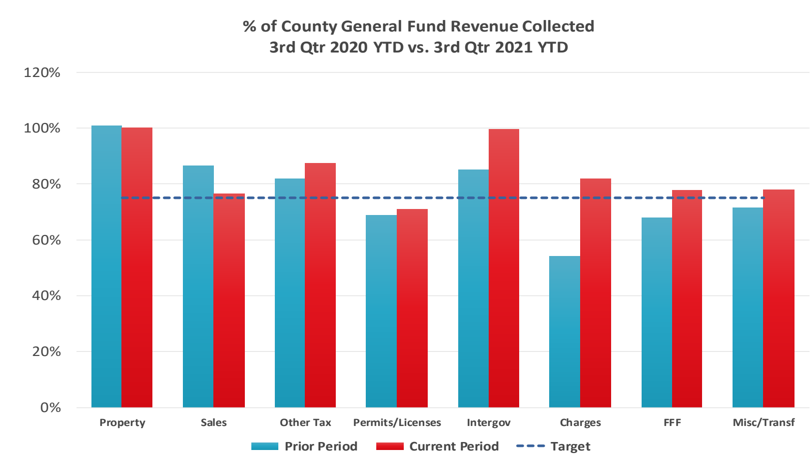


Figure 3: County General Fund Prior Year vs. Current Year

Charges for Service collections are 6.8% above target for the quarter. Digital services constitute 25.8% of this revenue and have exceeded quarterly targets by 11.7% with 28.5% growth from prior year.

Fines, Forfeits, Fees include officer fees, treasurer fees, and development agreement penalties; collections are 2.7% above quarterly targets.

Intergovernmental Revenues consist primarily of $6.1M in ARPA revenue replacement due to COVID shortfalls.

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

COUNTY GENERAL FUND EXPENDITURES

County General Fund Expenditures *numbers in 000s*	2021 Amended Budget	2021 3rd Qtr YTD Actual	% of Budget
Personnel	$ 48,631	$ 35,561	73.1%
Services	$ 16,343	$ 10,721	65.6%
Supplies	$ 2,038	$ 1,104	54.2%
Grants, Claims	$ 1,177	$ 780	66.3%
Misc. & Transfers-Out	$ 1,993	$ 1,253	62.9%
Capital Outlay	$ 2,314	$ 439	19.0%
Total	**$ 72,497**	**$ 49,857**	**68.8%**

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

Personnel expenditures ended the quarter 1.9% below target with overtime above target by 52%, offsetting vacancy savings in personnel.

Services are 9.4% below target for the quarter. External prisoner housing and prisoner medical contracts make up 32% of the contractual budget for the county general fund. Areas of savings include legal services, prisoner housing, software maintenace and radio system maintenance.

Supplies ended the quarter 20.8% below budget targets. Major expenses paid in this category are natural gas, fuel and office supplies/equipment. Fuel ended the quarter 24.7% below target and misc. supplies spending is 25.5% below target for the quarter.

Grants, Claims ended the quarter 8.7% below target. Significant items in this category include Legal Claims and Judgements, with minimal year to date spending, Grants, 93.9% of budget expended, and Tax Rebates, paid out at the end of the year.

County General Fund Expenditures *numbers in 000s*	2020 3rd Qtr YTD Actual	2021 3rd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 32,687	$ 35,561	$ 2,874
Services	$ 9,937	$ 10,721	$ 784
Supplies	$ 797	$ 1,104	$ 307
Grants, Claims	$ 1,127	$ 780	$ (347)
Misc. & Transfers-Out	$ 3,810	$ 1,253	$ (2,557)
Capital Outlay	$ 253	$ 439	$ 186
Total	**$ 48,611**	**$ 49,857**	**$ 1,247**

