Economic Development and Finance
Standing Committee Meeting Agenda
Monday, July 11, 2022
5:00 PM

Location: Hybrid

We invite you to view the meeting in person in the 5th-floor conference room, Suite 515, Municipal Office Building, 701 N. 7th Street, Kansas City, Kansas, or virtually via a Zoom webinar.

You are invited to a Zoom webinar.
When: Jul 11, 2022, 05:00 PM Central Time (US and Canada)
Topic: Standing Committee

Please click the link below to join the webinar:
https://us02web.zoom.us/j/86052704750?pwd=1kgtGpsO6cwewmMPq8m4au4mJekFy4.1
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Name	Absent
Commissioner Tom Burroughs, Chair	☐
Commissioner Brian McKiernan	☐
Commissioner Chuck Stites	☐
Commissioner Gayle Townsend	☐
Commissioner Andrew Davis	☐
David Haley, BPU Member	☐

I. **Call to Order/Roll Call**

II. **Revisions to July 11, 2022 Agenda**

III. **Approval of standing committee minutes from June 28, 2021.**

IV. Committee Agenda

Item No. 1 - RESOLUTION: SET A PUBLIC HEARING DATE FOR 505 CENTRAL

Synopsis: A resolution calling and providing for notice of a public hearing on the advisability of creating a redevelopment district at 505 Central Ave, submitted by Katherine Carttar, Director of Economic Development.

It is requested that this item be fast-tracked to the July 14, 2022, full commission meeting.

Tracking #: 211795

Item No. 2 - RESOLUTION: 505 CENTRAL DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the 505 Central Development Agreement, submitted by Katherine Carttar, Director of Economic Development.

Tracking #: 211796

Item No. 3 - ORDINANCE: AMERICAN RESCUE PLAN ACT (ARPA) REALLOCATION OF REVENUE REPLACEMENT FUNDS

Synopsis: Approval of an ordinance and resolution to reallocate ARPA funds to reflect revised revenue replacement calculations, submitted by Debbie Jonscher, Deputy Chief Financial Officer.

Tracking #: 211785

Item No. 4 - PRESENTATION: GENERAL FUND & SPECIAL REVENUE FUNDS 2021 RESERVES REVIEW

Synopsis: A presentation to review the 2021 Year-End Fund Balance and Reserves for the General Fund and Special Revenue Funds, submitted by Debbie Jonscher, Deputy Chief Financial Officer.

For information only.

Tracking #: 211744

Item No. 5 - REPORT: 2022 FIRST QUARTER CASH INVESTMENT

Synopsis: 2022 First Quarter Cash Investment Report, submitted by Andrea Vinyard, Deputy Treasurer.

For information only

Tracking #: 211788

Item No. 6 - REPORT: 2022 FIRST QTR BUDGET REVISIONS GREATER THAN $10K

Synopsis: 2022 First Quarter Budget Revision Greater Than $10K Report, submitted by Reginald Lindsey, Budget Manager.

For Information Only.

Tracking #: 211792

Item No. 7 - REPORT: 2022 FIRST QTR BUDGET TO ACTUALS

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

For information only.

Tracking #: 211793

V. **Public Agenda**

VI. **Adjourn**

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, June 28, 2021

The meeting of the Economic Development and Finance Standing Committee was held on Monday, June 28, 2021, at 6:04 p.m., remotely via Zoom and on-site. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Johnson, Walters and BPU Board Member Jeff Bryant. The following officials were also in attendance: Melissa Sieben and Alan Howze, Assistant County Administrators; Patrick Waters, Deputy Chief Counsel; Wendy Green and Jeff Conway, Assistant Counsels; Kathleen Von Achen, Chief Financial Officer; Alley Porter, Commission Liaison; and Terri Kimble, Clerk's Office.

Chairman Burroughs said I'm operating from my phone with no picture because my phone is low on power. My power's been out of my home for over an hour and a half now, so I have no internet connectivity except through my phone and I'm trying to conserve as much power as I can, but I do want to continue to move forward this evening.

Before I call the meeting to order, I want to announce that due to COVID-19, the committee members, staff, and public are attending remotely via Zoom or by phone. 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 current guidance from the Kansas Attorney General.

Due to COVID-19 requirements, in person public comment has been suspended unless otherwise required by law. The public has been allowed to submit comments by mail prior to this meeting, and those comments will be included in the record of this meeting. With that I will now call the meeting of the Economic Development and Finance Standing Committee to order.

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

Chairman Burroughs said I would like to recognize that Jeff Bryant, BPU Board Member, is with us this evening as a member of the committee. With that, the first thing on the agenda is, I believe, the revisions but I don 't believe there are any revisions to tonight's agenda. I would ask the Clerk if that is correct? **Terri Kimble, Clerk's Office**, said that is correct.

MINUTES

Approval of Standing Committee minutes from March 29 and May 3, 2021. **Commissioner Johnson made a motion to approve the minutes as submitted, seconded by Commissioner Walters.** Roll call was taken and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

COMMITTEE AGENDA

Item No. 1 - 21888...RESOLUTION: FOURTH AMENDMENT TO KC FOODIE PARK DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the Fourth Amendment to KC Foodie Park Development Agreement to extend various deadlines by six months, submitted by Stephanie Moore, Management Analyst. Staff Recommendation: hold until such time the developer commences construction on Phase 1.

Alley Porter, Commission Liaison, said tonight for this item I'm actually going to introduce Todd LaSala, our outside legal counsel for this project. If we could please admit him. We also have our developer on as well, Mr. Scavuzzo's and Mr. Curt Petersen, if they could be admitted too.

Todd LaSala, Stinson Leonard Street Law Firm, said with your permission, I'd like to start with a very quick overview about the Scavuzzo's project. I know many of you remember it very well. If you will recall that is has four distinct components. We talk about the phases and project areas and we'll get into deadlines about each of these four phases. If you remember the first phase is the Food Service Center. It's about \$266K, very unique, food service distribution facility. The second phase is primarily about retail and three retail pad sites. The fourth phase is some additional commercial offerings. I'm sorry, the third phase is an additional commercial offering and then the fourth phase is really about a headquarters building.

What you have before you tonight is a Fourth Amendment that proposes to extend some deadlines for Phases 2, 3 and 4. Each of those deadlines would be extended. There are two kinds of deadlines. Deadlines about the deadline to submit a TIF project plan for those project areas, and deadlines, I believe, about commencement. But these deadlines, each of them would be extended by about six months, and you have to forgive me commissioners, there is a mistake in Section 2A (iii), the deadline to submit a project plan for Project Area 4, it should read January 1 5, 2025, and not 2024. It should be an extension by six months and not an acceleration. That's just a typo and that's my mistake and I'm sorry about that.

