ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, January 3, 2022

The meeting of the Economic Development and Finance Standing Committee was held on Monday, January 3, 2022, at 5:00 p.m., remotely via Zoom and on-site. The following members were present: Commissioner Burroughs, Chairman, Commissioners Davis, Townsend, (substituted for Ramirez), Stites, McKiernan, and BPU Board Member David Haley. The following officials were also in attendance: Emerick Cross, Melissa Sieben, Bridgette Cobbins, and Alan Howze, Assistant County Administrators; Kathleen VonAchen, Chief Financial Officer; Ashley Hand, Director of Strategic Communication; Debbie Jonscher, Deputy CFO; Katherine Carttar, Director, Economic Development; Patrick Waters, Deputy Chief Counsel; Wes McKain, Policy and Development Manager at the Public Health Department; Wendy Green and SueZanne Bishop, Assistant Counsel; Monica Sparks, Deputy Unified Government Clerk; Terri Kimble and Allie Facio, UG Clerk's Office.

Chairman Burroughs said I do want to welcome to the first meeting of the Economic Development and Finance Standing Committee, newly elected Commissioner Andrew Davis and Chuck Stites, and BPU Board Member Senator David Haley joining us this evening. We do have Commissioner McKiernan, Commissioner Burroughs, Commissioner Townsend joining us this evening, along with multiple staff. Welcome committee to our first meeting of the 2022 January 3rd. So, let's get started.

Before I call the meeting to order, I want to announce that due to COVID-19, some committee members, staff, and the 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 that the public that is observing knows who is speaking. This is critical given the number of remote participants and is the current guidance from the Kansas Attorney General.

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. The public also will have an opportunity to provide brief comments from the lobby of the Municipal Office Building.

Chairman Burroughs called the meeting to order. Roll call was taken and all members were present as shown above.

Chairman Burroughs said we do have one revision to tonight's agenda, the removal of Item No. 2. That was the Amendment to Assignment and Assumption and Development Agreement for the Homefield Development Project. That has been pulled from tonight's Public Agenda.

We have no minutes to approve.

COMMITTEE AGENDA:

Item No. 1 - 211253...APPROVAL: GRANTS BUDGET AUTHORITY FOR FEMA REIMBURSEMENTS RELATED TO COVID-19

Synopsis: Request for approval of budgetary authorization in the Special Grants Fund for FEMA reimbursable expenses related to COVID-19, submitted by Kathleen VonAchen, Chief Financial Officer; and Juliann VanLiew, Public Health Department Director.

Chairman Burroughs said we now have two items this evening. Item no. l, the Request for Approval of Budgetary Authorization in the Special Grants Fund for FEMA Reimbursement Expenses Related to COVID-19.

At this time, I'll recognize our Finance staff and Juliann VanLiew.

Kathleen VonAchen, Chief Financial Officer, said Commissioner this is Kathleen VonAchen, I'm the Chief Financial Officer. I'll be making this presentation with the assistance of Juliann VanLiew and the folks from the Public Health Department.

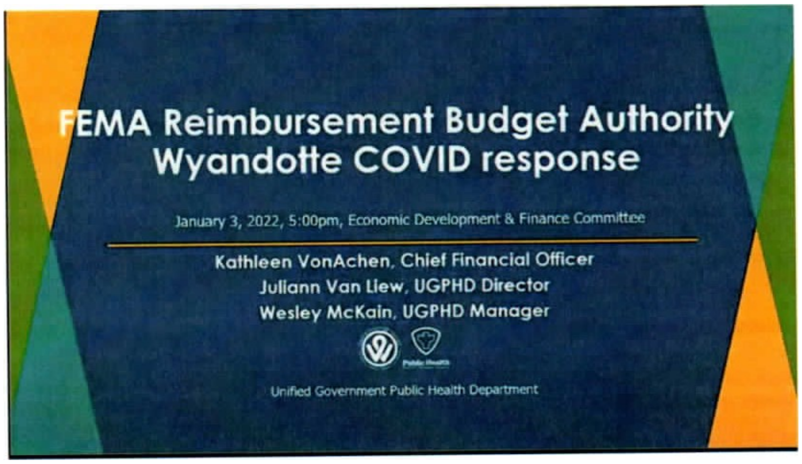
Wes McKain, Policy and Development Manager, Public Health Department, said I believe Juliann is in the midst of having a child, right now. I don't know exactly where she's at in that process, but I believe it's somewhere in the process and so I'll be speaking on behalf of the Health Department tonight.

Chairman Burroughs said thank you. I don't think we'll be bothering Ms. VanLiew at this time.

