ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, August 31, 2020

The meeting of the Economic Development and Finance Standing Committee was held on Monday, August 31, 2020, at 5:44 p.m., remotely via Zoom. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Townsend, Johnson, Walters; and BPU Board Member Jeff Bryant. The following officials were also in attendance via Zoom: Gordon Criswell, Melissa Sieben, Emerick Cross, and Alan Howze, Assistant County Administrators; Patrick Waters, Senior Counsel; Katherine Carttar, Director of Economic Development; Andrea Parra, Deputy County Treasurer; Kathleen VonAchen, Chief Financial Officer; Carol Godsil, Deputy UG Clerk; and Rocki Mayes, Program Supervisor in County Administrator's Office.

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

During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General.

Due to the COVID-19 requirements, in-person public comment has been suspended unless otherwise required by law. The public is allowed to participate by Zoom or submit comments by email prior to the meeting and those comments will be included in the record of this meeting.

Chairman Burroughs called the meeting to order.

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

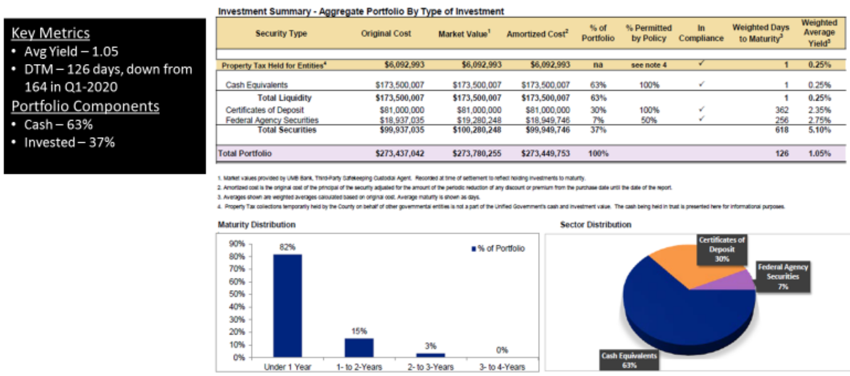
Chairman Burroughs said we do have one revision to tonight's agenda. New Item No. 6 has been added, which is a resolution setting a public hearing date to consider a redevelopment project plan for the Epic Center Redevelopment TIF District.

Approval of standing committee minutes from June 1, 2020. **On motion of Commissioner Walters, seconded by Commissioner McKiernan, the minutes were approved.** Roll call was taken and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

Committee Agenda:

Item No. 1 – 20321…REPORT: Q2 INVESTMENT REPORT

Synopsis: Second Quarter 2020 Cash and Investment Report, submitted by Kathleen VonAchen, Chief Financial Officer; Rick Mikesic, County Treasurer; and Andrea Parra, Deputy Treasurer.



Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$6,092,993	$6,092,993	$6,092,993	na	see note 4	✓	1	0.25%
Cash Equivalents	$173,500,007	$173,500,007	$173,500,007	63%	100%	✓	1	0.25%
Total Liquidity	$173,500,007	$173,500,007	$173,500,007	63%			1	0.25%
Certificates of Deposit	$81,000,000	$81,000,000	$81,000,000	30%	100%	✓	362	2.35%
Federal Agency Securities	$18,937,035	$19,280,248	$18,949,746	7%	50%	✓	256	2.75%
Total Securities	$99,937,035	$100,280,248	$99,949,746	37%			618	5.10%
Total Portfolio	$273,437,042	$273,780,255	$273,449,753	100%			126	1.05%

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent. Recorded at time of settlement to reflect holding investments to maturity.
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.
4. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value. The cash being held in trust is presented here for informational purposes.

Andrea Parra, Deputy Treasurer, said the first slide I'm going to go over is going to be just the investment summary overall of our portfolio. Investing, we obviously have the yield is 1.05 Quarter 2. The dates to maturity dropped. It was at 164 the last time I came to present. It's at 126 days. A lot of that comes into play. We have a lot of CDs that have matured that I will show you here in a couple of slides. Portfolio, we're sitting with 63% in cash and then 37% in investments.

The next slide is going to just be the matrix and compliance. I always like to point out a topic item that we want to always see, compliance is going to be the institutions and agencies remaining under that level. As it is, we have not gone out for bid nor have we had a lot of activity at all. Therefore, all financial institutions are still under their limit with the goal is to always be there. As you have probably seen, me and Rick are very specific on that.

Again, the yield is 1.05. It was at 1.78 in Quarter 1. Again, it did drop but it still is above the target T-Bill of .16. Interest is moving along. We are receiving that in every quarter. We are seeing a projection that should, I would say, probably be at or about or above the 2019 earnings. We're doing well there.

Issuer Detail - Aggregate Portfolio by Issuer

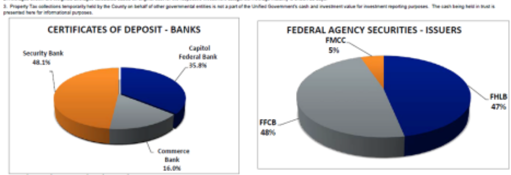
Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	6,092,993	6,092,993	na	See note 3	✓	1	0.25%
UMB, Wyandotte Operating	169,964,007	169,964,007	62%	25%	✓	1	0.24%
UMB, Wyandotte Health	3,536,000	3,536,000	1%	25%	✓	0	0.01%
Cash Equivalents	**173,500,007**	**173,500,007**	**63%**		✓	**1**	**0.25%**
Capitol Federal Bank	29,000,000	29,000,000	11%	25%	✓	86	0.68%
Commerce Bank	13,000,000	13,000,000	5%	25%	✓	42	0.32%
Security Bank of KC	39,000,000	39,000,000	14%	25%	✓	171	1.17%
Certificates of Deposit	**81,000,000**	**81,000,000**	**30%**		✓	**362**	**2.35%**
FFCB	8,951,940	9,265,500	3%	*50% of total portfolio*	✓	200	1.37%
FHLB	8,986,129	9,021,580	3%		✓	35	1.33%
FMCC	998,966	993,168	0.4%		✓	22	0.05%
Federal Agency Securities	**18,937,035**	**19,280,248**	**7%**		✓	**256**	**2.75%**
Grand Total	**273,437,042**	**273,780,255**	**100%**			**126**	**1.05%**

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.
2. Averages shown are weighted averages calculated based on original cost for the respective investment categories. Average maturity is shown as days.
3. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value for investment reporting purposes. The cash being held in trust is presented here for informational purposes.

Types of securities in our investment portfolio?

Of the $273 M total, $81 M or 30% - CDs fully collateralized per investment policy and State Statute.

Of the $273 M total, $19 M or 7% - US Agencies Securities backed by the full faith and credit of the US Federal Government.



The next slide is going to be the issuer detail showing what types of investments we do have. We have about $19M in the agencies and then $81M are going to be in the certificates of deposit, CDs. The rest is going to be in our overnight with operating the health reserve.

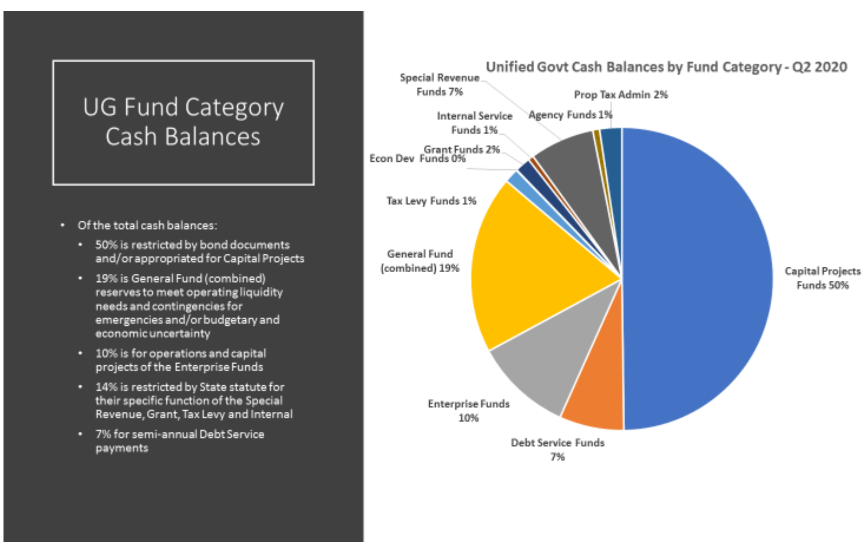
Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q2	NA	UMB, Wyandotte Operating	0.250%	7/1/2020	20,127,000	20,127,000
Thru Q2	NA	UMB, Wyandotte Health Reserve	0.250%	7/1/2020	1,523,000	1,523,000
Cash Equivalents					**21,650,000**	**21,650,000**
Purchases						
5/15/2019	01-14017566-3	Argentine Federal Savings	2.900%	5/14/2020	(235,000)	(235,000)
5/15/2019	115003619	Security Bank of KC	2.450%	5/14/2020	(235,000)	(235,000)
5/16/2019	122079943	Bank of Labor	2.400%	5/14/2020	(235,000)	(235,000)
5/15/2019	23974631020	UMB	2.350%	5/15/2020	(235,000)	(235,000)
5/17/2019	65547	First State Bank & Trust	2.410%	5/18/2020	(235,000)	(235,000)
5/25/2017	70155745	Capitol Federal Bank	1.740%	5/26/2020	(5,000,000)	(5,000,000)
6/10/2016	32841	Liberty Bank	1.520%	6/10/2020	(1,000,000)	(1,000,000)
6/10/2016	7014409	Capitol Federal Bank	1.310%	6/10/2020	(1,000,000)	(1,000,000)
Calls/Maturities					**(8,175,000)**	**(8,175,000)**
Total					**13,475,000**	**13,475,000**

I want to point out kind of what happened, transpired in Quarter 2. It was a lot of maturities, of course, like I mentioned, we did not do any new purchases. The overnight RECO has not changed. It is still that same rate as of today's investment activity, which is .25; still beating the target rate. Today's certificate rate and the treasury, which is actually at a negative rate as of today's investment activity, which is interesting. .12 is what we would need to beat. We are beating that by all means. The repo is doing very well; staying strong for quarters; not going down any.

Something to point out, we do have at the top there, those purchase—sorry, the maturities that we have, a few of our local emphasis certificates of deposit that matured. We have gone right back into that certificate process recertifying all the local banks in the community the best we could due to the pandemic. We weren't physically on site; boots on the ground, to go meet everyone again. We did manage to recertify 11 out of, I believe, the 13 financial institutions here in the county.