There are also changes to the completion date for the Phase 2 Retail Improvements, that date was originally tied to the closing of the Phase I property. The developer's request would push that date and tie it to the Phase 2 closing, the date they close on that land. That date would ultimately be 24 months from the closing of the property.

Tonight's Fourth Amendment comes to you with a recommendation of no action from the staff, and the reason for that is, quite honestly, the developer has missed the deadline for Phase l, Commencing Construction of Phase 1 of the project. That deadline had been extended. The date was April 30th and to date the developer has still not commenced. So, sitting here right now we're about 60 days overdue. I will tell you that we, the staff, had been in constant communication with the developer and his team about this commencement. We have believed over the course of that 60 days that commencement of construction was imminent, but it's just not happened.

I know that they're anxious tonight to come before you and explain why that's occurred that way, but given that they haven't started yet on Phase 1, the staff is not recommending that you take action on these extensions for Phases 2, 3 and 4, rather you take this up again at your August meeting and see if they've commenced it at that time. Commissioners that's really what I have for you. I know the developer is anxious to present to you and talk about why we're here and I'll be happy to answer any questions along the way.

Chairman Burroughs said, Committee, any questions for Mr. LaSala? Mr. LaSala, just for clarification, right at the very end you summed it up about extending the timeframes for 2 through, I believe it was 4. What about the first phase that we're in breach of contract in reference to the expiration in April? Could you please clarify that for those that are listening?

Mr. LaSala said, Commissioner, in the amendment that was in your packet, there are no amendments proposed for Phase l. The reason for that is that the ED&F deadline is relatively early. At the time we put this on the agenda we still believed that commencement was imminent. And frankly, we the staff, had hoped that by the time we got to tonight, there would have been some commencement of construction activity out there on the site. At that point they had not requested any amendments relative to Phase 1 at all. In further communication since that time, I think the developer does have some ideas about proposing changes to the commencement dates and maybe asking you for some extensions there. We have talked about that. I saw a document from them today that has some ideas about that, but I'd love to give them the opportunity to explain what they have in mind.

Chairman Burroughs said, Committee, any other questions? And I apologize committee, I'm operating here in the blind; I see no hands raised from the committee. So, having no questions, I assume that Mr. Scavuzzo will be speaking next? **Mr. LaSala** said I believe that's correct.

Richard Scavuzzo, Manager, Scavuzzo Foodie Campus, said I can't see anyone, so I'm just talking to a blank screen here. Thank you everybody for the time tonight. I'd like to start with a little bit of a breakdown of progress that we've made on the full development, starting with Phases 2, 3 and 4 and then circle back to Phase l, the distribution center.

Over the last year, we have a team of three, including myself, that have been working every day on the Phases 2, 3 and 4 finding users, finding retail opportunities that are excited about the site and that want to go in and spend their money developing solutions for those sites. We've had very good discussions and a lot of people in line with those phases. Along with those phases, we've been working with Greg Kindle and the EDC on a Phase 5, which would be an Early Childhood Development Center that would be across 47th on the west side. We continue to expand what we want the whole site to look like and expand some of the things for the community for the project.

As far as Phase l, we have, obviously had some delays. If you look at some of the timeline associated with our delays; our first delay came right at the beginning of COVID when we were thinking let's lockdown for two weeks and get ahead of the COVID outbreak. A couple of months later we're back in front of the committee asking for another extension with that being obviously a longer process than anyone anticipated. And then again in September for the third extension, that got us to the April 30th deadline. We had over the last nine months, let me back up. A year ago, when we were asking for those extensions, we were engaged with four financing partners that were going to come alongside Scavuzzo's Food Service and build this Phase 1 with us. We were dedicated to a Kansas City-based partner and so we engaged solely with that Kansas City-based firm because we want to this thing as local as we can. For the last nine months we've only negotiated and got to the end of April where we were pulling permits to break ground. At the last moment their project, our project, was tied with approximately six other projects which obviously grew from a single project. Their funding going to be able to fund and hit the timeline for our development agreement, which forced our hand in delaying the start on the last day of April, right around the last day of April 28th, 29th. With that situation we had to regroup on the financing piece. We had to walk away from that financing partner, or we would have been way outside of our development agreement. We have since re-engaged with the three partners that we walked away from to negotiate directly with this Kansas City-based firm and feel very, very confident that it will go through and we'll have a successful project.

One of the questions, I believe, that I can answer right away is what guarantees do we have besides me just saying that the project will go through? I think instead of me just saying it, we're showing it. We, to date, have spent well over $1M on the project. We continue to not only have a team of three on the Phases 2, 3 and 4 on that development including certain personnel that have been involved with the Lenexa City Center Project but we also have a team three, including myself, that are working on the financing side as well as Primus Builders via store on the automation, and the Polsinelli Team that are all involved in this project and have been since we started. Even with COVID we were working on it every day.

We have a large investment in the facility already, in the project already, and what we're proposing tonight is that we start on the groundwork for Phase 1, which will be another $300K to $500K investment from Scavuzzo's as an interim solution. We would start on commencement of that groundwork within 10 days of the full ED&F meeting on the 8th of next month, I believe. So, we would start construction groundwork within 10 days and then continue that groundwork until complete. Then there will be a slight pause up to December 31st for Phase 1 and then once we start construction on the rest of the building, we would do it continuously until it was complete. With that, I'll take questions.

Chairman Burroughs said, Committee, questions? I see no hands. Mr. Scavuzzo, if I may, you said December 31st you would commence construction and continue on for Phase 1 on December 31st. If I remember correctly, I think it was the second extension we were concerned about construction during the winter months. **Ms. Kimble** said, Chairman, we do have a hand raised.

Jeff Bryant, BPU Board Member, said, Mr. Burroughs, you can go ahead and finish your line of questions first.

Chairman Burroughs said I apologize; I'm operating from my phone here just trying multi-task on this thing. Again, Mr. Scavuzzo, the question I had was in one of your extensions that we granted in the past, the last extension went to the end of April. That extension included the winter months for construction and yet you give us a day of December 31st of 2021 moving forward and commencing construction. Do you see the winter months impacting the construction deadline at that time?

Mr. Scavuzzo said it is a possibility, although I think most of the winter months delays are due to groundwork and we hope to be done with the groundwork before the ground would freeze.