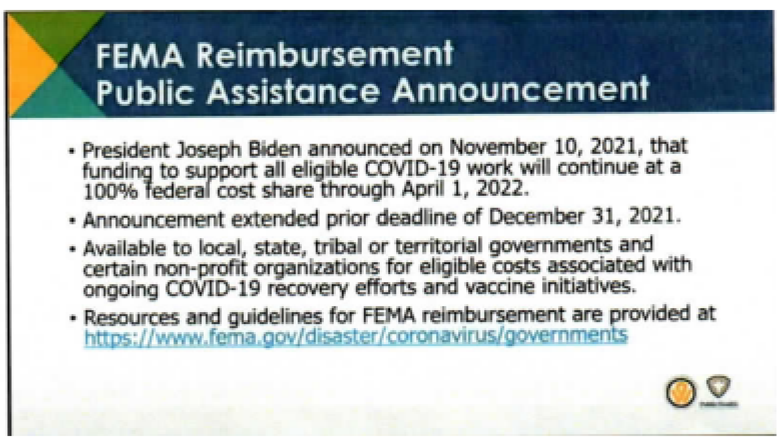
Mr. McKain said I hope not.

Ms. VonAchen said we're going to have Debbie Jonscher put the PowerPoint up on the screen, because I'm calling remotely. Does she have that up on the screen now?

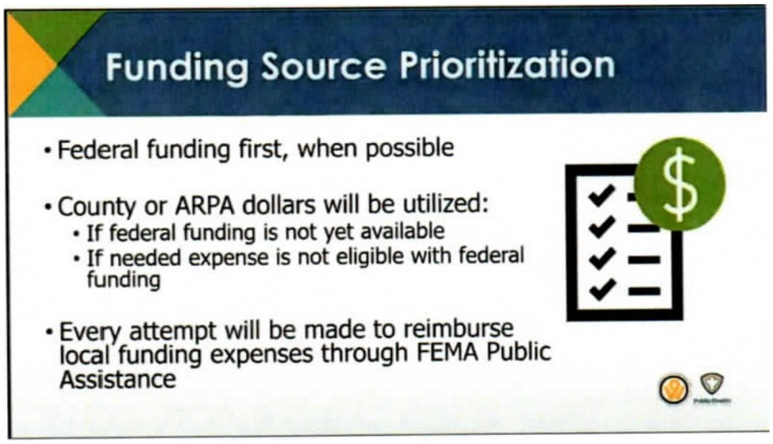
Mr. McKain said let me go ahead and do that, Katheen, because Debbie was having a hard time with her computer. She asked me to go ahead and do that. Let me share my screen really quick, and hopefully you all can see this without too many issues.



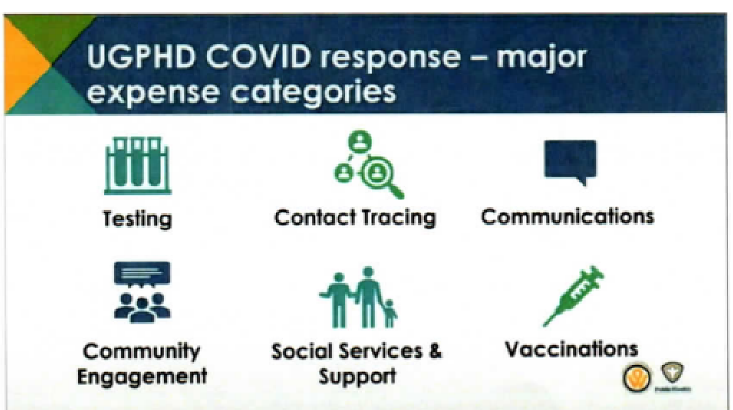
Ms. VonAchen said tonight, we're talking about FEMA reimbursement and we're seeking budget authority and it's all related to our COVID response.



Just to give you an update here, President Biden announced recently in November that funding to support all eligible COVID costs will continue at the 100% federal reimbursement rate through April 1, 2022. That has allowed us a greater flexibility to include a variety of other expenses that could be reimbursed at 100%. This was not an action that we anticipated, so the November 10th announcement is a great opportunity here for our organization. Initially the announcement was only through December of last year, and it makes available to local and state, and territorial governments eligible costs associated with ongoing COVID recovery efforts and the vaccination initiatives. The resources and guidelines are given to us, and they're provided in that website that I've linked in the presentation there below.