We did make the decision to not do an actual small CD due to the rate they were willing to offer. It wasn't financially impactful both us or them, so we will eventually get back to that portion of it, that one year under the FDIC rule rate. We're not going to close that book, but we may just have to keep watching and see if both their institution and ours can make that happen later on in the year.



Last, but not least, is just kind of the cash fund category, which is the last slide I'd like to present. This is the first time me presenting. I apologize. It may be a little stiff. Slides, very specific. He wanted just to mention this is where our portfolio and all the money is going to be sitting based on HIPAA fund. As you see on my right side, the bluer color, it looks to appear that that's a lot of money earmarked. Unfortunately, that is not going to be most of the spending money. That's 70% of items that are sitting in funds that are either untouchable grant funded items or earmarked for projects we don't have just sitting as spendable money.

I wanted to just point out the General Fund at 19% is about the only amount here, City/County funds that we could truly use, which comes to about $50M that are investable or spending items.

Last, but not least, just want to mention that overall, change here is going probably pretty similar. If you were comparing it to last quarter, it's very obvious that the pandemic has changed a lot and we didn't have a lot of changes, so this was pretty easy for me to update.

With that being said, I wanted to cut to the chase. I don't have much else to present. It's a pretty easy quarter for me. Does anyone have any questions for me or comments or anything that I could address?

Chairman Burroughs asked, any questions or comments, committee?

Commissioner McKiernan said, Andrea, I just want to say, don't apologize. I loved the presentation. You put a lot of facts in there and you took us right to the heart of the matter. I think that overall, this is a good report. As you said, it's about the best we could hope for given the circumstances around us. I appreciate the information and the update. Well done.

Commissioner Johnson said I'll be the mean guy to Commissioner McKiernan's good guy. I think I understand that the reason why we received the report so late, we're in the second month of the Third Quarter right now, I believe. **Ms. Parra** said right. **Commissioner Johnson** asked, what would be the expected turnaround for these reports if we were not in a pandemic? I guess that's the best way I can ask that question. **Ms. Parra** said my goal is to always be in front of you within 30 days of the quarter ending at the very latest. The end of July, June, as you all know, I am also overseeing an operation that was closed for 11 weeks due to furloughs and the COVID, which is motor vehicle. It just powered down on top of us, so I wanted to try to get that squared away a little bit. **Commissioner Johnson** said I understand that, and I appreciate that. I just wanted to make sure for those that are watching, we understand that we would have that normally under other circumstances a lot quicker. So, thank you so much. I appreciate it. **Ms. Parra** said I probably should have mentioned that at the beginning. That's a good point to add. I apologize.

Chairman Burroughs asked, any other questions or comments? Seeing none, I do have a question, Andrea. The 19% in General Fund, these are reserves, that is our emergency reserves as well as our standard reserves. **Ms. Parra** said I'm not 100% sure on that answer. I don't know if Kathleen is able to maybe answer that question better than I.

Kathleen VonAchen, Chief Financial Officer, said that's all reserves in the General Fund, both operating reserves, and two months of expenditures, plus any emergency reserves.

Chairman Burroughs asked, the 19% seems a little better than what we had looked at in the Second Quarter, if I remember correctly. That's why I was asking. The 19% looks like a larger number so I wanted to bring that to the attention of the committee.

Ms. VonAchen said keep in mind that we collect roughly almost 90% of all property taxes at the first six months of the year. That's why General Fund cash is higher in the first half of the year than it is in the later half.

Chairman Burroughs said thank you, Kathleen. Andrea, thank you and staff for the continued work that you do under the most trying of conditions. This report is not a bad report. We understand the challenges that staff and many of us are dealing with on an on-going daily basis, but I sincerely appreciate the report, and it's not bad news. **Ms. Parra** said we are watching it closely; I can guarantee you that. **Chairman Burroughs** said it's quite obvious. Thank you so very much for your presentation.

Action: For information only.

Item No. 2 – 20319…ORDINANCE AND RESOLUTION: URBN DEVELOPMENT AGREEMENT AND INTENT FOR INDUSTRIAL REVENUE BOND (IRB)

Synopsis: A $403 million distribution/fulfillment center and office project for the company, URBN, at the corner of Speedway Blvd. and State Ave., IRB resolution of intent: cost-benefit analysis and development agreement, IRB bond ordinance: bond purchase agreement; and ordinance releasing property from TIF/STAR bond district/project, submitted by Katherine Carttar, Director of Economic Development.

Item No. 2
Ordinance & Resolution: URBN Development

A $403 million distribution/fulfillment center & office project for the company, URBN.

- Resolution of Intent to Issue Bonds
- Ordinance Bond Purchase Agreement
- Ordinance Releasing property from the TIF/STAR District

Katherine Carttar, Director of Economic Development, said this is a really exciting project. It's a $403M distribution and fulfillment center, an office project for the company URBN. This is one that we received through; it was a competitive competition really from the Kansas City Area Development Corporation sent it to us. They were looking at a number of different areas of the country as well as different cities within our region. We're really quite happy that they chose us.

We'll get into exactly what the project is but just kind of as we're going through it, I just want to bring to your attention the three items that will require your vote at the end. One is a resolution of intent to issue bonds. The next is an ordinance for the bond purchase agreement, and the final is an ordinance releasing the property from the STAR district.

With that, I am actually going to turn it over to David Ziel, who's Chief Development Officer with URBN, and he'll tell you a little more about the company.

David Ziel, Chief Development Officer, URBN Outfitters, said first of all, thank you for extending the invitation to all the commissioners. It's a pleasure to meet you. Katherine, first off, thank you for all your support of URBN and your help getting to this point. I want to compliment her on her diligence and collaboration.

Our project—I want to just take a brief moment and take you through it. I've been working—I handle the development internationally. Our biggest in these times, the biggest component of our business is the direct consumer e-commerce business as well as the continued support of all of our bricks and mortar establishments throughout the world, from a retail perspective. Over two years, we defined a strategy. Believe it not, we're an east coast born, commissioners. When you start somewhere, you implement your strategies there. Our fulfillment has been generally east coast predominate and then to the west coast. That happens through, essentially, the business itself as your business grows.

As we've grown as a company, the master strategy has been for our groups to look at where we feel our long-term continued distribution development should be; where our multiple unit growth and multiple facility growth could be. It happened with a great team of logistics, headed by Calvin Hollinger, our COO, and his team, Omar Tovar, who runs logistics. We narrowed it down to the KCK region.

I spent the better part of a year and a-half working through both the great state of Kansas and the state of Missouri with multiple developers. Governor Kelly, who I'm very much fond of, and the entire political arena in Missouri as well. We narrowed it down to six final sites, three in each state, just giving you a little bit of backdrop here on the decision-making and the amount of effort and time put into it. Had a fantastic opportunity with Hillwood Properties, NASCAR, one of your partners. The site at the NASCAR Speedway, the UG site became one of the six finalists.

Working through multiple months, spent so much time. I look forward to meeting all of you as well. I spent a lot of time in the KCK region and really proud to let you know that your team, your Economic Development team, the leadership of the UG Wyandotte County really, really worked hard. I'll speak for all of URBN. I felt a real compassion and trust in your overall leadership. You couple that with David Toland and Governor Kelly at the state level and your community—I want to point that out. The community, the workforce, everything felt right in Kansas for URBN Outfitters.

This is not a single project for us. We made it clear that we're not going to play an over-the-river scenario where we might go there or go here. We were looking for a home and we found that in Kansas. I'm honored to say, we believe we found it with you guys and your local community.

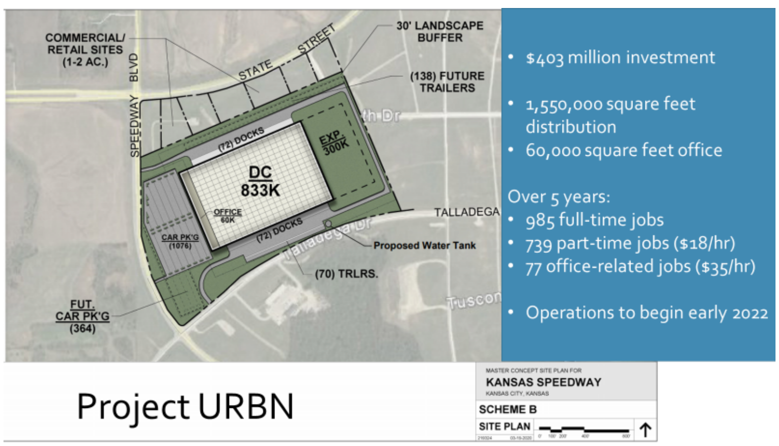
We made the decision to select the Speedway site. Tonight, I'm here to talk a little bit about the project and support of Katherine's efforts and your overall team's efforts, the entire community. We're proud to call this home. I know Governor Kelly and Jose. One of her folks are on the line tonight. We're extremely excited to plant a stake and be a long-term partner in your community, a long-term partner with your schools, a long-term partner with improving transportation; being innovative on solutions such as daycare, healthcare. URBN, I won't say we're not a group that you see come to town that builds multiple, multiple distribution centers. This becomes the linchpin. It's part of our culture. It's part of who we are. This is the largest facility. It's an omni channel facility. The east coast and west coast kind of take a backseat and Kansas becomes the hub of our overall operations.

I would like to point out that we're immensely excited about future opportunities of different segments of our business to work with Kansas State, the University of Kansas, and the other schools; a powerful school state, and opportunities for future employment and innovation that we can potentially bring to the region. I actually think that was the impetuous of my initial conversations with Governor Kelly and, of course, all of your leadership.

Our building is the state-of-the art building. It's going to be around 70 feet tall. It utilizes a new very, very automated system, materials handling system. It's a shovel and crane system. We're quite excited about it. It's new technology to bring into our operation. Some other folks utilize this type of technology, but really, really a very substantial investment. The building itself is roughly about 800 and I think it's going to land at 886,000 sq. ft. on floorplate. Multiple mezzanines puts it at about 1.5M plus some change in operating square footage.

Katherine and my attorney, Dave Fonsay, is on the phone. Obviously, we'll come in with our job predictions.

All I can tell the commissioners here is, every time I've done this, our two larger facilities, this would become our largest and be the linchpin kind of to the overall strategy. We far surpassed our numbers both on capital investment and employment.



We're very, very much—it's an interesting mix of employment to tell you on here. It's showing 833,000 sq. ft. there, but it's a mix. It's a very, very big mix of white collar and standard. What we would look at, as Katherine's pointed out here, the part-time jobs and the office-related jobs, as well as standard warehousing jobs.