Mr. Bryant said, Mr. Scavuzzo, this project has gone pretty far out. I know from the beginning there were some, at least I had some concerns with it. It was a lofty target to obtain. Let's kind of look at the timeline now for Phase l. If you're not going to do ground break until 10 days after the August meeting, so you're talking nearly the end of summer before you even do groundbreaking, do the base groundwork, say a three-month project, and then take a break before beginning it, technically beginning it in the beginning of 2022. When do you suppose that the first project would even be completed?

Mr. Scavuzzo said my understanding is the next ED&F is July 8th, not the August meeting. I'm not positive on that. So, we'll be talking about the initial groundwork commencing in a few weeks.

Curt Petersen, Polsinelli Firm Representing Scavuzzo's, said, Mr. Scavuzzo, really fast, what Mr. Scavuzzo is referring to is if this committee were to consider this adjustment to the amendment that's before you in the way he's described, which we can repeat if necessary, we would ask that this would be referred out to the July 8th full commission meeting and that the work he described as what would be the initial site work specifically being the self-fencing is what I'm trying to say, erosion control and the demolition of all the hardscape that's there now. Ten business days from July 8th would be July 22nd commencement. Sorry for the interruption. I just wanted to go ahead and clarify that.

Mr. Bryant said let me continue my train of thought. I don't understand what the requirement of having this adjustment to Phases 2, 3 and 4 has to do with the initiation of Phase 1. I believe that we've given two additional extensions already on Phase 1, so I'm not understanding why you're having to have this approved before you can move forward with even beginning Phase 1 which should of began a few months ago.

Mr. Petersen said as legal counsel I might jump in, Rich, if you don't mind. The idea of spending another $300K to $500K on this six to eight weeks of demolition work that Mr. Scavuzzo described in a situation where the committee and ultimately the full commission could assert the position that there was a failure to abide by the obligations of the development agreement would put that up to half million dollars at risk. The request would be, can we go ahead and adjust the deadlines now before Mr. Scavuzzo and his family company would sign off on this additional contract for all the demolition. It's just making sure we're on the same page sir, before spending a lot of money.

Mr. Bryant said Mr. LaSala, how much has the UG invested in this project so far? **Mr. LaSala** said honestly, not very much. We had a Funding Agreement where the UG's cost for engaging were pretty minimal. The UG got reimbursed for it's third-party costs for all the legal work and the administrative exercising going forward and putting this thing together. We've been reimbursed in full for all of that work and we did go have a land closing for Phase 1 in I think of March last year. We are not out-of-pocket any money to speak of. We've invested a lot of time, energy and effort but are we out-of-pocket any cash, no, not really.

Commissioner if I may, I'd like to clarify a couple of things. Mr. Petersen did send me a document today that sort of articulated this new request that you could consider tonight for Phase

1. You're going to hear about it orally. It's the kind of thing where if you wanted to go this direction, we could easily incorporate into an amendment and either go straight to Commission or come back in August to ED&F. Curt, I've being told via text that we do not have a July 8th meeting. I think the earliest this could come forward to full commission, if this Committee wanted to do that, would be July 29th. I want to be really clear about what their proposal is. They're saying for Phase 1, Phase 1 today is an April 30th commencement of construction; you start that day, and you just go forward continuously. They're really saying let's modify that a little bit. Let's have two phases of what commencement means. Phase 1 would be after they get to approval, whenever that would be at Commission, they'll start the erosion control and demolition work 10 days after that. Whenever that approval would come. By December 31st of 2021, they would commence site work and continuously go after that until completed. They are also proposing, Curt or Rich, correct me if this is wrong, the document I got today also suggested that the completion date would move a little bit. The current completion date based on our Third Amendment is April 30th, 2023, and their proposal would move that out a couple of months to July 1st of 2023. If I understand right, that's what the proposal would be.

Mr. Petersen said and the only cents Todd that I would add on that is that the construction schedule that you have, and Mr. Bach has had for a little while, that's the latest from our contractor, Primus, actually has us still finishing on time, meeting that April date that's in the development agreement now. But out of an abundance caution, Mr. Scavuzzo and I went ahead and moved that several months to July 1st just to reflect the reality of anything can happen in the wet fall or in the winter as the Chairman was saying. Our schedule is still showing us a good spring finish that year, but again, we put a little bit of buffer on there to that July 1st date that you have in front of you.

Mr. Scavuzzo said and the added supply chain of construction materials to that.

Chairman Burroughs said well gentlemen, I believe you've made your case to the Committee in reference to the extended timeline. I would ask the Committee if there's any other questions. If we have none, I would ask the Clerk if there was any public comment or concerns or questions that were sent in for this issue? **Ms. Kimble** said the Clerk's Office has received no communication.

Commissioner Townsend said just a couple points of clarification. If we don't take any action with this resolution tonight, are you saying that you're not going forward with the Phase l? I understand that the documents in effect now, we've already passed April 30th date, so what are we saying here? Because when I looked at this resolution, maybe I overlooked it, but I didn't really see anything that talked about Phase 1. Did that come later, I didn't think we had any amendments.

Mr. Scavuzzo said, Curt, can you go ahead and take that as far as the timing and how that all transpired?

Mr. Petersen said I'm going to refer a little bit, Commissioner, just to tie things together to something Mr. LaSala said it was in brief, I would understand that it needs to be repeated. Mr. LaSala is right, that because we lost our partner, we literally pulled permit before the deadline to commence, plus or minus a day or two here, the 28th, 29th of April and literally within 24 hours, Rich, that was when our 9-month adventure, legal documentation everything fell through with our equity partner. At that point we, as Mr. LaSala you may have remember him making a reference constant communication with the developer team, that's always been the case. We immediately reached out and explained the situation. Frankly, we were trying to figure out at that moment, because we take the development of deadline to seriously, exactly what to do. We did pull permit on time, and we were trying to figure out whether it made the most sense to mobilize and go with the work that we're talking about now, doing all the demolition work and erosion control, etc. Ultimately it went back and forth with staff and ultimately we made the decision as we got closer and closer to Committee that we better just wait and take this before Committee because, in theory, and we hope this is never the case, but if we're held to be having passed a deadline and not fulfill the obligation, we would hate to have spent another up to half a million dollars on demolition only to be told that the UG is not interested in this developer any more. Hopefully, that helps you piece together the timeline, and again Mr. LaSala, from your perspective you were on the other end of those communications, if you do have anything to add it probably, I mean it's up to Commission, but probably be a good time.

Mr. LaSala said I will add in one piece Curt, the first part of April if you guys all remember, we were still planning on breaking ground and doing the groundwork, it rained for about 21 days straight, the beginning of April. That played a part in the timing of everything and helping us make that decision to go back to ED&F instead of just doing what we were planning on doing.