Table 10: County General Fund Expenditures Year to Year Comparison

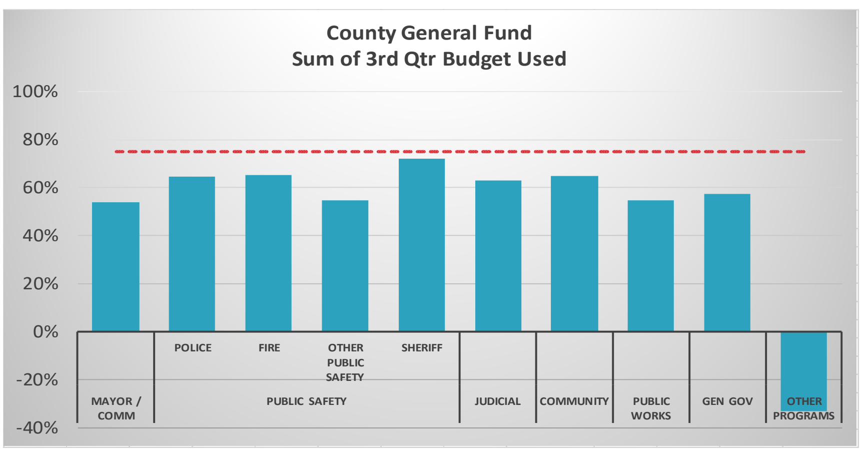


Figure 4: County General Fund Dept. Expenditures as a % of Budget

Misc. & Transfers-Out ended the quarter 12.1% 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 19% of budgeted expenditures for the year. Capital equipment makes up 80% of the amended capital outlay budget and has expended 20.4% of its budget with projects expending 13% of their budgets.

County departments are in line with spending targets for the year. The Other Programs category includes Reserves and Personnel Adjustments Departments that are budgeted at the fund level and make up 80% of the budget for this grouping. These budgets include anticipated vacancy savings amounts and reserves and contingencies funding that would be expended out of department budgets if needed during the year. The county general fund has $4.4M of vacancy savings anticipated impacting the funded personnel budget for 2021.

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 parks 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 Budget	2021 3rd Qtr YTD Actual	% Rev Collected
Property Tax	$ 1,907	$ 1,912	100.2%
Other Tax	$ 310	$ 297	96.1%
Intergovernmental Revenues	$ 3,473	$ 2,656	76.5%
Charges for Service	$ 758	$ 688	90.8%
Misc. & Transfers-In	$ 110	$ 111	101.2%
Total	**$ 6,558**	**$ 5,665**	**86.4%**

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

Consolidated Parks General Fund revenue ended the second quarter 11.4% 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 are up 12.4% from the third quarter 2020.

Tax Revenue collections are at 99.6% of the 2021 budget. Property tax collections are due for both halves of the tax bill and at budgeted collections for the year, with delinquent and motor vehicle tax also exceeding second quarter targets.

Intergovernmental Revenues is at the target for the third 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 3rd Qtr YTD Actual	2021 3rd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 1,790	$ 1,912	$ 122
Other Tax	$ 255	$ 297	$ 42
Intergovernmental Revenues	$ 2,550	$ 2,656	$ 106
Charges for Service	$ 347	$ 688	$ 342
Misc. & Transfers-In	$ 100	$ 111	$ 11
Total	**$ 5,042**	**$ 5,665**	**$ 623**

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

Charges for Service ended the quarter 15.8% over target and 98% above prior year collections. These revenues include shelter and center rental charges and rec programming charges. 2020 revenues for the third quarter were significantly lower than normal due to reduction in operations through 2020.

Miscellaneous Revenue ended the quarter collecting 101.2% 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.