We are excited to partner with Hillwood. The land acquisition is with NASCAR as they own the majority of the land in that remote area near the tract. Very excited to work with both those partners, and Hillwood's doing a spectacular job working with the UG and really a collaborative team wanting to bring these jobs and this particular project. This is, again, it's a start to many additional commitments we feel we could make to your community as well as broader in the state of Kansas and very, very excited to do it.

The investment is, candidly, I'd like to put it in perspective. The investment here is monumental for URBN. It's a massive strategic play for a company. We're just off an earnings call. You can look at the revenue. This is a substantial, substantial investment in the future for our company. At $403M combined property, building, and materials, handling the equipment, we're obviously very, very strategic in that decision and we're really, really—it shows the real cornerstone that this operation will become for URBN over the many, many years.

It will, again, be a spot that we want to bring our culture. Our culture is about people. Our culture is about education. Our culture is about being a partner in the community. We're a business entity, but we're a business that looks to have long-term partnerships in the communities that we select. Whether it's a retail store or a distribution center, this is our commitment to your community. Our commitment to the state of Kansas is very sincere and we're extremely proud. There were many days I didn't know where we'd land this facility. Personally, I can tell you I couldn't be happier about where we are, hopefully, and looking forward to residing.

It's a pleasure to meet all of you. I'll turn it back over to Katherine. I'm open to any questions, of course, as she proceeds through this. I appreciate your time. Without question, I look forward to a long-term partnership with the community, the school district, all of you, and I will end saying that Andrea was not stiff in her presentation earlier. I think she did a fine job.

Ms. Carttar said a couple of things I just want to highlight, again, that Dave mentioned. One thing that attracted us to this company and made us fight so hard to win this project is the fact that they are so community-oriented. That is not the case with a lot of companies that we've seen kind of come and go. We're really impressed by the way—I'll get into it a bit more about kind of childcare and transit, but they clearly treat their employees well and the right way and want to be a part of our community, which just makes us feel even better about bringing them in.

I do want to point out that of the full-time jobs in the distribution center, we're looking at a starting salary of $18 per hour. This will be a great thing for our community in that it's actually will continue to push what that kind of starting salary is for these types of jobs. We've got a number now that are in the kind of $14, $15 range, so we're hoping that this will continue to push that and be better for our workforce here.

Just a note on this plate plan. This is still in flux, but this kind of gives you a sense of the location. This is State Avenue and Speedway Blvd. or 118th. This is going to be a really interesting corner to watch as you will have the American Royal across the street and potentially Bonner Crossings on the other side. A lot will change here in the next couple of years at this corner.

Now, to get into the actual incentive proposal. What we are proposing tonight is industrial revenue bonds, to do $403M in industrial revenue bonds. Just a reminder for those watching, basically, how industrial revenue bonds works, that is not money that the Unified Government is fronting, is bonding. None of that. The Unified Government is not on the hook for this money at all. What happens is that the company purchases the bonds in the name of the Unified Government that allows them to get a tax abatement. Basically, what it ends of being is 100% tax abatement and then we add in a PILOT, which is a payment in lieu of tax, to make the abatement the number that we like. I do say 75% of abatement. It's technically100% with a 25% PILOT, but for simplicity sake, I'm calling it a 75% abatement over 10 years. Another thing is, 10 years is the maximum. So, starting in year 11, they'll be paying full property taxes.

To go over a little bit about how we got to that 75%. We started with the 45% base, which is part of the Unified Government's policy. Then, because this is such a significant investment, there would be an investment bonus. Then, something, two items that we're really excited about. One is their stated goal to do everything they can to hire 35% of Wyandotte County residents as their employees. They're getting setup with Workforce Partnership and we're trying to create those ways that so we can really make sure that they are able to fulfill this goal. Additionally, the MBE/WBE/LBE commitment that they are working toward those goals. What that ends up looking like is about a $13.7M abatement over 10 years, so that's total. During those 10 years, what the Unified Government and, in some cases, some of the other taxing jurisdictions will be paid at about $6.5M. You may say, wait a second. That's more than 25%. How that comes up is there's the 25% PILOT and then there's the base plan tax and 8 mills that the school district always gets. Those can't be abated.

We did a cost-benefit analysis and every one of the taxing jurisdictions came out with a significant positive return on investments, which is exactly what we try to see with every project.

To go back a bit to how this is kind of a different company and the way that they are community-oriented, and some of those innovative solutions, I will say that between URBN Outfitters and the state, the Department of Commerce team, WEDC, and the Unified Government, we really try to think outside the box to make sure that the stated goals of the company were hit and we are able to figure out ways to make those a reality.

Two of the main ones are childcare and transit, that we're very clear that those were important to the company for the location that they chose. For childcare, there's not only commitment from URBN Outfitters, but also some investment by the state. They are looking at tentatively putting a childcare center around Indian Springs. The reason for that is it's very centrally located, already a transit hub, and then we would create an express route from Indian Springs directly to the URBN building. That would make sure that we can really tailor that to their shifts and all that to make sure that we are covering everything.

The way that we are making the transit work, the state was very generous with kind of an initial startup cost of $1.5M; and then, again, kind of thinking outside the box, URBN has decided that they are okay with having a property tax assessment. So, they are adding to their property tax, so this is in addition to the 25% PILOT that we mentioned earlier. This would be about $300,000 annually that would actually operate the express line. With all of these, we feel like this is a really exciting project.

I can go into any more details and then if I can answer any questions.

Chairman Burroughs asked, committee members, any questions?

BPU Board Member Bryant said I just have a couple. Number one, I'm very happy to see that they are really interested in trying to employ 35% at least from Wyandotte County residents. That's definitely a bonus.

My only question would be, is this primarily going to be an e-commerce site? **Mr. Ziel** said it's not. It's the linchpin, so it's an omni channel site. It will not only be our largest e-commerce site; it will be the largest fulfillment location for all of our retail segment. Omni meaning this really—I guess the best way for me to explain it easily is to say, everything that used to be primary is now secondary. This becomes, if you will, the heart of our network and everything else is an artery of the network, which kind of really starts to explain if this is the heart of the network there will be associated potential other projects that could come into play here to support the centralization of our primary focus in the state of Kansas and in your community.

BPU Board Member Bryant asked, will this be a 24/7 operation? **Mr. Ziel** said it would be, sir. Not on inception but as it grows, you'll see the shifting requirements. Working with the ATA and the state and your transit group has been phenomenal, the local transit group within your community. It will ramp over time. Obviously, retail peak season is a critical thing, so you'll see the heavy temporary utilization of labor, which is always good in any marketplace during that peak season. But yes, it ultimately will go to 24/7.

BPU Board Member Bryant said I noticed in the drawing, there was space for an additional 300,000 sq. ft., I'm assuming, as an expansion in the future. Is it possible that the corporate office would move to this site? **Mr. Ziel** said our corporate office, I'm proud to say, I've resurrected multiple buildings in the historic Navy yard in Philadelphia, which is our North American headquarters. That expansion is dual purpose. It can be for an expansion of this facility, an ancillary new business concept in fulfillment from that expansion potential on this site.

I've had several conversations with different leadership about what are the opportunities in the future, not just on this site, but on other sites to continue to support our corporate initiatives as well as our distribution initiatives. I think the big decision for URBN is we spent—I exhausted myself finding the home. Finding the home is just something I take very seriously. We know we've found it. We know we found it in the state of Kansas. We know that the primary component is in your community, and we are hopeful that we continue to expand in your community and elsewhere in the state to support anywhere our business will go.

BPU Board Member Bryant said thank you very much.

Commissioner Johnson said to Mr. Ziel, I want to say thank you all, thank you to URBN for selecting Kansas City, KS, and Wyandotte County for this wonderful project. As community leaders, we're often on the negative side of comments. It's just refreshing to hear someone from outside of our community to come in and to say positive things and talk about how our community is structured here. I believe it's a wonderful community to be a part of. I'm glad that you all made that decision. To Katherine, kudos as well as to your staff for making this process easier for them as they came in and to be that front, that kind of face for us as this project came to bear.

I'm looking at the MBE/WBE/LBE percentages. Can you kind of break those out for me, Katherine, so that we can kind of unpack that a little bit? **Ms. Carttar** said we basically used our traditional goals for this project. I'm not finding them. They're our typical goals.

Commissioner Johnson said the second question…**Chairman Burroughs** said I was just going to say, if that's information she can get to you. **Ms. Carttar** said absolutely. **Chairman Burroughs** said if your next question, I'm sure is looming, so go right ahead, Commissioner.

Commissioner Johnson said first of all, the 35% Wyandotte County goal is, I think, awesome. Just from projects that we've had in the past, to hit that 35%, we worked really hard. So, I'm assuming that we'll have the same amount of effort with our community partners to reach that goal. So, I guess that's more of a statement.

The question I had had to go with (inaudible) the site is around the Indian Springs. It's not going to be in conjunction with the existing project (inaudible) that we're looking at for (inaudible)…**Chairman Burroughs** said, Commissioner Johnson, you're really breaking up. It's very difficult to follow you. **Commissioner Johnson** said at this juncture around the exterior parking. My question is regarding the childcare; the childcare piece. Are we looking at a specific site around Indian Springs for that potential site to be? **Mr. Ziel** said, yes. Commissioner Johnson, I'll let Katherine roll in there, but let me see. We just got off an earnings call so I think I can answer. We always say one question, but I think I can get six down, no problem.

The first thing I would tell you is, I want to make it clear that the number one priority for two years, I walked into the KCK region was the number one thing for URBN was the community, was the employee base. It was our number one priority. Not incentives. Not development costs. It was finding the community, finding the community leadership like yourselves that would support our initiatives, but we have the workforce to have a long, long almost permanent standing relationship in your community. It was a great point by you and I wanted to point that out. It was our number one priority.

As it pertains to this site, a majority of—our site is a little bit up front towards, I call it an expressway. Excuse me if I call it the wrong thing, but closer to the highway. Definitely overflow parking from the track was in there, and we'll work around that. We will have an agreement with NASCAR on race day to mitigate our own traffic concerns and theirs. They felt the need and their multiple sites arrangements with Hillwood with the surplus land that that was the appropriate plot and we felt the same.

So, those are the two I can answer for you because you were breaking up. Is there anything else that I can answer or Katherine?