Mr. Petersen said in fact, I think it was early April Rich when we reached out starting to talk about when the silver shovel sort of ceremonial groundbreaking should be. Everything changed when we got to the end of April.

Commissioner Townsend said well, I look forward to seeing the development move forward. I'm still baffled by what you're asking us to do here in terms of Phase l. I understand we're past those dates, but I guess if the UG has not said you're in default, I'm just thinking for myself, we're looking for execution and moving on and then speaking only for myself, then I'd be in a better position to evaluate any subsequent requests for the other phases. I'm remaining optimistic, but I'm still not sure how approving these extensions for the other phases addresses just moving forward with Phase 1.

Mr. LaSala said, Commissioner, I agree with you. We would not recommend that you just approve these extensions for the subsequent phases. I think we much prefer, and in fact that's why our recommendation is let's take no action on those and figure out Phase 1. I would suggest to you that if you are interested in the developer's proposal as it's been articulated tonight, to set these new commencement milestones and adjust the completion date; if you're willing to do all of that in Phase l, I would suggest we put all of that into a document and bring it back to you together with these other extensions in a package. Either take that directly to Commission to be voted on by the Commission or bring it back to ED&F the first week in August and evaluate it then. But I agree with you, we would not suggest that you just extend the Phases 2, 3 and 4 dates and not deal with Phase l. We really should deal with Phase 1 one way or another.

Commissioner Townsend said thank you for those recommendations and you know me I like to see things in writing. It's not that I'd be averse to it, but that's just not what's before me that I see right now. Mr. Scavuzzo, I'm still optimistic but lawyer that I am, I'm looking at what it's presented with and what I don't have and where we go from here on Phase 1.

Chairman Burroughs said, Commissioner McKiernan, you had your hand up earlier, I wanted to ensure that you still had an opportunity to speak should you have any questions.

Commissioner McKiernan said I'm still trying to communicate with Commissioner Philbrook who had some questions about this. We've both been trying to listen to all of the comments that have gone on, so we really haven't been, so if you could just give me a couple of minutes. This conversation can absolutely carry on, but I'm just trying to make sure that all of Commissioner Philbrook's questions have been answered since she is commissioner for the district in which this would be built.

Chairman Burroughs said understood. If I may, Mr. Petersen, Mr. Scavuzzo, I do know that the initial extension or the third extension with it expiring at the end of April, there has not been a letter from the local unit of government as far as I know in reference to being in breach of contractual agreement. However, we are asking the public to trust that this development will move forward. We talked about holding options on land and not moving forward and putting things off for a while, but I would say in your particular case this has been quite an exceptional 18 months in reference to the challenges anyone would have building a project. But I will state that there are projects in Wyandotte County that were built and continued to move forward even under the most trying of times, whether it be the pandemic or whether it be the lack of materials, or the challenge to even find workers to do so. I am aware that financial partners who have changed since the very beginning of the project inception. These are all unique situations.

I believe the community and the commissioner that represents that area as well as myself and others would like to see a development occur within the Indian Springs area. Your development was one that the community supported. I would hope that we are able to reach some form of agreement. Taking no actions on 2, 3 and 4 1 think is the most prudent thing to do, allowing you to get back before either the entire Commission and/or staff to work out the details of Phase 1 start and stop dates. My concern, as a commissioner, seeing the time and energy that's been put in by the local unit of government is that there wasn't a letter sent in reference to breach. I believe that will help you moving forward and two, that you give strong consideration that the resources at the Unified Government has put forward in approving your project, working with the project, and the challenges that the project has presented us, I would hope that it sends a strong message of how supportive we are of the project. However, that doesn't mean that we can continue to hold this out to perpetuity.

Mr. Petersen said that message was understood.

Chairman Burroughs said, Commissioner McKiernan, did Commissioner Philbrook have any comments, questions, or concerns?

Commissioner McKiernan said I will say, Commissioner Burroughs, I apologize that I've been bouncing back and forth here. I was trying to listen to two conversations at the same time. If I understand Commissioner Philbrook's question, it would be that if we were to take no action now, would we push this project toward default by delaying action, let's say until the August 8th EDF meeting?

Chairman Burroughs said that's a good question, I would ask Legal to respond that. I believe that they are already in default, but a letter hasn't been issued. I don't think the prudent thing to do at this time would be to issue a default letter because it may actually hamper the project moving forward, any financials in which the developer is using to develop the project. But I'll ask staff to respond to that.

Mr. LaSala said that's all exactly right and very well said. I will tell you the County Administrator and I have talked about default and whether or not to issue a letter. We have believed that our direction from the Commission was to try make this project happen. So, we have not done that. You're right, they are technically in default right now, however, our development agreement provides, all of your development agreements are written like this, it provides a 60-day cure period. If for some reason this Committee felt differently and wanted to go down the road of default, it doesn't sound like we are, but just so you understand, if we were to send them a letter that says you're in default, they get a 60-day opportunity, a window to cure before we start having rights and remedies under our agreement. You're absolutely correct, we have not sent that default letter to date and you're also absolutely correct that to do so would have implications on the deal. I think Mr. Petersen would tell you if we were to do that today, it would make their job harder. If we're still trying to make this project happen, that will make their job harder. Commissioner, everything you said is spot on, on default.

Chairman Burroughs said so by taking no action this evening on 2 or 4, I guess the question I would have, looking for some guidance, can we divide this question into two parts? Making a motion to either take no action on items 2 through 4 or should we try to combine it collectively?

I'm afraid we may lose 1 if we combine them, where we may be understanding and be able to move item 1 forward for full Commissioner review. Just looking for some guidance.

Mr. LaSala said my recommendation to you would be that we package all of this together in an omnibus way, and get direction from this Committee about whether you're open to the suggestion the developer has made about Phase 1 and whether you're open to the proposed amendments to Phases 2, 3 and 4. If you are, I would recommend you have me reduce all of that to writing in one amendment and then have the Committee decide whether they want to see it again in August or whether you feel comfortable with this going directly to Commission on July 29^{th}.

Chairman Burroughs said in light of much discussion in reference of the changing contract, I, for one would believe the prudent thig to do is have the Committee review the contract again and not submit to full commission until we have a change to review the amended proposals.

So, Committee, this is an item that needs some action. I would entertain a motion, either way to either hold until sometime the developer commence construction on Phase 1. That is the staff recommendation. Just for clarity, staff, if we take action this evening to ask that you continue to work towards finding the timeline to commence with state with Phase 1, that wit will not include Phases 2 and 4 extension, only Phase 1. And I do see Commissioner McKiernan has his hand up.