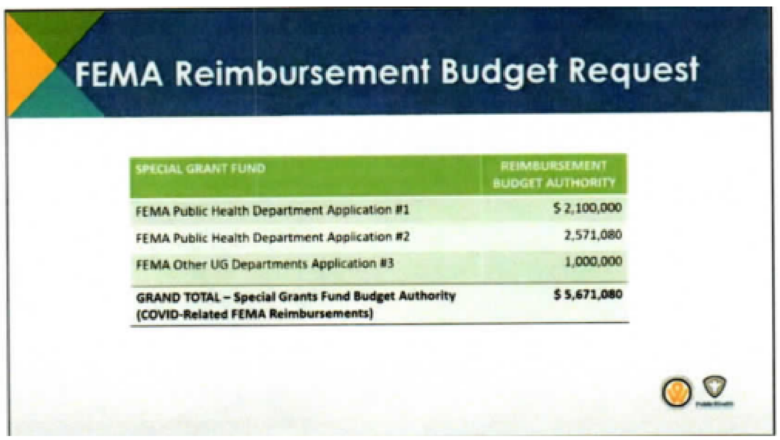


We want to make sure that all of you understand that it's our objective, of course, in order to most effectively use the available resources to always seek federal funding first whenever possible, and then secondarily to seek county or ARPA dollars to be utilized for COVID fighting activities. If the federal funding is not yet available, or if the expense is not eligible, then the plan is use county or ARPA funds. Every attempt is being made to reimburse local funding expenses through the FEMA Public Assistance Program. I think that this would be a good slide for Wes to talk about if you don't mind, Wes?



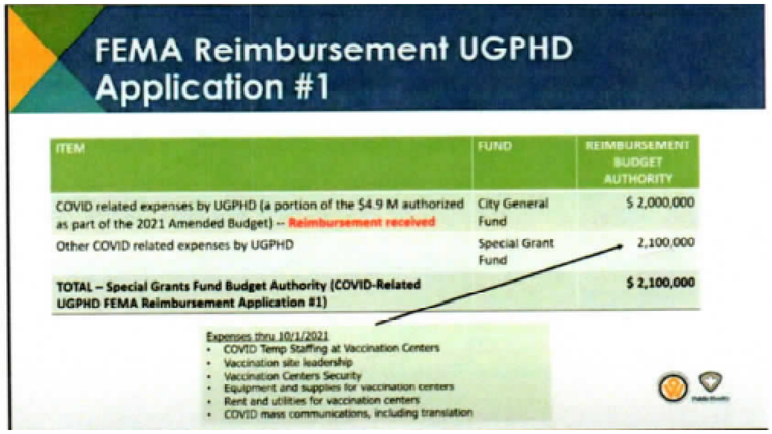
Mr. McKain said yes, I'll just breeze through this. The Commission has seen this slide many times. These are some of the major cost drivers for our COVID expenses at the Public Health

Department. One thing I'll mention is that the only—one of the reasons we're really excited about the federal government extending the FEMA reimbursement timeline until the end of March is of these six cost categories, only contact tracing is not eligible for FEMA reimbursement. I don't know the reason for that. Testing, communications, community engagements, social services, and support; not all of them, but some of them, and then, of course, our vaccination centers are all costs which some of which we've incurred, some of which we will incur which we can open up applications with FEMA to send those expenses in. These are not all of our costs, but these are some of the major ones. We certainly don't want to spend American Rescue Plan money on funds that we can get from other sources. We're trying hard not to do that.



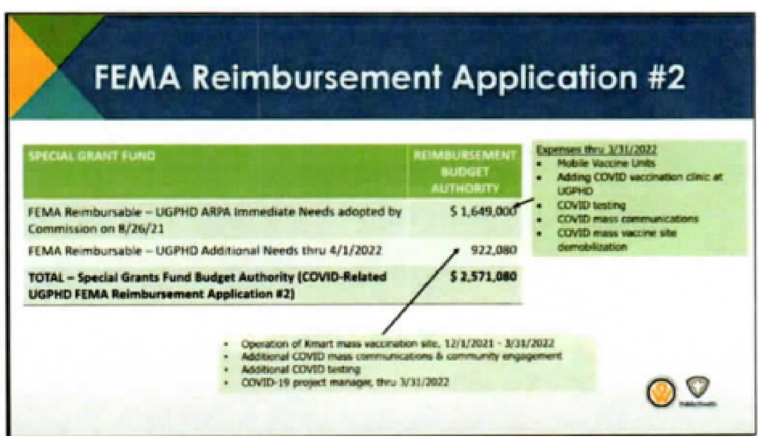
SPECIAL GRANT FUND	REIMBURSEMENT BUDGET AUTHORITY
FEMA Public Health Department Application #1	$ 2,100,000
FEMA Public Health Department Application #2	2,571,080
FEMA Other UG Departments Application #3	1,000,000
GRAND TOTAL – Special Grants Fund Budget Authority (COVID-Related FEMA Reimbursements)	**$ 5,671,080**

Ms. VonAchen said the reimbursement budget authority we're seeking totals $5.67M and it's made up of three different applications. The first application was submitted already in 2021 and we've already received some funds from it. The second and third items are an additional application that we will be submitting very soon. The point of this agenda item is we need the budget authority to spend the funds so that we can later get reimbursed for them. The funding source is the FEMA revenue source coming from them, and the expense would be those costs that are specifically eligible under the FEMA Reimbursement Program.