Commissioner Johnson said my question was, have we identified the site for the childcare? **Mr. Ziel** said yes, and that's the most important thing. Thank you for giving me the reminder there. I came in with Governor Kelly and I'm going to give her credit. Education is a huge initiative of hers and Secretary Toland's agenda. It's also URBN's biggest agenda, supporting education and our employee base. That being said, I will tell you that what we wanted to do is, we wanted to put ourselves in position to when we picked this site in the community we picked it, that it wasn't necessarily it could be, but it doesn't necessarily have to be about having a facility at our facility. It was about, is there an opportunity in that community to better connect transportation, the transportation component, as well as the daycare component and better multiple business, better your community, and my answer is that's what we're going to do. It's kind of up to you guys. We can put it at our facility, but I'm hopeful that if we can get to some level of normalcy here, which I know we're all hopeful for, I can come spend that time because its very, very unusual when I don't get a chance to meet all of you, get a chance to meet the superintendent of schools, the school district, and other community leaders and I look forward to doing that.

So, my answer is really, really simple. My objective was to have a joint venture with the state of Kansas and the UG and know that childcare in some location would be a benefit to your community and my community that's coming to your community. Did that answer it? **Commissioner Johnson** said that did answer that question. Thank you.

Commissioner Johnson said and the last one, and I'll be through, Commissioner Burroughs, the transit piece, could either one of you expand on what that might look like in terms of $1.5M of start-up costs there? **Mr. Ziel** said I can expand on that and then everybody else fill in the blanks. Very rare—how about I start it this way. I'm a believer in learning from your mistakes and I've made a couple of decisions where I didn't have all the right priorities in there and one of them is transportation. These are large employee accounts. Our commitment is 35% Wyandotte. That's all documentation. We'll hire as many people from Wyandotte County that would like to work for URBN. Let me just be clear about that. That is better for us. We will work with the UG and all the different organizations you mentioned to make that happen at the maximum levels. It's not for one year; for the length of the relationship, which is indefinite for this size of investment.

Moving to the transportation piece. Early on I made the mistake of not factoring those transportation components to help people from Wyandotte County or any county that I'm at, accessing the physical space, having the ability to come to an $18 an hour job, median start rate, and have that ability to come get that job, right? It was really outside the box thinking, specifically on the UG side and the state's side and the ATA. I think, very refreshing leadership at the ATA, different perspective than most transportation authorities I've dealt with. To put it together, your local group—we had a conference call two weeks ago. We really worked on the centralization of the access to the site and then we set up multiple conference calls in the upcoming future to talk about routing and so forth. But the initiation of the CID, I think I called that right, Katherine; if I didn't, fix me, but the CID component was URBN wanted to have that in place with the UG. It was really outside the box thinking by Katherine and the team. We want to pay that tax because we know that transportation benefit is not only for URBN, it's for the associated development that will continue to occur in that approximate region there.

Defining the hours, I don't think it's just going to be about URBN. I know URBN because of the state backing and the UG's backing here is a priority in that discussion. But, Commissioner Johnson, we're going to have multiple discussions with your teams locally move forward on ridership, size of vessel, how to start the program, and even if this program starts at a lessor value, as development continues and URBN is committed to continue to discuss additional funding with fellow partners that develop in the area as well to continue to extend that level or that capacity of transportation in the future.

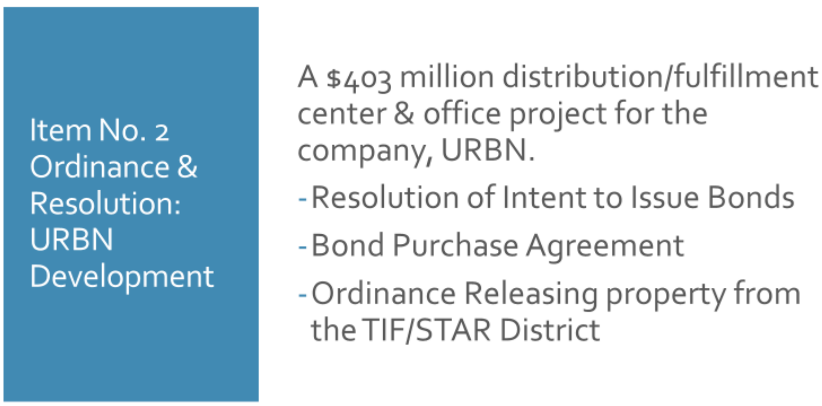
Commissioner Johnson said great. Well, you've more than answered my questions. You hit on all the points I would ask of any development thing. I think Katherine and I've had enough conversations. She knows what those things are important to me and you've met everyone one of them.

Again, I want to extend a welcome to you all. To URBN, I would be glad to have you here and we have high expectations. Thanks so much. **Mr. Ziel** said very, very welcome.

Commissioner McKiernan said, Mr. Ziel, very briefly, welcome to you and to your company. We are thrilled to have you in our community. I strongly support this project and I just want to say that it looks to me, as it's been presented, that this project will have positive, tangible benefits for both your company and our community, so we certainly welcome you here. **Mr. Ziel** said I appreciate that very much and URBN extends the same to all of you. Thank you. Welcoming goes both ways. Thank you for welcoming us.

Commissioner Walters said I would also like to add my welcome to you, Mr. Ziel. Thank you for choosing Wyandotte County for the location for this facility. It's very impressive. Your presentation is very impressive. I think we're all looking for a great partnership.

With that, I have a question of staff. If I were interested in making a motion, can it be one motion or does it have to be five separate motions?



Ms. Carttar said I believe it's actually three separate motions: the resolution of intent, the ordinance for the bond purchase agreement, and then the ordinance for leasing the property from the STAR area. **Commissioner Walters** asked, the development agreement and the IRB bond ordinance is not? **Ms. Carttar** said the development agreement is actually part of the bond purchase agreement so it's in there. **Commissioner Walters** said with that, I would like to make a series of motions.

Action: **Commissioner Walters made a motion, seconded by Commissioner Johnson, to approve the IRB resolution of intent.**

Chairman Burroughs said, gentlemen, thank you. Before we do that, I do have a few more hands up and I do want to ensure that if there's anyone that has—the public that wants to speak to this, that they have a chance to do so. I know we're anxious to see this project move forward, but I do want to allow those others an opportunity to speak.

Commissioner Townsend said to Mr. Ziel, I want to add my thanks and appreciation. Your presentation tonight shows what having a lot of individuals bring forth a project they obviously feel so passionate about. I mean, what you presented tonight certainly put a different perspective on what I read. I am so glad that the city of brotherly love is sending a corporate representative here to the Land of Oz. I did the reverse several years ago. I see Philadelphia as another home. I did my undergraduate there at a time when most people said, Kansas, where is that, let alone Kansas City, KS? So, I'm glad URBN Outfitters knows where it is and is looking forward to a long-term partnership with us.

Thank you for hitting on the head two stumbling blocks that are major concerns to many people who are looking for jobs and that's, how do I get to work and what's going to happen with the young people in my family who need to be educated and taken care of. Again, welcome to the Land of Oz. I still love the city of brotherly love; look forward to a long and mutually beneficial partnership. Thank you.

Mr. Ziel said I don't think I could get a better welcome than that one right there. That's good and we're excited. We're born in Philadelphia. We love Philadelphia. We love our extension of our new home in Kansas. I will also tell you that I think it's important for me, personally. I really appreciate that you see my passion in it. I've been with the company a long, long time. Our success is kind of as an embodied personal thing. It certainly isn't a paycheck. It's a great company with a great culture going through tough times like anybody else right now. That being said, Commissioner, I appreciate all of your words.

I do want the group to know that this is very, very difficult for me because I usually, again, I want to emphasize this, it's very important for me to have and URBN have the long-term relationship. You guys are bringing us to your community. You're offering incentives and the important thing for us is for you to know that we're aware of that. We're respectful of that. It helps us start an operation, but more importantly, for me not to have had the time with you and the school districts and the things of that nature, you're faith in picking the right partner sometimes you have to have a little faith and I think you're making a great decision. I just can't wait to meet all of you and meet the right people and get a chance to build that relationship long-term, as you suggested. We really are looking forward to it.

Commissioner Townsend said give my regards to Billy Penn in 36 & Chestnut. **Mr. Ziel** said you got it; you got it.

Chairman Burroughs said I see no more hands. Staff, Carol, do we have any public comment? **Carol Godsil, Deputy UG Clerk,** said no comments from the public were received.

Chairman Burroughs said, Mr. Ziel, I too want to express my tremendous gratitude for you identifying Wyandotte County as a partner. I think this sets the stage for what a partnership between the state, local, and private investors in a community stepping forward collectively on what you stated, trust. I think those are big steps for our major economic development projects, especially one of this magnitude. I sincerely appreciate your trust in us as a community. We do look forward to this partnership and to much success for your development, not only for your organization, but for our community. So, thank you. **Mr. Ziel** said very, very welcome, Commissioner. **Chairman Burroughs** said I'm sure a number of us look forward to meeting your personally.

Chairman Burroughs said with that, I want to get back to the motion and the second proposed by Commissioner Walters. I would ask staff to repeat that motion, if we may. **Ms. Godsil** said the motion was to approve the industrial revenue bond resolution of intent. **Chairman Burroughs** said okay. We have a motion and a second. Comments? (There were none.)

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

Chairman Burroughs said I believe the next item up, I believe, we have the third item which is the ordinance to remove the land or is it the bond ordinance. I'm trying to see how this is laid out for me.

Action: **Commissioner Walters made a motion, seconded by Commissioner Johnson, to approve the ordinance releasing the property from the TIF/STAR bond district.** Roll call was taken on the motion and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

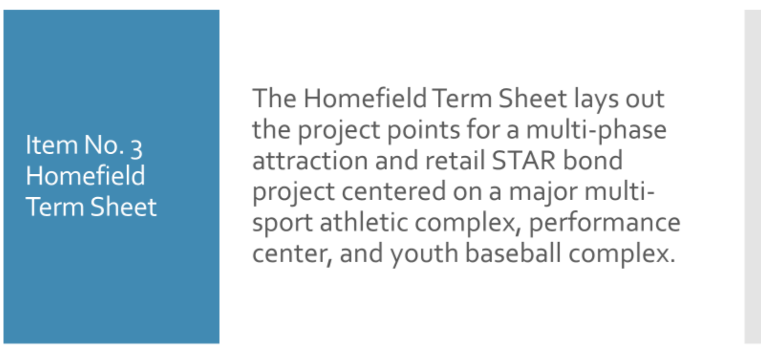
Chairman Burroughs said our last motion would deal with the ordinance to remove the land from the STAR bond district.