Commission McKiernan said I would just say that I think that I would lean towards Mr. LaSala's recommendation about packaging this all up and bringing it back for our consideration at the August 8^{th} Standing Committee meeting provided that doing so does not automatically push the project towards default. I've liked this project from the beginning. There are lesser projects that could go on this land that would not have the community benefit that this project has been designed to provide for the surrounding community. Like everyone else, I'm concerned that we have met delay after delay. I think like everybody else, I recognize that it's been an extraordinary 18 months over the past year and a half. The one thing that leads me towards saying let's find a way to make this work is the fact the property owner, the company themselves, have invested to much of their capital in this project. It's that they have been putting their own resources into making this project work, not depending on resources from other sources. That does give me at least an indication that makes me believe that they are committed to finding a way to make this project work and I think at this point that—I think our best course of action would be to accept Mr. LaSala's recommendation that we write everything that we've talked about tonight up, bring it for consideration on August 8th and that would put before the full commission, I think we can even fast-track that potentially, from our August 8th meeting, although I don't have my calendar in front of me to show August full commission. **Commission Walters** said second.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Walters, to bring this back to the August 9th standing committee with possible fast-track to August 16th Commission meeting.**

Chairman Burroughs said so we do have a motion and a second to fast track. Before we acknowledge the motion, Commissioner Townsend had her hand up.

Commissioner Townsend said it was only to second Commissioner McKiernan's motion.

Chairman Burroughs said, Mr. LaSala, are you clear on the motion? **Mr. LaSala** said I am clear on the motion.

Chairman Burroughs said I believe the message has been sent that the motion clearly states that this will need to come before the Commission before it goes full commission, it comes back to the Subcommittee, for our review so that we can ensure that the timelines are being met and the contract meets what has been discussed here this evening. **Mr. LaSala** said got it.

Chairman Burroughs said Commissioner Townsend did you have another question? **Commissioner Townsend** said no Chairman.

Chairman Burroughs said any other questions or comments from Committee?

Commissioner McKiernan said as I'm flipping between my calendar, one thing for us to ask, I think, would be a question for Mr. Waters. Our next committee meeting is on Monday, August 9th, we have a Commission meeting on Thursday of that week, the 12th, and then we have another full commission meeting two weeks later on August 26th. I guess to bring it back on August 9th, but I guess for Mr. Waters, if we were so inclined, we include this item on the August 12th full commission? **Mr. Waters** said yes at that time [inaudible] it's potential that we could see this at full commission provided that everything goes well on August 9th.

Commissioner McKiernan said it's potential that we could see it for full commission on August 12th. Thank you, Mr. Chair, that's all I have.

Chairman Burroughs said and just for those that are listening, that means we would fast-track after it comes to the Subcommittee to the full commission within a handful of days. Any public debate or public discussion would have to occur at the Subcommittee meeting prior to it going to full commission. We have a motion and a second. Do you need to restate the motion? **Mr. LaSala** said I don't think so, Commissioner, we've got it.

Chairman Burroughs asked, will this go on the Consent calendar? **Mr. LaSala** said, Commissioner, we're coming back to ED&F in August. The motion is to package this up and bring it back to your committee in August. If it went from there, I guess it would be fast-tracked. I don't think it will be on the Consent, but Patrick would have articulate that.

Chairman Burroughs said I just want to ensure that we have another bite of the apple on it. I believe we do by it coming back to the committee. I just don't want to see it go to the full commission and then move forward and then come back. And it shouldn't, it should come back by the motion. **Mr. LaSala** said that's right, that's right, the motion will bring it back to your Committee in August.

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

Chairman Burroughs said thank you Committee, Mr. Scavuzzo, Mr. Petersen, Mr. LaSala, those that joined us this evening. That is the only item was had on our Economic Development Committee this evening. With that, we are adjourned.

Adjourn

Chairman Burroughs adjourned the meeting at 6:50 p.m.

am

Staff Request for Commission Action

Tracking No. 211795

Full Commission Meeting Date: 7/14 *Fast track*
Committee: Economic Development & Finance

Date of Standing Committee Action: 6/29 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
06/29/2022	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description: A resolution calling and providing for notice of a public hearing on August 25th at 7PM on the advisability of creating a redevelopment district at 505 Central Ave, submitted by Katherine Carttar, Director of Economic Development. *Approve and fast track to July 14 FC.*
Action Requested: *Approve and fast track to July 14 FC.*
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: Resolution calling TIF District PH (UG 505 Central)

(Published in ***The Wyandotte Echo*** on August 11, 2022)

RESOLUTION NO. R-____-22

A RESOLUTION CALLING AND PROVIDING FOR NOTICE OF A PUBLIC HEARING ON THE ADVISABILITY OF CREATING A REDEVELOPMENT DISTRICT IN THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, PURSUANT TO K.S.A. 12-1770 *ET SEQ.*

WHEREAS, K.S.A. 12-1770 *et seq.,* as amended (the "Act"), provides for the creation of redevelopment districts and the approval of redevelopment plans; and

WHEREAS, the Board of Commissioners of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") intends to set a date for a public hearing for the purpose of considering the establishment of a redevelopment district approximately located at 5th Street and Central Avenue (the "Redevelopment District") in accordance with the Act; and

WHEREAS, the establishment of the proposed Redevelopment District is necessary to promote the general economic welfare of the Unified Government pursuant to the Act; and

WHEREAS, the Redevelopment District consists of an area described on the attached **Exhibit A** and generally shown on the map attached as **Exhibit B**, both of which are incorporated herein by reference and made a part of this Resolution.

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

Section 1. Public Hearing. It is hereby authorized, ordered, and directed that the Board of Commissioners shall hold a public hearing on **August 25, 2022, at 7:00 p.m.** or as soon thereafter as the matter can be heard, to hear comments and consider findings necessary to establish the Redevelopment District pursuant to the Act. The public hearing will be held in the Commission Chambers, lobby level of the Municipal Office Building located at 701 N. 7th Street, Kansas City, Kansas, and may also be accessed virtually via Zoom web conference or toll free via telephone by dialing (877) 853-5257 or (888) 475-4499. Public hearing access information is available at www.wycokck.org/Departments/Clerks-Office/Engage-in-Public-Commission-Meeting or by contacting the Clerk's office via phone at (913) 573-5206 or via email at ugclerkrequest@wycokck.org. Public comment may also be submitted in advance of the public hearing by email to ugclerkrequest@wycokck.org, fax to (913) 573-5299, or mail to Unified Government Clerk's Office, 701 N. 7th Street, Suite 323, Kansas City, Kansas 66101.