The first slide talks about the Application #1. Last year, and of course, Wes knows all about this because he's been very involved in it. The total was a combination of two things. Initially, we already received—the total was $4.1M, but we've already received $2M. Those were expenses that were incurred in the City General Fund and then reimbursed with FEMA dollars in the amount of around $2M. The additional $2.1M are expenses that are being expensed in the Special Grants Fund. That reimbursement has already been submitted to FEMA, and they have approved most of those, if not all the expenses. It's just a matter of we're awaiting the receipt of that $2.1M. Is that right? **Mr. McKain** said yes, and when we receive the $2.1M, that funding, I believe Kathleen will be depositing into this account.

Ms. VonAchen said that's right. Those costs are listed below in the small box below there which is for COVID staffing at the vaccination sites, for site leadership, for security, for equipment and supplies at the vaccination center, and rent and utilities at the vaccination center, and for other COVID-related communications.



Application #2 is planning to be submitted very soon. I'm going to have Wes talk about this one.

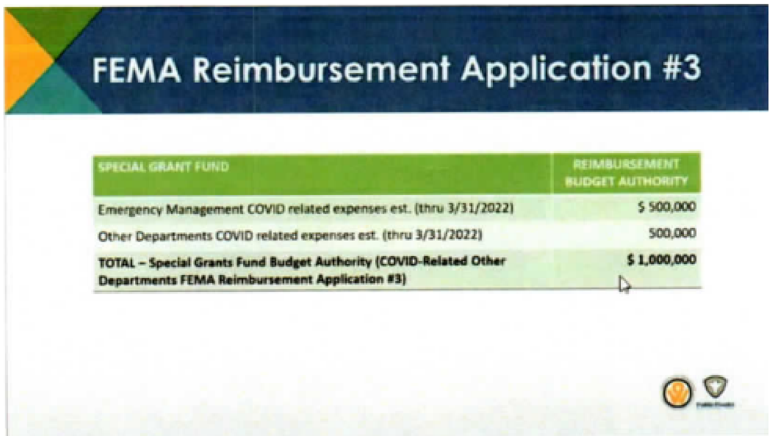
Mr. McKain said I'm really excited about this. There's two lines here. The first is a calculation of the amount of the—Board of Commissioners allocated on August 26th about $6.9M of American Rescue Plan funding to the Public Health Department. At that time, we did not know all of the things. We weren't as much as knowledgeable of the FEMA process, nor did we know what could be spent, what costs all could be eligible and which ones could not, nor did we know that the deadline would be extended until March. So, we asked for funding through the American Rescue Plan which, upon reviewing it, we see that funding is actually eligible for FEMA reimbursement.

We looked through that $6.9M request and identified about $1.65M that we don't want to spend American Rescue Plan dollars on; we would like to spend money from this Special Grants Fund on. That's cost savings for our American Rescue Plan request, which is great.

You can see some of the expenses that we had asked for through the American Rescue Plan immediate needs allocation on the 26th which are now eligible, or we would like to put instead into this new Grants Fund here in this box. So, mobile vaccine units, adding COVID vaccination to our clinic, testing, communications, and the demobilizing our site. We're really excited about that.

Additionally, there were some other costs that we did not put in there. It wasn't a perfect request. One thing we find is that we sometimes don't know all of our costs before they happen because the virus does what the virus will do and we have to respond. There was an additional, about $900K that we're going to be charged in categories that we did not ask funding for. The immediate needs request, and you can see operation of the K-Mart mass vaccination site, additional mass communications, some testing and then a project manager, which is also an eligible expense. So, between those two, and we were anticipating putting those additional needs into a second ARPA request and which I think most of you have seen. But when we realized that they were eligible for FEMA instead, we took them out.

Some of these, you can see we started the budget timeline on December 1st. Most of these expenses have yet to be incurred. Some of them have been in American Rescue Plan accounts. If the Commission favors this and we move forward, we would then just take the money out of those accounts and put them into the new FEMA-eligible accounts. So, that total is $2.5M.