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

Chairman Burroughs said I believe that takes care of our URBN portion of our agenda this evening. Is that correct, staff? **Ms. Carttar** said yes, that's correct. **Chairman Burroughs** said thank you. Thank you, committee. Mr. Ziel and Katherine, thank you very much. I appreciate the opportunity to hear about this exciting new development.

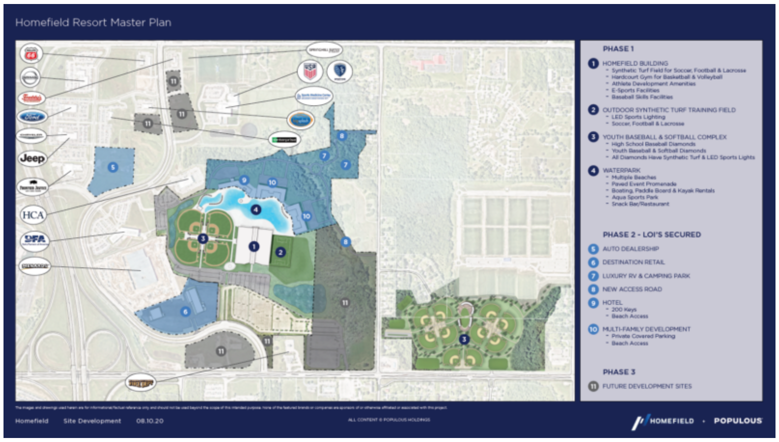
Item No. 3 – 20318…HOMEFIELD TERM SHEET

Synopsis: A multi-phase attraction and retail STAR bond project centered on a major multi-sport athletic complex, performance center, and youth baseball complex known as Homefield. The term sheet lays out the project points for Committee agreement, submitted by Katherine Carttar, Director of Economic Development.



Katherine Carttar, Director of Economic Development, said last month, we heard—Robb Heineman came in and gave kind of a brief overview of what we could expect; kind of a little teaser to get everyone excited. Hopefully, that worked. Today, we're going to be building upon that. Mr. Heineman will give another kind of overview of the project and then we'll get into some of the terms and the actual project deal points. You should all see the term sheet; it was on the agenda. While not needing necessarily a formal vote, we would like to know—kind of get your blessing, so to speak, to move forward and then we would start with putting the development agreement, etc., together.

With that, I will turn it over to Mr. Heineman.



Robb Heineman said I appreciate you taking the opportunity to spend time with me again tonight. Like the opportunity we had a couple of weeks ago going over this, I'll do kind of a recap, I guess, of the development total. I'm happy to answer any questions you may have and then, obviously, Katherine will get into some of the details.

The project here that we're describing, obviously, it encompasses the former Schlitterbahn site. We have 230 acres under contract from the Henry family, which includes all of these numbered parcels that you can see kind of all over the place here. Our intention on this site is to develop kind of a premier amateur sports resort, believed, in the Midwest.

Homefield, as I mentioned to you a couple of weeks ago, we're building a business where we believe we can take the youth sports industry, which paid $20B industry, growing at a faster rate than any of the professional sports league in the country on its way to kind of the fifty billion dollar industry in the next five to seven years. Really, kind of remnant, but it typically is done in buildings that is somewhat substandard. Those of us that have had kids and taken them to many of those buildings, we often spend an hour to an hour and a half at the car, kind of spending time on our phone passing the time hoping that the practice ends sooner rather than later. We really think that we can kind of change that paradigm in sports.

We're taking our ques from somewhat from the Top Golf concept, for those familiar with Top Golf. Really, what they did is they took a $10 bucket of balls at the driving range and put it in a beautiful building, utilized great technology, great data capture, good food and beverage, and entertainment and turned that into a multi-billion dollar enterprise. We believe Homefield can do that very same thing for amateur sports.

We're lucky enough here that, you know the Schlitterbahn site, obviously, we're all well aware of kind of the tragedies that occurred here; but what hasn't ever changed is the potential that this site has. It's got wonderful access. It's got wonderful visibility. We really believe using Homefield as the catalyst for this site, we can bring to the site the potential that we all once saw in it.

The thing that I can tell you is, while Homefield has progressed for us very quickly, one of the things that we've just very surprised and pleasantly surprised about, is the momentum that we have on this site with other uses. Obviously, our intent here is to create a very large, mixed-use destination.

In addition to all the Homefield attractions, obviously, which are committed as part of Phase 1, we have letters of intent with other destination retailers, with auto dealers, with a 200 plus room hotel, with a large multi-family developer, with a luxury RV park operator, and then we're talking very in-depth right now with various other neighborhood retailers; things like convenient stores, groceries, other axillary uses.

So, our intention is that the Homefield aspects of this would open in late spring, early summer of 2022. I would think that accompanying kind of our opening in early 2022, I think we should have a handful of other openings. When you talk about a project, obviously, many times you hear shovel ready. What I can tell you is this one is absolutely that.

The nice thing about this, I've had the privilege of being involved in two other STAR bond developments with you out in this area, obviously Children's Mercy Park and the Compass US Soccer Center. We, as a group, the state, the city, and the developer here have spent far more time going through the details of the term sheet itself, how private investment becomes a very large component of what we're doing, and because of that, it's given us, as the developer, the time to go out and work a lot of these other deals that I just mentioned such that this isn't just a vision that we have; this is really something that we will be in the ground, building various components of this in earnest, all throughout calendar year 2021. So, we're excited about that.

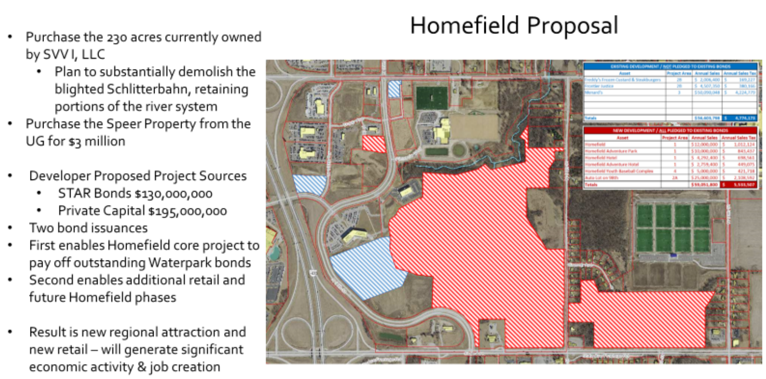
One of the things I do want to mention to you, I'm very excited to be talking about Kansas City, KS, and Wyandotte County tonight. I do want to just quickly reference the *Star* wrote an article this weekend about there's some other developments here in Kansas City, in the Kansas City metropolitan area. This is the only development that we're working on, is Homefield. It has a very distinct set of shareholders. Our shareholders are not involved in any of those other developments across town. We're excited based on the fact that our track record with you has been—in fact, we've worked on two other great projects when I was a part of Sporting that we think have a pretty great vision out there, and we believe the vision is, for the most part, has been fulfilled on those projects.

I can tell you, this project, from my seat having been involved in all of those, I believe we have the opportunity for this to be as good or better than even those two projects, which I think are wonderful, wonderful projects.

We're excited about this. We love the fact that this site, which is a great site, is going to be able to be brought to its full potential. With that, I'm happy to answer any questions that you may have, or if Katherine would like to go, that would be great.

Chairman Burroughs asked, committee, any questions? I see no hands up.

Ms. Carttar said I can move forward and go into some of the project details, if you'd like. **Chairman Burroughs** said, Katherine, that would be great.



Ms. Carttar said I always get the fun job of going through the financial part of it. But, I do want to start off by saying, this is really an exciting thing. I mean, just between this project and the project we just heard, we're talking about over $700M of investment in our community, which is just not something that I typically get to present to you all. So, just kind of taking a moment and letting that sink in, kind of the scale that we're talking about is really quite stunning. With that, I'll kind of get into some of the project details.

I will say that we have spent, as Mr. Heineman mentioned, many months really getting this term sheet to a point where we felt that we were mitigating as much risk as possible from the local and state side, which is very important to us. Also, just trying to find a way—STAR bonds are such a powerful tool, but they're only really powerful if you can really leverage them for other developments and something bigger and better. We have really worked very hard. There's a large team that's been working on this from Finance to our attorneys. I think we are there. We feel really good from a staff's perspective about where we've ended up and hope that you all agree.

I'll kind of go though some of the terms. First, as was mentioned, part of this would be the purchase of the 230 acres that are currently owned by SVV, that's the Henry's who own Schlitterbahn. One of the real positives is that it will remove kind of the blighting influence that is Schlitterbahn. It's been closed now for over two years and just sitting there. It's just not a great look for our community, especially when we have so many people coming through those highways right there, the interstate, to get to the Legends, to get to Sporting games. We really want to put forth our best side and we think that this will do so far, far better. So, we're excited about that.

Additionally, the Speer property, what is known as the Speer property, which is the property, if you can see my cursor just down south of the soccer field, so this is the location where many of the baseball complex would be located. The Homefield team would be paying $3M, which it has been appraised and we feel like that is a fair appraised market rate for that location.

Then, just super high levels, we'll get into a little more detail here. What we're really talking about is the project sources is $130M of STAR bonds and just about $200M of private capital. This will be done through two bond issuances. One of the main points that we've been working through is there are outstanding waterpark bonds at this location, and making sure that one of the primary goals for the Unified Government was to ensure that those get paid off and those get paid off kind of first and foremost. With our very conservative projections, we feel like those—as we have it planned now and agreed to in these terms, would actually payoff both of those bond issuances early. So, we're really happy about that.

Secondly, the second bond issuance for the Homefield would really enable additional retail and future Homefield spaces. Again, kind of the main thing that this is a STAR bond project so, making sure that there is a regional attraction and new retail is very important. We think both of these will generate significant economic activity and job creation.

Homefield Proposal

- State & UG to retain all Menards sales tax until July 2021
    - Tie State portion of Menards sales tax revenues moving forward to Homefield performance milestones
- Focus payments on outstanding waterpark bonds (2015A & B) – projecting early payoff as a result of Homefield

<u>Funding Tranche 1</u>

- $75 million – private issuance
- Minimum of 1 to 1 public to private cost sharing ratio
- Core Homefield development – Homefield, Homefield Outdoor, Baseball Complex
- $150 million of development

<u>Funding Tranche 2</u>

- $55 million – public issuance
- Minimum of 1 to **2.15** public to private cost sharing ratio
- Homefield enhancements, Land, Additional development
- $180 million of development

Public Funding	Private Funding
$130,000,000	$195,000,000
40%	60%

- UG will retain the benefits from ALL property taxes and special sales taxes (EMS, public safety & neighborhood infrastructure) for the Homefield development and all additional development

Getting into a little more of the detail; and stop me if you have any questions. It gets slightly complicated, but I tried to drill it down into kind of a most peer form. The first thing is that the state and the UG will retain all of the Menard's sales tax. The Menard's, that being the newest retail out there, it's not captured currently so, that's really a big driver of this bond issuance. Both the state and the Unified Government will retain all of that, which is important right now as we're kind of working through COVID and making sure we're remaining stable.