Section 2. Description and Map. A description and map of the proposed Redevelopment District is available for public inspection in the Unified Government Clerk's office located in Suite 323 on the third floor of the Municipal Office Building from 8:00 am to 5:00 pm, Monday through Friday.

Section 3. Redevelopment District Plan. The Redevelopment District Plan may be described in a general manner as consisting of some or all of the following uses, without limitation: multifamily residential uses, general commercial uses, mixed use commercial retail, restaurant uses, and any other commercial structure or use (including but not limited to, office, non-profit, governmental, or community use), and including such associated site work, infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), courtyards, other associated and appurtenant structures and facilities, and any other items allowable under the Act.

Section 4. Findings. The Board of Commissioners will consider findings necessary for the establishment of a redevelopment district after conclusion of the public hearing.

Section 5. Notices. The Unified Government Clerk is hereby authorized and directed to publish this Resolution once in the official city newspaper not less than one (1) week or more than two (2) weeks preceding the date set for the public hearing. The Clerk or any other employee or officer of the Unified Government is authorized and directed to mail a copy of this Resolution via certified mail, return receipt requested to the Unified Government Board of Commissioners; the Kansas City, Kansas, Unified School District #500 Board of Education as the school district levying taxes on property within the proposed Redevelopment District; and to each owner and occupant of land within the project areas of the proposed Redevelopment District not more than ten (10) days following the date of the adoption of this Resolution.

Section 6. Further Action. The Mayor/CEO, County Administrator, and other officers, agents, and employees of the Unified Government, including special counsel, are hereby further authorized and directed to take such further action as may be appropriate or desirable to accomplish the purpose of this Resolution.

Section 7. Effective Date. This Resolution shall be effective upon its adoption by the Unified Government Board of Commissioners.

[Remainder of page intentionally left blank; signature page and exhibit follow.]

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS 14TH DAY OF JULY, 2022.

____
Tyrone, Garner, Mayor/CEO

(SEAL)

____
Unified Government Clerk

Approved as to Form:

By: ______________________________
Chief Counsel

EXHIBIT A

LEGAL DESCRIPTION

All that part of Lots 9, 10, and 11, Block 21, RIVERVIEW ADDITION, a subdivision in the City of Kansas City, Wyandotte County Kansas, more particularly described as following: Beginning at the Southeast corner of the North 40 feet of Lot 9, thence North 06 degrees 39 minutes 38 seconds East, 91.37 feet; thence South 87 degrees 13 minutes 30 seconds East, 45.07 feet to the Northwest Corner of Lot 2, Block 21; thence South 32 degrees 07 minutes 20 seconds West, along the East line of Lots 11, 10 & 9, 104.59 feet, to the Point of Beginning, according to the recorded plat thereof.

And

Lots 2, 3, 4 and the North 1/2 of the East 130 Feet of Lot 5, Block 21, RIVERVIEW ADDITION, a subdivision of land in Kansas City, Wyandotte County, Kansas, according to the recorded plat thereof.

And all adjacent right-of-way, all as depicted on the map on **Exhibit B**.

<u>**EXHIBIT B**</u>

MAP OF REDEVELOPMENT DISTRICT

1 Chicago's
2 Slap's BBQ
3 Spitlog Coffee

Staff Request for Commission Action

Tracking No. 211796

Full Commission Meeting Date: 8/25/2022
Committee: Economic Development & Finance

Date of Standing Committee Action: 7/11 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
06/29/2022	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

A resolution adopting the 505 Central Development Agreement. Sunflower Development Group, LLC, plans to design, develop and construct a new, first-class, market-rate multifamily apartment complex at 505 Central Avenue, submitted by Katherine Carttar, Director of Economic Development.

Approve and move to FC Aug 25, 2022

Action Requested:

Approve and move to FC Aug 25, 2022

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Resolution Approving 505 Central Development Agreement, 505 Central Development Agreement, 6_29_22 Executive Summary - 505 Central

RESOLUTION NO. R-____-22

A RESOLUTION ADOPTING THE 505 CENTRAL DEVELOPMENT AGREEMENT.

WHEREAS, Sunflower Development Group, LLC, a Missouri limited liability company ("Developer"), plans to design, develop and construct a new, first-class, market-rate luxury multi-family apartment complex and related amenities (the "Project") on certain real property generally located at 505 Central Avenue in Kansas City, Kansas;

WHEREAS, development of the Project should attract new residents to the community, stimulate the economy of Wyandotte County through additional real property taxes, sales taxes, and other indirect spending at other nearby businesses when residents visit the surrounding businesses, and provide a work force for Wyandotte County employers, all of which would promote the public good, health, and welfare within Wyandotte County; and

WHEREAS, the Governing Body of the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") has determined that it is advisable to enter into the 505 Central Development Agreement, attached hereto as **Exhibit A** (the "Agreement"), with Developer.

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

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

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

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

[Remainder of page intentionally left blank; signature page and exhibit follow.]

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS _____TH DAY OF _______________, 2022.

____
Tyrone Garner, Mayor/CEO

ATTEST:

____
UG Clerk

(Seal)

<u>EXHIBIT A</u>

Agreement

[Attached.]

505 CENTRAL DEVELOPMENT AGREEMENT

THIS 505 CENTRAL DEVELOPMENT AGREEMENT (the "Agreement") is made as of the ____ day of ______________________, 2022 (the "Effective Date") between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG"), and Sunflower Development Group, LLC, a Missouri limited liability company ("Developer").

RECITALS:

A. Developer wishes to design, develop, and construct a new, first-class, market-rate luxury multi-family apartment complex and related amenities (the "Project") as further defined below in Section 2.2), on certain real property generally located at 505 Central Avenue in Kansas City, Kansas (the "Project Site"), as legally described on **Exhibit A** and generally depicted on **Exhibit B**, as attached hereto.

B. Developer does not yet own the Project Site, but has the right to acquire the Project Site from Skyline Property Development, LLC, a Missouri limited liability company, the current owner of the Project Site, and Developer shall, upon closing, have all rights to occupy and develop the same as set forth herein.

C. The UG has the authority to create a tax increment financing ("TIF") district pursuant to K.S.A. 12-1770 *et seq.*, as amended from time to time (the "TIF Act"), for the purpose of financing certain economic development projects. On or about ________________, 2022, the UG found the Project Site, (to be an eligible area under the TIF Act as a blighted area under the TIF Act, and the UG approved the creation of a TIF district pursuant to the TIF Act (the "TIF District") through the adoption of Ordinance No. O - __________ (the "TIF District Ordinance"). A copy of the TIF District Ordinance is attached hereto as **Exhibit C**.