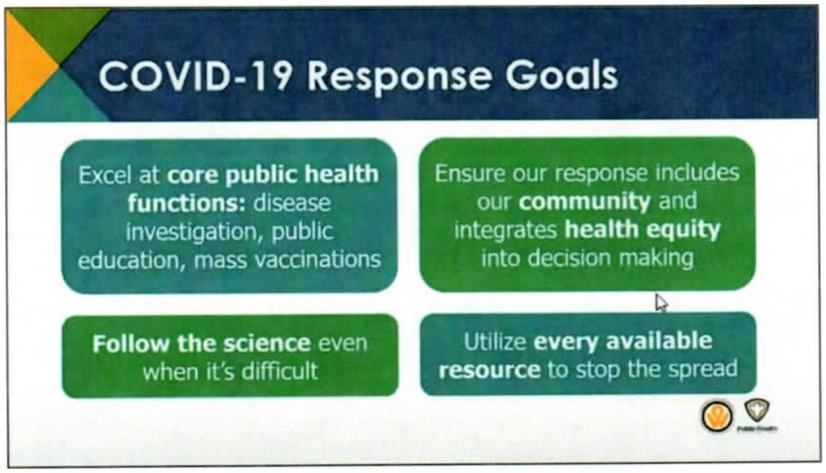


SPECIAL GRANT FUND	REIMBURSEMENT BUDGET AUTHORITY
Emergency Management COVID related expenses est. (thru 3/31/2022)	$ 500,000
Other Departments COVID related expenses est. (thru 3/31/2022)	500,000
TOTAL – Special Grants Fund Budget Authority (COVID-Related Other Departments FEMA Reimbursement Application #3)	**$ 1,000,000**

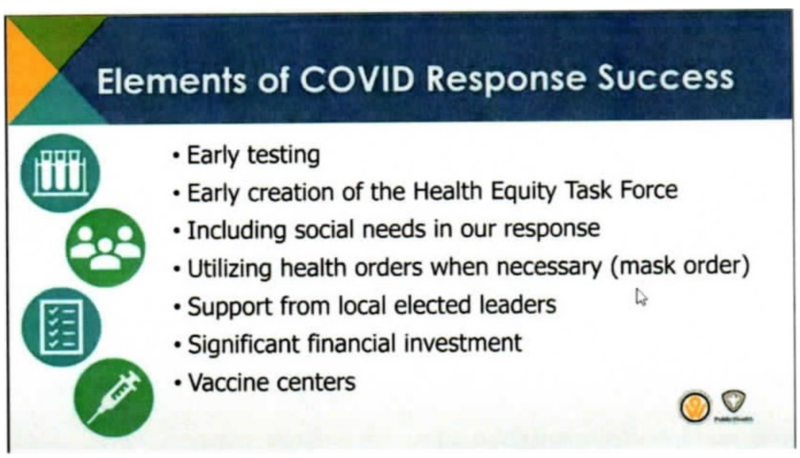
Ms. VonAchen said the next slide is on the third application that we're contemplating pursuing. This is an opportunity for us to do a complete inventory of all the costs that have been incurred in the past that would also be FEMA reimbursable. Our new consultant that came on board several months ago, IParametrics, provided some suggestions of areas where we have been incurring costs to fight COVID that we hadn't anticipated would be FEMA reimbursable. Of course, we can't claim some of these costs if they were, in fact, already reimbursed through the CARES Act.

We think that there may be possibly another $1.0M in expenses over the past 18-24 months that could be reimbursable. Many of those costs, if they have been incurred already in the past, they would have been already incurred in the other operating funds; for example, in the Fire Department or the Police Department. But there may be some other costs into the future that are FEMA reimbursable that are not.

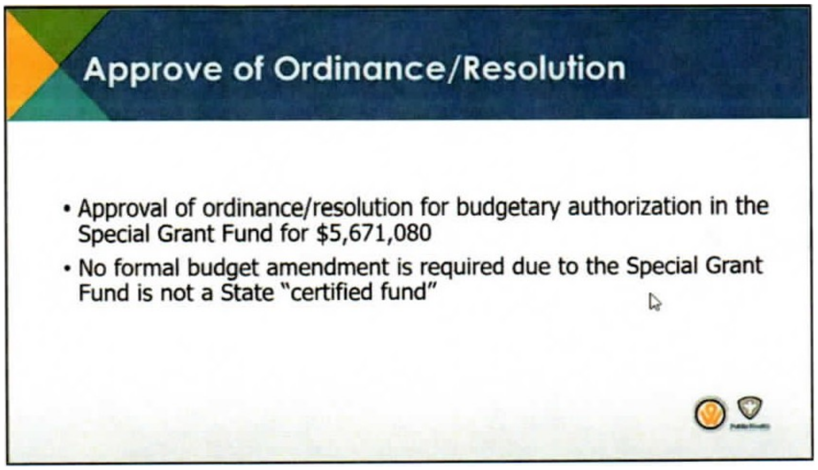
This application is not the Public Health Department at all. It's like all the other departments of the UG. What we've provided here is roughly an estimate of about $1.0M that we still need to go through and do an inventory and identify those costs, but we felt that $1.0M was probably a good estimate for granting some budget authority in the Special Grants Fund for those anticipated future costs that are not related to the Public Health Department. And, of course, we're not going to expense anything that isn't eligible, so if it's far less than $1.0M, then that's fine. That budget authority would just lapse. It's more of an estimate to anticipate future FEMA applications that are not managed or involve the Public Health Department. That's the total application of the three applications 1, 2 and 3.