Then, moving forward, post July 2021, we're tying the state's portion of Menard's sales tax revenue to different Homefield performance milestones. So, this is kind of our guarantee, so to speak, if Homefield does make good on the proposal, which we have no doubt they will. But, when you can get some additional revenue, that makes it all the more likely.

Then, as I mentioned earlier, we really focus on the outstanding waterpark bonds and, again, we're projecting an early payoff as a result of Homefield for both of those 2015-A and B.

In terms of the actual Homefield STAR bonds issuance, there'd be two. One would be a first tranche. That would be $75M. So, it would be a 1 to 1 public/private kind of sharing ratio. This is really to ensure the core Homefield, the Homefield indoor training center, the Homefield outdoor, as well as the baseball complex so, it's really the focus of that first tranche. So, that would allow for $150M of development.

The second tranche would be $55M. To clarify, in that first tranche, that's both public and private. It's actually—well, they'll likely be a private issuance, but STAR bonds. Just to clear that up. The $55M would be a public issuance. With that, kind of this would be for kind of the next phase. We're kind of moving the public/private cost-sharing ratio a bit. So instead of 1 to 1, this is 1 to 2.15. So, for every $1 of STAR bond revenue, they would have to spend $2.15 in private costs. Again, for that, really, is the Homefield enhancement plan additional development. That would end up being about $180M of development. So, if you're taking the entire snapshot, you're looking at a

40/60 split. As Mr. Heineman mentioned, this is kind of, as they're looking at it, kind of a bare minimum. They're hoping certainly for even more development. Hopefully, this is really just the minimum of that ratio.

Then, last but not least, I want to mention that, as with all of our STAR bond projects, the UG would retain all the benefits from the property tax so, there's no abatements associated with this. They'll be paying their full property tax as well as the special sales tax; that's the EMS and the public safety and neighborhood infrastructure. That would go for the Homefield development as well as all the additional developments.

With that, I'll take any questions.

Chairman Burroughs asked, committee, any questions?

Commissioner Walters said I just want to compliment the project. Robb, thanks for bringing this forward. Really looking forward to seeing it happen. A question for Katherine. I assume that the fact that we've gotten this far means that the state is pretty well agreeable to all the terms and conditions related to the STAR bond issuance. **Ms. Carttar** said yes. We have been working with the Secretary of Commerce and his team throughout the whole process. They'll certainly have their own approvals to go through, but yes, we're all in agreement with the terms. **Commissioner Walters** said great. I'm glad to hear that.

If you're taking a straw poll, I will vote yes. I really like this project and I fully support it.

Commissioner McKiernan said, Mr. Heineman, I want to say like Commissioner Walters, I really think that this project has a lot of potential benefits for our area. One of the things that I want to really emphasize to anyone who might be watching this presentation tonight and be interested in this is, this is going to end up playing out just like we had the STAR bonds on the other side, on the west side of I-435 with the Legends development where all of the sales tax will be going to pay off the development bonds. The property taxes will all continue to come, in full, every year to the Unified Government. So, there will be a tangible, monetary benefit to us directly through the property taxes. Hopefully, there will be many other benefits that come to us through the use of these facilities after they're constructed and begin to be used. So, thank you for this.

Commissioner Johnson said first of all, I want to thank Katherine for taking time out to kind of walk me through this a few weeks ago. It was really beneficial and, therefore, I don't have a whole lot of questions. I do, again, thank Mr. Heineman for this presentation and for coming into this. I think the question that I want to ask—I wasn't going to ask, but I think I want to ask is—or comment. Let me just make a comment.

I think it's important for us to continue to see western Wyandotte County continue to thrive. As an eastern commissioner, sometimes persons in our district think that all the development is exclusively happening in western Wyandotte County. Though we can tangibly see this, it does have a tremendous amount of effect upon the eastern side, particularly as it relates to infrastructure and things of that nature. That also allows us to leverage what is happening, the good things that are happening out in western Wyandotte County to begin to continue to build on the eastern side of that.

So, I want to make sure that those that are watching this don't think that this is a one-sided equation. There are profound benefits. Again, sometimes it doesn't seem like it because we're talking about simple things such as infrastructure and plumbing; not plumbing, but sewers and things of that nature, and other things, curbs, sidewalks. So, I'm glad to see this going in. I appreciate you for making it clear that first of all, that the other STAR bonds will be paid off with this project, and that was very important.

Mr. Heineman said, Commissioner, we do just kind of have one response to that. One thing that I want you to know is that community involvement has been very important for us surrounding this building. You can image that a building like this, for the most part, call it from 9:00 in the morning until 3:00 in the afternoon and normal school times for children, it's going to be pretty empty. Our intent would be to work very closely with the community and with the school districts around making sure that every student has access to this building.

Our intention would be to run a very vibrant kind of in-school program out here where we're doing not only kind of competition things, but also doing probably some stem learning, just to play around things like nutrition and wellness and making sure that everybody in the community has the aspect to go—has the opportunity to go touch this facility. So, we'll make sure that we're very plugged in so it's not just about western Wyandotte, it's about the entire community and it's about kind of where all our kids have the opportunity to come out here and experience it.

Commissioner Johnson said thank you, Mr. Heineman, for making that clear. I appreciate that. I think that helps us on the eastern side for us to understand that as well. So, thank you so much.

BPU Board Member Bryant said, Mr. Heineman, this is a very interesting scenario, but I do like the idea that it will expedite the repayment of the STAR bonds from the previous project. Katherine, I'm just wondering, the transient tax—I'm assuming it would be in place for like the RV park besides the hotel. My guess is, by looking at that, the multi-family would probably be like rental condos. Would the transient tax from all those still come into the UG or would that be part of the repayment of the STAR bonds? **Ms. Carttar** said that is an excellent question that I don't know the answer to. If any of the many attorneys or Kathleen is on and knows the answer to that, I would greatly appreciate it.

Patrick Waters, Senior Attorney, said, Katherine, I'll have to look into that as well. I'm not sure. **Mr. Heineman** said I can answer it. Typically, as a government STAR bond. I mean the transient guest tax definitely goes to the infrastructure as STAR bonds. **Ms. Carttar** said thanks, Robb.

BPU Board Member Bryant said I would really be interested when this does come back in front of us to see what the projected dollars that would come to the UG during the period of repayment for the STAR bonds would be versus how much will be going toward the repayment of the bonds. **Ms. Carttar** said definitely, yes. I just received clarification. Robb, as one would expect, correct, that the hotel transient guest tax would be part of that.

Then, I will mention that our next step, as I referenced at the beginning, would be to come back to you all with an actual fully flushed out development agreement. So, you would expect to see all of that. We'll make sure that some of those revenue projections and all of that is part of it.

BPU Board Member Bryant said I appreciate that. Thank you.

Commissioner Townsend said good evening, Mr. Heineman. As one of the other commissioners whose constituency lies in the east, you touched upon something that I was, well, I won't say concerned about, but wanted to talk about and you hit on it already in response to Commissioner Johnson. That is, how does, what looks like a tremendous plan for a variety of sports to be conducted in really a top-notch setting, how individuals from any part of the community can access that? Could you talk some more about that? You talked earlier about the fact that youth league sports industry is blooming. I think it was $20M plus and growing.

In the term sheet, they talk about a variety of sports outside of just baseball. You've got basketball, obstacle training, rope climbing, ziplining, lacrosse, soccer, swimming, could you talk about the accessibility of what you plan in that area for any individual, those who may be a part of a team organization or not.

Mr. Heineman said absolutely. So, the intent of this facility is that it, obviously is multi-sports. You touched on it. There will be, especially inside, there will be, kind of the hard courts so, obviously, you can image volleyball, basketball being in that area. We also want turf, so it will be soccer, lacrosse, 7B7 football. We'll also do a lot of sports performance training so, speed, strength, and agility training, things of that nature.

Our intention with this building is that this allows every athlete to be the best athlete they can be. It doesn't mean that they're going to be the next Patrick Mahomes or they're necessarily going to be a casual athlete. Its anywhere across that spectrum. We believe Homefield should provide an opportunity for them.

Obviously, the way that we'll do this, there will be kind of membership, so we'll have members that play in clubs that are kind of attached to Homefield. There will also be clubs that will come in and access our building that may not be Homefield clubs. They may be distant clubs here in the area that access and come utilize our facilities. We'll also run leagues, we'll run events, so there will be different opportunities for all different types of kids that come into this building.

In addition to, obviously, what we'll do around the membership approach, there will also be scholarship approaches out here as well. So, every kid should have the ability for a pathway into Homefield. One of the things in youth sports that is a topic that's brought up very often if you play around soccer, is the whole notion of pay-to-play. In some sports, they're just difficult to get access to because the price point is too high. That's something that we do want to tackle head-on in the Homefield ecosystem. Do you want to have access for every kid in this community to have the ability to come play in this facility, whether that's on a team, in a league, or in an event. It will be a very conscious objective of us to make sure that we allow as many people into this building as possible. We don't want to shut anyone out..

Commissioner Townsend asked, what about those activities that are less team-oriented? For instance, say ziplining, rope climbing, obstacle course training? Could I come out there and through a membership or a pay-for-the-day type of situation, have access to those facilities? **Mr. Heineman** said absolutely. Those will all be kind of based on that sort of an approach. You won't necessarily have to be a member to do that. I already have talked with staff around, there obviously, around any of those kinds of memberships or what I would just kind of call on a per-event basis, there will be discounts for Wyandotte County citizens. We'll make sure that—there'll be two things. Number one, when it comes to accessibility, they'll probably get a couple of weeks head start on new programs that we rollout, to sign up, and there'll be some sort of a discount. Those are (inaudible) that we'll definitely be building into our program.