D. The TIF District includes a single project area (the "Project Area"). On ______________, 2022, the UG held a public hearing in connection with Developer's Redevelopment Project Plan for the Project Area (the "Project Plan") pursuant to the TIF Act. On ______________, 2022, the governing body of the UG approved and adopted the Project Plan through the adoption of Ordinance No. O-______ pursuant to the TIF Act (the "TIF Project Plan Ordinance"), a copy which TIF Project Plan Ordinance is attached hereto as **Exhibit E**. The Project Plan provides, among other things, for the collection of Incremental Real Property Taxes (defined below in Section 4.2(a)(i)) within the TIF District to be disbursed to and used by Developer on a pay-as-you-go basis to reimburse certain TIF Eligible Expenses (defined below in Section 4.2).

E. The parties agree that the Project is not financially feasible without the public-private partnership as set forth in this Agreement, and therefore the parties wish to enter into this Agreement to provide the necessary financing for the Project.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the UG and Developer hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Interpretation. In this Agreement, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes each other gender;

(d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(e) reference in this Agreement to any article, section, appendix, annex, schedule or exhibit means such article or section thereof or appendix, annex, schedule or exhibit thereto;

(f) each of the items or agreements identified on the attached Index of Exhibits are deemed part of this Agreement to the same extent as if set forth herein;

(g) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision thereof;

(h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and

(i) relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding."

1.2 Accounting Terms. Unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determination and computations shall be made, in accordance with GAAP.

1.3 Legal Representation of the Parties. This Agreement was negotiated by the parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

1.4 Definitions. All capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex 1 attached hereto and made a part hereof, or as otherwise provided herein.

ARTICLE 2
THE PROJECT

2.1 Undertaking of Developer. Developer hereby agrees, subject to the terms and conditions hereinafter provided, to develop, construct, complete, and operate the Project. The performance of all activities by Developer hereunder shall not be as an agent of the UG, except as otherwise specifically provided herein.

2.2 Development of the Project Site. The UG and Developer hereby agree that the Project shall be as described below. Developer hereby contemplates that all buildings, parking structures and other improvements constituting the Project, as specifically described in this Section 2.2 (the "Improvements"), shall be developed, constructed, completed, and operated on the Project Site in substantial accordance and compliance with the terms and conditions of this Section 2.2, the site plan attached hereto as **Exhibit F** and the final site plan approval from the UG's Planning Commission (the "Development Plan"). On and subject to the terms and provisions set forth in this Agreement, Developer shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Improvements, and shall operate and use the Improvements in the manner described herein, all in accordance with the terms of this Section 2.2 and all other Applicable Laws and Requirements. The parties further agree as follows:

(a) Developer will demolish the existing building and other vertical improvements located on the Project Site.

(b) The Project shall be designed, developed and constructed as a first-class, market-rate apartment complex which shall, at minimum, include the following Improvements: an eight (8)-story market rate apartment building, initially renting for a blended rate of approximately $1.90 per square foot, and consisting of approximately 148 total units (comprised of approximately 23 studio apartments, approximately 90 one-bedroom apartments and approximately 17 two-bedroom apartments), including site amenities and related infrastructure. Project amenities shall also include (i) a rooftop swimming pool; (ii) in-unit washer/dryers, refrigerators, oven/ranges, and microwaves; (iii) structured and surface parking; (iv) elevator-serviced building with secure access and conditioned interior corridors; (v) a fitness center and a game room; and (vi) balconies for each unit.

(c) Developer recognizes, stipulates and agrees that its signage shall be subject to all Applicable Laws and Requirements, and any special use permits granted by the UG's Commission. The UG hereby agrees that it will, to the extent possible, expedite the consideration of Developer's proposed signage and cooperate with Developer to reasonably accommodate Developer's signage requirements.

(d) The Project shall include both surface and structured parking improvements, with approximately 125 stalls of structured parking on the first and second floors of the building, a surface lot with approximately 20 stalls and additional street parking spaces (collectively, the "Parking Improvements"), which Parking Improvements shall in all events contain no less than the number of spaces required by the Applicable Laws and Requirements.

(e) Developer's plans for landscaping on the Project Site shall be considered in accordance with all Applicable Laws and Requirements and approval thereof by the UG will not be unreasonably conditioned, delayed or withheld.

(f) Developer's design, development and construction of the Improvements shall in all respects comply with the Plans and Specifications (as defined in Section 6.2).

(g) The Project described in this Section 2.2 shall not be amended or modified without (i) the prior written consent of the UG, and (ii) full compliance with all Applicable Laws and Requirements.

2.3 Neighborhood Benefit. As a part of the Project, the Developer will work with UG staff to address the issue of traffic, safety, transit enhancements, on-street parking and a revitalized neighborhood gateway for the 6th and Central/6th and Hallock intersections as a proposed neighborhood benefit per the Central Area Master Plan.

2.4 General Agreements. Developer agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents (as defined in the attached Annex 1). The UG agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents.

ARTICLE 3
CONDITIONS

3.1 Conditions. The issuance and delivery to Developer of any public financing contemplated under the terms of this Agreement shall be subject to the following conditions precedent (the "Public Financing Conditions"):

(a) Developer shall close on its acquisition of the Project Site;

(b) Developer shall have obtained preliminary site plan and final plan approval for the Development Plan and any other required approvals for the Project as required by all Applicable Laws and Requirements;

(c) Developer shall provide the UG with evidence of the Private Funds (as defined below) to construct and complete the Project, which evidence of Private Funds shall be reasonably satisfactory to the UG; and

(d) The governing body of the UG shall have approved a Resolution of Intent for the IRB financing described in Section 4.1 below.

(e) Developer has paid the Neighborhood Improvements Contribution as described in Section 8.3 below.

3.2 Termination. In the event that Developer fails to meet the Public Financing Conditions set forth in Section 3.1 above on or prior to September 1, 2023, then either party hereto shall have the right to terminate this Agreement, but any failure to meet any such conditions shall not be an event of default hereunder. Upon any such termination of this Agreement, (i) this Agreement shall terminate, and (ii) except as specifically set forth herein, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all of its costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to that certain Funding Agreement dated as of May 17, 2021, and the provisions of this Agreement, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

3.3 Satisfaction of Conditions. Upon satisfaction of the Public Financing Conditions set forth in Section 3.1 above, the UG shall, at the request of Developer, issue a certificate or a letter confirming and agreeing the Public Financing Conditions have been fully satisfied for purposes of this Agreement, and the parties agree that such Public Financing Conditions shall be deemed to be fully satisfied for all purposes of this Agreement thereafter.