Mr. McKain said this is another slide that I think the commissioners have seen. I know, I think there's a Thursday update as well, and we tend to include these slides on a lot of the updates. Some of our goals that guide our response, you can see them here: core Public Health functions, making sure we include the community and integrate health equity into our decision-making, make sure that we follow the science; and then very appropriate to tonight's presentation, make sure that we use every resource that we have available.



Some of the things that we've found have been really helpful to our success; early testing, early creation of the Health Equity Task Force, making sure that we're thinking about people as whole people who sometimes need assistance getting vaccinated, who sometimes need assistance following orders, supporting our elective leaders, making sure that we're funding things to the right levels, and then making sure that we're putting vaccination centers across the county so that everybody in our county has the opportunity to become vaccinated if they like to. Those are just kind of the broad overview of our COVID response to date.



Ms. VonAchen said we're seeking your approval for an ordinance resolution for the budgetary authority in the Special Grants Fund. It's an ordinance and a resolution. It hits both city and county funds, so we need an ordinance and a resolution. There's no formal budget amendment required because the Special Grants Fund is not a State Certified Fund, but we felt given the size of this expense, we felt that it was important that the Commission know about it and accept it, and formally accept it in a resolution or an ordinance. It doesn't show up in the budget document because the Special Grants Fund is not a budgeted fund. I'm happy to answer any questions you might have.

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

Commissioner Townsend said just a couple of questions and a comment. I'm glad, Madam CEO and Mr. McKain, that you did bring this forward because in reviewing this and having the presentation tonight, it emphasizes for me that role that FEMA plays in how we can be reimbursed and not have to delve into ARPA funds. I'm glad you brought that forward. I don't know that I would have been aware. It takes me back to our last meeting or maybe a couple of meetings ago where I think Madam CEO mentioned that we're still on a learning curve about what could be reimbursed from FEMA, so this kind of brings it home again. More specifically on one of the slides, it's FEMA reimbursement Application #1, at the bottom it had the $4.1M amount.

Ms. VonAchen said I think that's a typo. At the very bottom that's bolded, that should be \$4.1M.

Commissioner Townsend said no, that's not the one.

Mr. McKain said let me find it for you, commissioner. This one here, there's the 1, 2, and 3 for the different applications that are making up budget authority. I think the rest of these slides are interest slides.

Commissioner Townsend said okay. Well, in the packet it showed \$4.1M as the total Special Grants Fund budget authority. Maybe that was an error. But my question really goes to some of the details below that line. Well, I find it on this one, so I'll use it. The question I have was if you could explain more about what vaccination site leadership is comprised of, that item.

Mr. McKain said of course. So, at one point we had three vaccination centers. One at the Best Buy location at 105th and Parallel, that one closed in June or July, I believe. I don't have that date in front of me. Then we have our K-Mart location which is still open at 78th and State, and we had a National Guard Armory location at about 18th Street Expressway and 1-70. That one closed as well in May or so.

Our leadership model has changed. At one point when we were first starting, we had an administrative lead for the sites and we had a medical lead for the sites because those duties were pretty different and our sites were busier at that point. And then overtime, we've shifted and so now we have a nursing manager, Brandi Dickerson, who serves in both roles at our K-Mart site and manages both the administrative components of it and medically. That's just something we learned over time as we got better at it. But, those sites leadership costs are really—we had one or two point people who were the commanders, if you will, of the actual sites. Then at one point, Bob Bennett was our overall vaccination lead who really helped manage all of the sites and he left us several months ago. Those are kind of the leadership who if something goes wrong or if the people—who would huddle the team at the beginning of the day and huddle them at the end of the day to give instructions and troubleshoot the items that need to be addressed. Does that answer your question?

Commissioner Townsend said yes, it does. One last question; on what sites are we paying rent? **Mr. McKain** said the only site we're paying rent on right now is the K-Mart site. We're not paying rent on the other ones. At one point we paid rent on the Best Buy site, and we paid rent on—we still pay rent on the K-Mart site. We never paid rent on the National Guard Armory site because they were kind enough to let us use that building for free. So right now, we pay for the K-Mart site and just so you know, that rent payment is about $11K a month for that site.