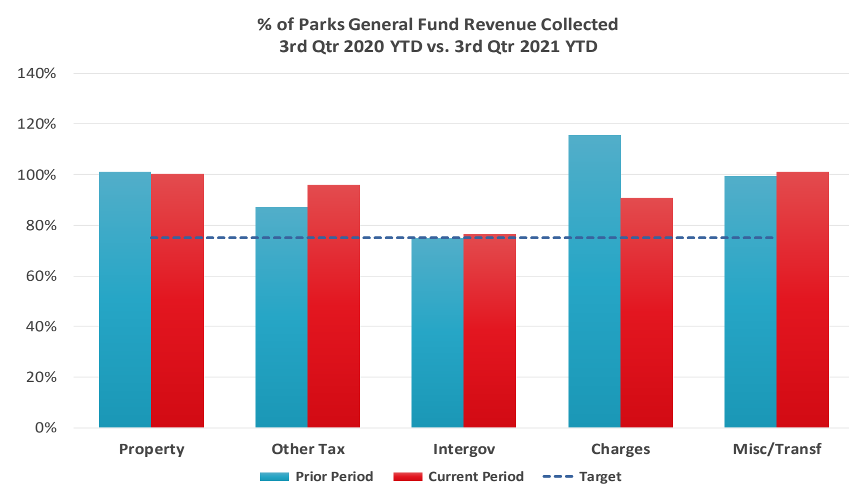


Figure 5: Consolidated Parks General Fund Prior Year vs. Current Year

CONS. PARKS GENERAL FUND EXPENDITURES

Parks General Fund Expenditures *numbers in 000s*	2021 Amended Budget	2021 3rd Qtr YTD Actual	% of Budget
Personnel	$ 4,409	$ 3,132	71.0%
Services	$ 1,314	$ 961	73.1%
Supplies	$ 545	$ 400	73.3%
Grants, Claims	$ 10	$ -	0.0%
Misc. & Transfers-Out	$ 178	$ 41	23.1%
Capital Outlay	$ 105	$ -	0.0%
Total	**$ 6,561**	**$ 4,534**	**69.1%**

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

Personnel expenditures for the first quarter of 2021 ended 4% below target for the year, with savings resulting from being unable to hire seasonal staffing over the summer.

Services ended the quarter 1.9% below target. Major categories in this budget include mowing and spraying, contract positions and maintenance of parks and facilities. Mowing contracts are 21.4% of the budget and are wrapping up for 2021.

Supplies are 1.7% below 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 23% expenditures. These expenses are transfers that are being made to assist with ERP funding and Sunflower Hills operations.

Parks General Fund Expenditures *numbers in 000s*	2020 3rd Qtr YTD Actual	2021 3rd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 3,067	$ 3,132	$ 66
Services	$ 500	$ 961	$ 461
Supplies	$ 356	$ 400	$ 44
Grants, Claims	$ -	$ -	$ -
Misc. & Transfers-Out	$ 24	$ 41	$ 17
Capital Outlay	$ (1)	$ -	$ 1
Total	**$ 3,946**	**$ 4,534**	**$ 588**

Table 13: Consolidated Parks Expenditures Year to Year Comparison

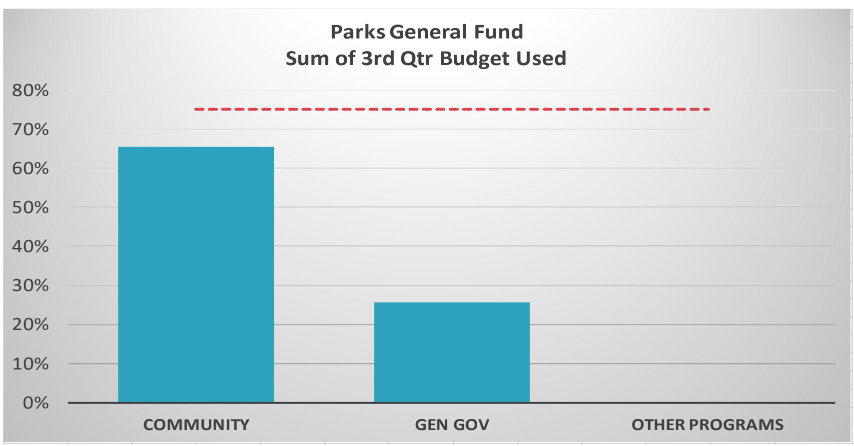


Figure 6: Parks General Fund Dept. Expenditures as a % of Budget

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 Q3.