Commissioner Townsend said with respect to the more individualized activities, do you anticipate say a daily rate; say if you wanted to just come in and try one of those for the first time? **Mr. Heineman** said absolutely. Yes, absolutely. So, if you come out to the ropes course, let's say that it's—I don't have exact pricing—but let's say it's a $25 thing, if you're a Wyandotte County citizen, it's probably going to be $15. We'll work to make sure that all those kinds of daily rates or daily accessibility tickets have some benefit to them.

Commissioner Townsend said thank you. That's most important, I think, in getting to what Commissioner Johnson alluded to and what I'm getting at, accessibility on some level, regardless of where you live in Wyandotte County.

Chairman Burroughs asked, any other questions? Seeing none, Mr. Heineman, thank you. I've had the privilege of viewing one of your facilities in southern Johnson County and it's quite a unique approach you have. I think it will be a project in Wyandotte County that will continue to add to the synergy we have in western Wyandotte County. Your record of success speaks for itself. I'm excited about the continued growth of the project that you continue to put forward. Those are quality projects and I look forward to the draw it will have, not only for our community, but for your business model. I think the fact that you're investing the time and energy into our community that you have; I just want to say how much I sincerely appreciate the opportunity to have you in Wyandotte County and your continued investment in our community. I do look forward to being there the day you open the fields. I think it will be a great opportunity to display our leasure-tainment district and now our play-tainment that you've put forward. Thank you.

Mr. Heineman said thank you. I appreciate that and I appreciate everyone's comments. Look, we've had a wonderful partnership with you throughout the years. I really do think while this first phase, I think, is really compelling, this is a lot of acreage. It's 230 acres so, our ability over the course of call it the next 10, 20 years to really create unbelievable regional and national destination, I think is real. It's going to be fun. I mean, I'll tell you, since we started talking about this, the amount of momentum that we created with other retailers, hospitalities, we've got a little bit of a stone, football going and I think it could be a big snowball pretty quickly.

Chairman Burroughs said great. I know our community is in desperate need of a swimming pool and aquatic features in our community. I know there has been a public outcry to have a swimming pool. I would hope that possibly a public pool could be one of those things that are considered in the park.

Chairman Burroughs said I would also ask, there's a number of vacated buildings. I think the annex is still there. The old transportation building, I believe, is still on site. Are there plans to utilize those facilities or to repurpose them or to demolish them? **Mr. Heineman** said we have bids to demolish all those. The day after we get this approved, we'll start tearing down those buildings and most of the vertical slides out at Schlitterbahn too. You'll see a large demolition project start occurring as soon as we kind of get this wrapped up.

Chairman Burroughs asked, any other questions or comments, committee? Seeing none, this is an action item. I see that we have to move forward this project so I would entertain a motion. **BPU Board Member Bryant** said it says it's for information only. **Chairman Burroughs** asked, is that what you show? Mine doesn't show that so I apologize. I show that a motion needs to be made. If that's the case then, Robb, thank you very much for the information you shared. My sheet shows that it was an action item. We'll move on if it's not an action item. Staff, is that correct? It's not an action item? **Ms. Carttar** said yes, that's correct. I think we're kind of giving a thumbs-up, thumbs-down. It sounded as I was doing the tally that it was kind of six votes to move forward.

So, the next thing that we will come forward to you with is the development agreement. That would be an action item. **Chairman Burroughs** said great, thank you. That will give us an opportunity at that time to ask additional questions of Mr. Heineman.

So, staff, I apologize. My sheet shows a motion needs to be made, but we'll move on. Robb, thank you very much for being with us tonight. **Mr. Heineman** said thank you so much for your time. I appreciate it as always.

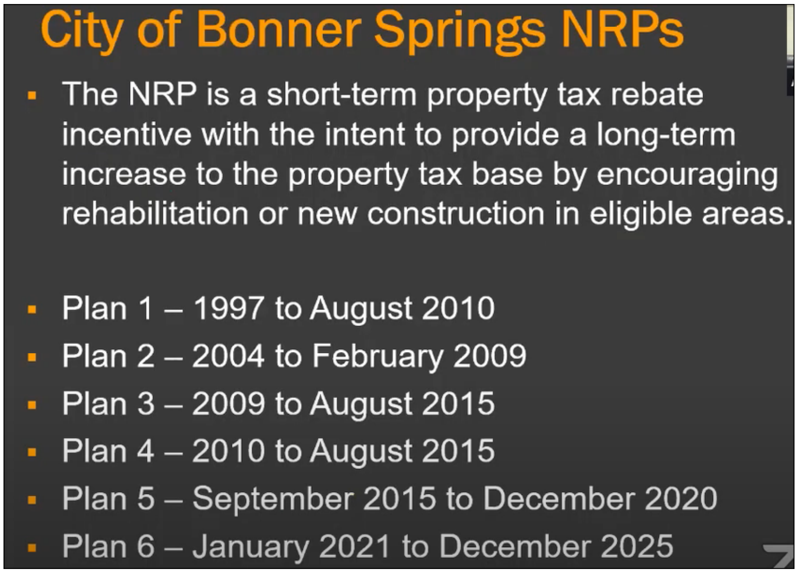
Action: For information only.

Item No. 4 – 20320…RESOLUTION: BETWEEN THE UNIFIED GOVERNMENT AND BONNER SPRINGS FOR NRP NO. 6

Synopsis: An Interlocal Agreement between the Unified Government and Bonner Springs related to the Bonner Springs Neighborhood Revitalization Plan, submitted by Katherine Carttar, Director of Economic Development.

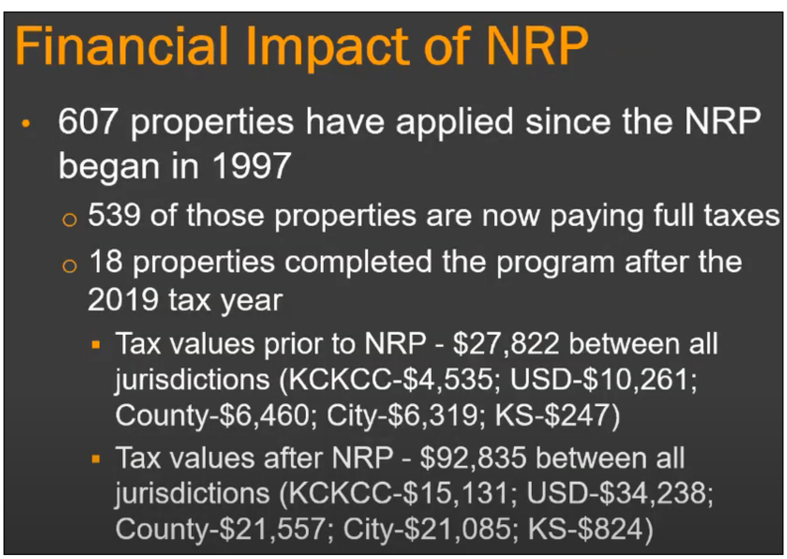
Katherine Carttar, Director of Economic Development, said this one, I'm actually just introducing Amber McCullough, who's the Assistant City Manager of Bonner Springs. She'll give a brief presentation of the Neighborhood Revitalization Plan for Bonner Springs that is up for its program renewal.

Amber McCullough, Assistant City Manager of Bonner Springs, said I have a quick presentation for our neighborhood revitalization program. This is our sixth plan. On July 27th, our City Council adopted a new neighborhood revitalization plan and the next step is to present the information to all of our taxing jurisdictions and request support of the program through an interlocal agreement. We have presented to the school district, the community college, and finally we're presenting to the county.

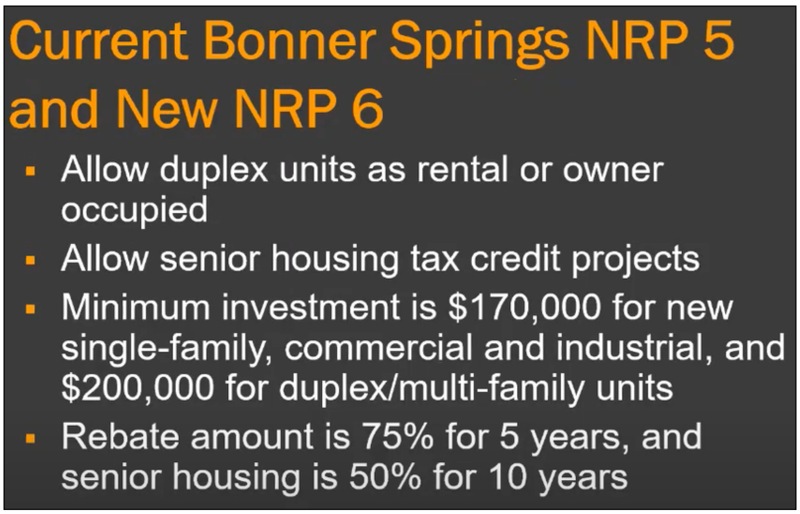


As I've said, this is our sixth plan. Our current plan is No. 5. We started the NRP program in 1997 and our current program expires at the end of this year. This new Plan 6 will take effect January 1, 2021. With Plans 1-5, we did receive your jurisdiction's support through the interlocal agreement, and we're hopeful you'll continue to support the plan.

What the neighborhood revitalization plan, is a short-term property tax rebate to provide long-term increases to the property tax base through new development and rehabilitation. The city has done a very transformative program. It has created some in-fill opportunities and rehabilitation opportunities through the older areas and then we've had some success with new subdivisions. In the newer areas, we've had Cedar Springs, Cedar Ridge, and Lei Valley Subdivision as part of this program.



The financial impact of all of our NRPs throughout all of our programs, we've had 607 properties utilize the program with 539 of them now paying full taxes. In 2019, we had 18 properties complete the program and come back onto the tax rolls. Prior to the NRP program, the tax value of these 18 properties was $27,822. Now that they've completed the program and come back onto the tax rolls, they have a total tax value of over $92,000, which has been a $65,000 increase to the property tax base with just those 18 properties that came on in 2019.

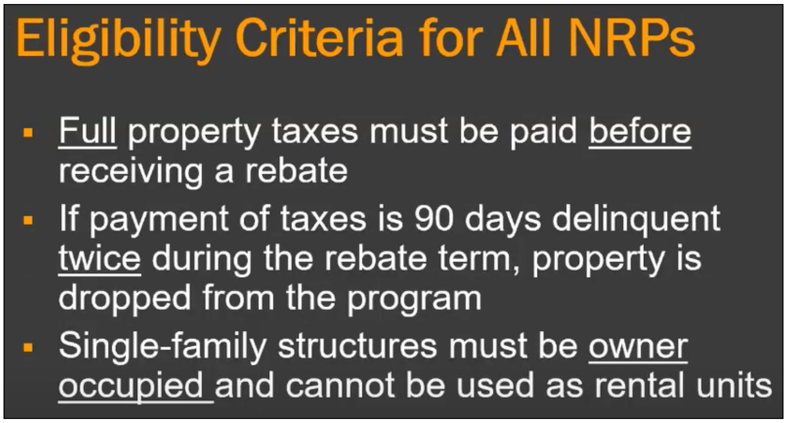


We have no changes in the eligibility for criteria for Plan 6. Both Plan 5 and Plan 6 allow single family, commercial, and industrial projects, as well as multi-family, duplex, and senior housing tax credit projects as rental units.