Commissioner Townsend said okay, thank you. Those are all the questions I had.

Chairman Burroughs said I believe that this is the page that you were referring to because in our pamphlet it does say $4.1 at the bottom, so it's just a typo on the slide.

Mr. McKain said I may be the cause of this typo. What I wanted to draw to is this is the whole application, this $4.1M. We've already received $2.0M of that $4.1M expected reimbursement. And that funding has already been deposited into the City General Fund. We're still waiting to receive an additional $2.1M and those funds will be deposited into this Special Grants Fund. So, I was just trying to draw out that even though the first application was $4.1M completely with kind of splitting it in half, half is going to the City General Fund and then half is going to go to the Special Grants Fund.

Chairman Burroughs said the question I would have in reference to your comment, you said the $2M went into the General Fund, but did we utilize ARPA dollars initially and we're just reimbursing ARPA funds? **Ms. VonAchen** said no. Commissioner, the initial $2M, those were expenses of the City General Fund. That was an item that we brought forward to you way back in the beginning of 2021 because there was where you all agreed to spend $2M in available Fund Balance from 2020, the prior year, to help the Public Health Department with expenses because at that point, we just really didn't know what was coming, what kind of additional money was coming. That's where that $2.0M came from and that was all expensed in the City General Fund.

Chairman Burroughs said great. That goes back to my question, so we never did reimburse ourselves from the ARPA funding to the General Fund. We're going to use the FEMA dollars to do that and leave ARPA where it's at. **Ms. VonAchen** said that's right, because ARPA wasn't even known at that point because ARPA came in May.

Commissioner Davis said I just had two questions here. The first one is, can you all give us just more information what the Special Grants Fund is? Just what is kind of the nature of that? My second question is, I guess for all of these different applications, are we also voting on what you all will do with the money once it's been reimbursed or is it for all three applications the money will go back to where it came from and then we'll decide at a later time on what to do with the money that has been reimbursed. I hope that last question makes sense.

Ms. VonAchen said first off, the Special Grants Fund is, we're calling it loosely the Special Grants Fund, but in reality, it's a combination of a whole slew of Grants funds. When we do our financial reporting in the Annual Comprehensive Financial Report, we combine all of the grant funds into one and we call it the Special Grants Fund.

Of the ones that we're talking about, we've created several specifically for FEMA reimbursement. These items will be segregated and separately recorded upon and monitored and accounted for, for our reporting purposes for FEMA. The expenses are incurred, so they need a revenue to pay for them.

When we get the reimbursement, it will be covering the expenses that were incurred. There really isn't extra dollars that you can then reallocate, and except for the fact that of the Reimbursement #2. Some of these dollars were already budgeted in other spots without knowing about the FEMA reimbursement possibility. So, in this instance when we do get approval from the federal government that they accept these as eligible expenses, then these funds will be freed up.

The funds that will be freed up are ARPA funds. I think we talked about that in an email. You had asked some questions. I'm on vacation right now, so I didn't have all the specific dollar amounts in front of me when I responded to your email. You can see here that these dollars, many of them, well especially in this first top line, the $1.6M, those funds were approved as part of the ARPA immediate needs. If FEMA accepts these as eligible expenses, then we won't have to use ARPA funds to cover these costs. So, that will actually free up more ARPA funds that would be available for all of you to reallocate as part of the ARPA Subcommittee.

Commissioner Davis said the application was more specifically what I was going towards. If we do get it, we won't see that money reappear and we will have the authority to reallocate it as we see fit.

Chairman Burroughs said, Kathleen, correct me if I'm wrong, I believe that reallocation would have to go for ARPA-related expenses and not into the General Fund. **Ms. VonAchen** said yes, absolutely. None of this has really, except for that first slide, none of this really has anything to do with the City or the County General Fund.

Chairman Burroughs asked committee, any other questions? I don't see any other hands. At this time, I will ask the Clerk if there were any comments received from the public? **Ms. Facio** said no comments were received.

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

Item No. 2 - 211258...RESOLUTION: AMENDMENT TO ASSIGNMENT AND ASSUMPTION AND DEVELOPMENT AGREEMENT FOR HOMEFIELD DEVELOPMENT PROJECT

Synopsis: A resolution adopting the assignment, assumption and second amended and restated development agreement for the Homefield Project, submitted by Katherine Carttar, Director of Economic Development.