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 September 30th 2021
Third Quarter

	REVENUES *numbers in 000's*					EXPENDITURES *numbers in 000's*				
Tax Levy Funds	2021 Amended Budget		2021 YTD Actual		% of Budget	2021 Amended Budget		2021 YTD Actual		% of Budget
City General Fund	$	166,819	$	131,341	78.7%	$	159,080	$	109,186	68.6%
City Bond & Interest	$	36,187	$	33,658	93.0%	$	34,125	$	33,100	97.0%
County General Fund	$	75,201	$	70,203	93.4%	$	72,497	$	49,857	68.8%
Cons. Parks General Fund	$	6,558	$	5,665	86.4%	$	6,561	$	4,534	69.1%
County Bond & Interest	$	5,309	$	4,848	91.3%	$	5,982	$	5,607	93.7%
Aging	$	2,153	$	2,013	93.5%	$	2,238	$	1,360	60.8%
Developmental Disabilities	$	382	$	373	97.7%	$	588	$	282	47.9%
Elections	$	1,484	$	1,427	96.1%	$	1,601	$	990	61.8%
Health	$	4,117	$	3,342	81.2%	$	4,499	$	2,473	55.0%
Mental Health	$	695	$	698	100.5%	$	695	$	498	71.7%
Total UG Tax Levy Funds	**$**	**298,904**	**$**	**253,567**	**84.8%**	**$**	**287,865**	**$**	**207,887**	**72.2%**
Other Funds	2021 Amended Budget		2021 YTD Actual		% of Budget	2021 Amended Budget		2021 YTD Actual		% of Budget
Alcohol	$	694	$	535	77.1%	$	885	$	418	47.3%
Clerk Technology	$	55	$	46	84.5%	$	83	$	82	98.7%
Court Trustee	$	487	$	425	87.3%	$	661	$	332	50.2%
Dedicated Sales Tax	$	12,236	$	9,545	78.0%	$	10,989	$	4,538	41.3%
Emergency Medical Services	$	13,122	$	10,275	78.3%	$	12,422	$	8,631	69.5%
Environmental Trust	$	1,175	$	848	72.1%	$	1,745	$	848	48.6%
Jail Commissary	$	62	$	67	107.9%	$	100	$	19	19.0%
Parks & Recreation	$	693	$	541	78.1%	$	684	$	403	58.8%
Public Levee	$	362	$	276	76.4%	$	423	$	246	58.1%
Register of Deeds Technology	$	220	$	186	84.5%	$	450	$	399	88.5%
Sewer System	$	45,534	$	35,122	77.1%	$	50,321	$	32,397	64.4%
Special Assets	$	-	$	-		$	1,050	$	100	9.5%
Stadium	$	792	$	573	72.3%	$	860	$	452	52.6%
Stormwater	$	4,374	$	2,849	65.1%	$	5,153	$	2,823	54.8%
Street & Highway	$	8,019	$	6,251	78.0%	$	7,441	$	4,766	64.0%
Sunflower Hills Golf Course	$	896	$	796	88.8%	$	915	$	615	67.2%
Travel & Tourism	$	3,108	$	2,164	69.6%	$	6,731	$	1,566	23.3%
Treasury Technology	$	55	$	46	84.5%	$	101	$	33	32.8%
Wyandotte County 911	$	920	$	681	74.0%	$	955	$	480	50.3%
Total Other Funds	**$**	**92,804**	**$**	**71,228**	**76.8%**	**$**	**101,969**	**$**	**59,147**	**58.0%**
Total Funds	**$**	**391,708**	**$**	**324,794**	**82.9%**	**$**	**389,834**	**$**	**267,034**	**68.5%**
County Library	$	3,507	$	3,475	99.1%	$	3,635	$	3,316	91.2%
Total ALL Funds	**$**	**395,215**	**$**	**328,270**	**83.1%**	**$**	**393,469**	**$**	**270,350**	**68.7%**