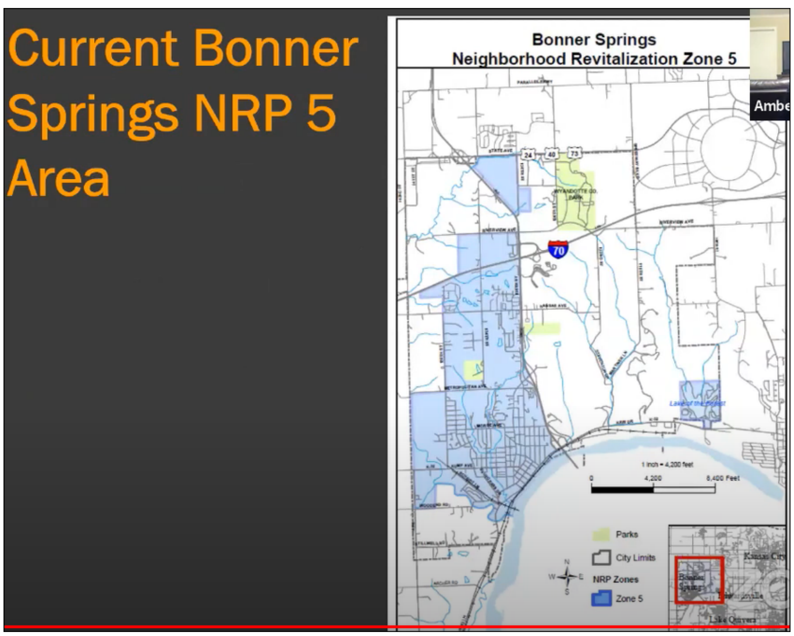
For new development, the minimum investment is $170,000 for single-family, commercial, or industrial projects; or $200,000 for duplex and multi-family projects.

For rehabilitation projects, the project must increase the appraised value by a minimum of 5% for residential projects or 15% for commercial or industrial projects.

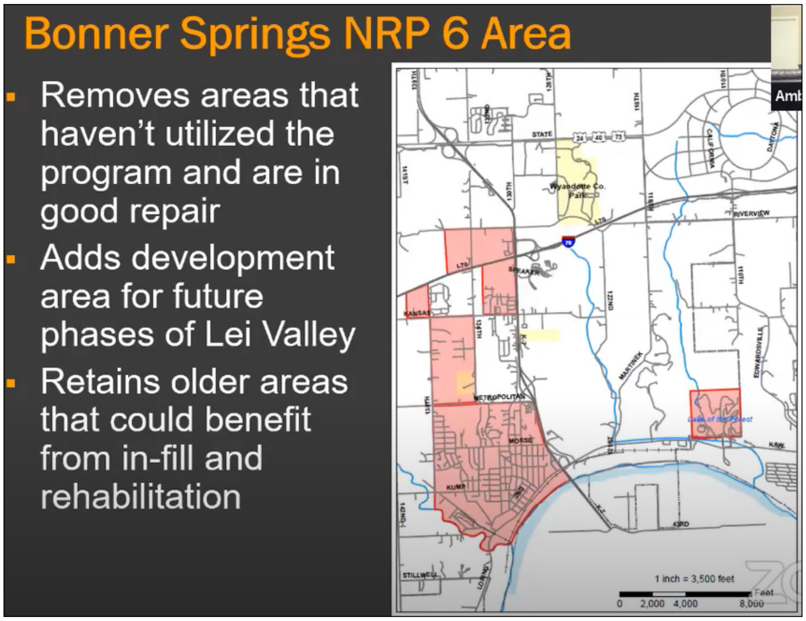
The rebate amount for most of our projects is 75% of the increase to the tax value for 5 years, but for senior housing tax credit projects, it's 50% for 10 years.



Part of the neighborhood revitalization program requires that taxes must be fully paid to the county prior to the purchase (inaudible) receiving a rebate check. If the purchase spent is 90 plus days delinquent twice over the rebate period, they are dropped from the program and begin paying full taxes. All of the single-family projects must be owner-occupied and cannot be rented out during the rebate term.



The area in blue is our current NRP 5 eligibility area. The only change we've made to Plan 6 was to reduce some of this area. As you can see in the next slide, I'll go ahead and bring up our proposed NRP Plan 6 area.



Everything shown in red are areas eligible for NRP Plan 6. We dropped some of this area down here and then some area in the center. The utilization there wasn't—we didn't have much utilization, so we wanted to focus on the areas where we did have utilization. We retained the older area, the downtown area, and the Lake of the Forest area, which could benefit from rehabilitation or infill development. We removed the newer subdivision of Lei Valley as it is 100% built out in Phases I-III. There are no remaining lots in that development. We did add an area to the west of the Lei Valley Subdivision in case that subdivision was to expand or if we were to gain another subdivision there. We left in some area to the north for future expansion. Then, the Deerfield area, subdivision area, we also left in—the area west of the Deerfield Subdivision, we left in for infill and rehabilitation opportunities.

Over the years, the energy has been very successful. One of the benefits of the neighborhood revitalization plan is that you don't pay any tax dollars for this incentive. You continue to get the property tax rate that you currently have as a revenue. The rebate is only in the increment increase to the tax value. Even during the rebate term, you still receive 25 to 50% of that increase to the tax values during the rebate term. Then, you realize the full increase to the property taxes at the end of the term.

I'll answer any questions. I'd be happy to answer any questions. I thank you again for allowing me to speak at your meeting this evening.

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

Chairman Burroughs said, Amber, I want to thank you for your presentation. I know that the project has worked well in your community. Having been a former resident of the Bonner Springs community, I'm really just surprised at the amount of growth and the quality of housing and the revitalization I've seen within the community. So, thank you for your presentation this evening.

Chairman Burroughs said we do have a motion and a second. Any other discussion? Any comments? Seeing none, I would ask for a roll call.

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

ITEM NO. 5 – 20324…RESOLUTION: SET A PUBLIC HEARING AND APPROVAL FOR NEIGHBORHOOD REVITALIZATION ACT PLAN AND INTERLOCAL AGREEMENTS

Synopsis: A resolution for approval to set a public hearing for discussion/approval of the Neighborhood Revitalization Act plan and Interlocal Agreements, submitted by Stephanie Moore, Economic Development. The public hearing will take place at the October 29, 2020 full commission.

Katherine Carttar, Director of Economic Development, said we actually had something blue sheeted, so we've got two more items, but this is a real quick one.

This is a resolution calling for a public haring on October 29th. It goes very well with what you just heard from Amber. We are also working on our, we call it a neighborhood revitalization act plan. I don't know why we add the A.

- June 1: ED&F Committee accepted proposed changes to the UG's NRA plan
- June-August: Interlocal Agreements have been executed with:
  - USD 500
  - USD 204
  - USD 202
  - KCKCC
- Tonight (Aug 31): ED&F to approve Resolution to set a public hearing date for Oct 29
- Sept 17: Full Commission to approve Resolution to set a public hearing date for Oct 29
- Oct 29: Public hearing and Full Commission votes on the proposed changes to the UG's NRA Plan

Just kind of a quick kind of update, you all approved, kind of accepted the proposed changes back in June. Since then Stephanie Moore in my office and Wendy Green with the attorney's office, have gone and presented, just as Amber just did, to USD 500, 204, 202, and the community college. All have executed their interlocal agreements, thus we are back to this committee to move the process along so that we are ready to go when our current NRA plan expires at the end of the year and have the new one with the changes proposed in action when we start 2021.

So, again, today is just setting the resolution to set the public hearing date that will go to the full commission on September 17th. Then, October 29th, you'll get the whole presentation again as well as the public hearing and that's when you will vote on the actual NRA changes.

Chairman Burroughs said great. Any questions or comments, committee?

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

Chairman Burroughs ask, comments? Seeing none, I'll ask the clerk to please call roll.

BPU Board Member Bryant said point of clarification—sorry I didn't get in sooner, but isn't this just setting a meeting or are we approving this? **Chairman Burroughs** said this is to set a public hearing date.

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

Chairman Burroughs said as Katherine stated, we do have a blue sheeted item. I do not have that bit of information with me this evening so I would ask staff what that blue sheet item may be. **Ms. Carttar** said this is basically the same thing you just voted on. It's a resolution calling for a public hearing also on October 29th. It will be a busy commission day. Lots of hearings.

ITEM NO. 6 – 20379… RESOLUTION: EPIC CENTER REDEVELOPMENT TIF DISTRICT

Synopsis: A resolution setting a public hearing date of October 29, 2020, to consider a redevelopment project plan for the Epic Center Redevelopment District, I-35 & 18th St., submitted by Katherine Carttar, Director of Economic Development.

Katherine Carttar, Director of Economic Development, said this one would be to consider a Menards TIF project plan at 18th & I-35. **Chairman Burroughs** said that would be the October meeting. **Ms. Carttar** said yes; October 29th.

Action: **Commissioner Walters made a motion, seconded by Commissioner McKiernan, to approve. Chairman Burroughs** said there has been a motion and a second. Any discussion? Seeing none, I'd ask the Clerk to please call roll. Roll call was taken on the motion and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

Chairman Burroughs asked, one more item? **Ms. Carttar** said that's everything for me. Thank you. **Chairman Burroughs** said, staff, I do not have or have not been able to find the last item for discussion. **Commissioner Walters** said that's it. **Carol Godsil, Deputy UG Clerk,** said that completes the agenda.

Chairman Burroughs said great. Committee, thank you for your work this evening. Katherine, thank you for your patience with us. I sincerely look forward to the continued investment in our community. I'm very proud of this committee for the work they've done. You're to be commended, Katherine, for the intuitiveness you've put forward in these projects. So, thank you very much, you and staff. I appreciate it. Your work is really much appreciated.

Public Agenda:
No items

Adjourn
Chairman Burroughs adjourned the meeting at 7:27 p.m.
cg