Action: **Removed from Agenda.**

Item No. 3 - 211259...ORDINANCE: TERMINATION OF THE TURNER LOGISTICS CENTER COMMUNITY IMPROVEMENT DISTRICT

Synopsis: An ordinance terminating the Turner Logistics Center Community Improvement District and repealing Ordinance No. 0-43-19 due to Turner Logistics completing the Minimum Building Improvements of 1,000,000 square feet constructed, submitted by Katherine Carttar, Director of Economic Development.

Economic Development & Finance

ORDINANCE: TERMINATION OF THE TURNER LOGISTICS CENTER COMMUNITY IMPROVEMENT DISTRICT

An ordinance terminating the Turner Logistics Center Community Improvement District and repealing Ordinance No. O -43-19 due to Turner Logistics completing the Minimum Building Improvements of 1,000,000 square feet constructed per the Development Agreement.

CID was a back stop to ensure the UG would be reimbursed for our share of the Turner Diagonal interchange if Northpoint did not build the required 1,000,000 square feet by Jan 1, 2025.

Katherine Carttar, Director of Economic Development, said today I've got some really, I think, very good news; something to celebrate. I'll give some context for those new to the committee. The Turner Logistics Center out at 1-70 and College, this is a very significant logistics center.

Turner Diagonal

*Completed in December 2020

Public-private partnerships
& how to leverage federal funds via cost sharing

We put this in place—the first piece of this was to have the Turner Diagnol interchange completely redone. You can see what it looks like today with the overlay, and then you have kind of the old ramp as kind of a reminder of what those look like. Then with all this land, particularly to the northeast that had been kind of stuck because you couldn't reach it due to the ramps from 1-70. After a number of—and this is a nutshell of what was a very long process, but after a number of federal Grants applications, the Unified Government, KDOT and KTA, as well as NorthPoint, the proposed developer, were awarded just under $14M for this interchange. In addition to that federal funding, there was a requirement for KDOT as well as the UG to provide funding.

The way that we structured the industrial revenue bonds for this was to ensure that we would be paid back for that upfront investment that was our portion of the funds to get this interchange done. All of which is to say, we wanted to ensure that at a very minimum, an absolute minimum, the Unified Government would get reimbursed S8.0M from Turner Logistics. That was the Unified Government's upfront costs for the interchange.

To do that, we determined through a financial study, that they needed to, at a minimum, build a million square feet. We figured if they built a million square feet by January 2025, that would, over those 10 years and with the payment in lieu of taxes schedule that we had put, that actually is every year they have to pay; it's an accelerating schedule—if anyone is interested, we can get it back—at a minimum, they needed to build one million square feet, again, by 2025.

I am thrilled to say that they have exceeded that by four years. They have just been on a building terror. They have built buildings 1, 2 and 3 shown here that equal just over 1.3M square feet, and they have building permits that are getting started on buildings 4 and 5. So by this January 2025, they will probably be at 2.0M square feet by then, at least, I would think. They are well in advance of what we kind of had being the worst-case scenario.

What we did in the development agreement is, you should really look at this, again, at a minimum, goal is to get paid back our costs for the public infrastructure. To do that, if they did not build a million square feet, then at the time that we approve the industrial revenue bonds and the development agreement, we also had a CID that would automatically kick in, in 2025, that would then pay us back, so it would be basically an additional property tax. There are a number of ways you can use CIDs. That would be an additional property tax, but again, would be a way for us to get paid back. The fact that they are so ahead of schedule and met their minimum construction so quickly, we will not only get paid back our $8.0M, but far, far more and there is no need for that backstop that was the CID.

So, today I am requesting—that’s what it looks like today, more snow actually today. I’m requesting that we terminate the CID as there is no use for it as we do not need that backstop as they will have more than paid us back. We're in a really great position. This is one of those projects that has exceeded all expectations and timelines, so we really credit NorthPoint with being a great partner on this and building as quickly as possible. We will certainly see a lot of great dividends because of that.

Chairman Burroughs asked, committee, any questions? I see no hands. I'll ask the Clerk, are there any members of the public that wish to speak? **Ms. Facio** said no hands are raised and no comments were received.

Chairman Burroughs said this is a bit of good news. It's a great way to start off the year eliminating a CID on the development project; basically three years ahead of time. Kudos.

Action: **Commissioner Townsend made a motion, seconded by Commissioner McKiernan, to approve the resolution as submitted**.

Chairman Burroughs said just, for the community's benefit, we are voting to eliminate the CID ahead of time for the Turner Logistics Center.

Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Chairman Burroughs said that will conclude our meeting for this evening of the Economic Development and Finance Standing Committee. We will adjourn and then we will reconvene with Chairman McKiernan and the Neighborhood and Community Development whenever the Chairman is ready to have us move forward.

Adjourn: Chairman Burroughs adjourned the meeting at 5:44 p.m.

am