ARTICLE 4
FINANCING — SOURCE OF FUNDS

4.1 Public Financing; Source of Funds. Reference is hereby made to the Total Project Budget attached hereto as **Exhibit G**, and by this reference made a part hereof. The costs of the Project (the "Project

Costs") will be funded in part by the TIF Proceeds, as well as private equity and debt. Developer, using private equity and debt (the "Private Funds"), will initially advance all of the costs for the acquisition, design, development and construction of the Project. Developer, subject to the terms and conditions of this Agreement, shall be reimbursed for certain TIF Eligible Expenses from and to the extent of the TIF Proceeds collected during the Term (defined below in Section 7.1).

4.2 TIF District. It is contemplated by the parties that the Project Costs shall be funded in part by TIF Proceeds. Developer has identified certain Project Costs which may be reimbursed with TIF Proceeds if and to the extent that such Project Costs are related to site improvement and the design and construction costs located within the TIF District, all as specifically identified on **Exhibit G** attached hereto, and are eligible for payment or reimbursement pursuant to the TIF Act (the "TIF Eligible Expenses"). In connection with the TIF District, the parties hereby agree as follows:

(a) Collection of TIF Revenues. For a period of twenty (20) years from the approval of the Project Plan, the UG shall collect Incremental Real Property Taxes as set forth below, unless the TIF District shall be earlier terminated pursuant to the express terms of this Agreement.

(i) Incremental Real Property Taxes. Subject to the terms and conditions of this Agreement and the TIF District Ordinance, the UG hereby agrees that the TIF Eligible Expenses may be financed and reimbursed with TIF Financing (defined below in Section 4.2(b)) from the Incremental Real Property Taxes collected within the Project Area of the TIF District. Pursuant to the provisions of the Project Plan and the TIF Act, including, but not limited to, Section 12-1775(a) of the TIF Act, all real property located within the TIF District is subject to assessment for annual Real Property Taxes. Real Property Taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to pay Real Property Taxes shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer and its successors and assigns in ownership of property in the TIF District. The "Incremental Real Property Taxes" means that amount of Real Property Taxes collected from within the TIF District that exceeds the amount of Real Property Taxes collected from the Base Year Assessed Valuation of the real property within the TIF District. For purposes hereof, the term "Base Year Assessed Valuation" means the $______________________ assessed valuation of all real property within the boundaries of the TIF District on the date of publication of the TIF District Ordinance.

(ii) TIF Fund. During the TIF Collection Period (defined below in Section 4.2(b)(i)), ninety percent (90%) of the Incremental Real Property Taxes generated within the TIF District shall be deposited into a separate fund for TIF Eligible Expenses incurred in connection with the Project (the "TIF Fund"), and the TIF Fund will be established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements.

(iii) TIF Proceeds. An amount equal to ninety percent (90%) of the revenues received from the Incremental Real Property Taxes, less the TIF Administrative Fee (defined below in Section 4.2(d)), constitute the "TIF Proceeds". The TIF Proceeds shall be used to reimburse Developer for the TIF Eligible Expenses for the Project, subject to the limitations in the TIF Act and provided that none of the TIF Proceeds shall be used to pay for anything other than the hard construction costs for the garage improvements described in the TIF Eligible Expenses specifically identified on **Exhibit G** without the prior approval of the UG, in its sole discretion. Any reimbursement of eligible soft costs shown on **Exhibit G** must be specifically approved by the UG's County Administrator after payment of all of the garage hard construction costs.

(b) TIF Financing. Subject to the terms and conditions of this Agreement, the parties hereby agree that the TIF Proceeds shall be disbursed by the UG to Developer from the TIF Fund on a pay-as-you-go basis ("TIF Financing") upon Developer's completion of the Project to reimburse Developer for TIF Eligible Expenses, if and to the extent that: (1) there are sufficient TIF Proceeds in the TIF Fund, (2) Developer has fully satisfied all of the conditions set forth in Section 4.4 below, (3) Developer has not already been reimbursed for TIF Eligible Expenses in an amount equal to the TIF Cap (defined below in Section 4.2(b)(ii)), and (4) the Term has not yet expired and this Agreement has not otherwise been terminated. The parties further agree as follows:

(i) TIF Collection Period. The Incremental Real Property Taxes shall be collected within the TIF District for a period that commences on the date that the Project Plan is approved by the UG's Board of Commissioners up to and concluding upon that date which is the earlier of (x) the date that Developer has been reimbursed for all TIF Eligible Expenses in an amount equal to the TIF Cap, or (y) twenty (20) years from the date that the Project Plan was approved (the "TIF Collection Period"). At the end of the TIF Collection Period, the parties understand and agree that the Developer shall have no further access to such Incremental Real Property Taxes to reimburse or pay for TIF Eligible Expenses. During the twentieth (20^{th}) year of the TIF Collection Period, Developer may, in its sole discretion, prepay its Real Property Taxes.

(ii) TIF Cap. The TIF Proceeds available to Developer for reimbursement of TIF Eligible Expenses through TIF Financing shall in no event exceed $6,000,000 (the "TIF Cap"). The TIF Cap shall, for all purposes set forth herein, operate as a cap on the use of TIF Proceeds for reimbursement to Developer of any of Developer's TIF Eligible Expenses incurred in connection with the Project. Once Developer has received an amount equal to the TIF Cap in reimbursements of TIF Eligible Expenses through TIF Financing, the parties understand and agree that Developer's access to the TIF Financing shall thereafter terminate.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from TIF Financing unless and until the conditions precedent set forth in Section 4.4 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed as provided in this Agreement.

(c) No TIF Bonds. Developer hereby understands and agrees that all reimbursements to Developer hereunder shall be made only from TIF Financing, and nothing in this Agreement shall in any way obligate the UG to issue bonds or other obligations to reimburse Developer for the TIF Eligible Expenses or any other Project Costs.

(d) TIF Administrative Fee. A portion of the Incremental Real Property Taxes shall be used to pay an administrative fee in an amount equal to 1% of such Incremental Real Property Taxes (the "TIF Administrative Fee"). The TIF Administrative Fee shall be due and payable on the date the Incremental Real Property Taxes are received by the UG. Developer hereby understands and agrees that such TIF Administrative Fee shall be withheld by the UG prior to depositing the TIF Proceeds into the TIF Fund. As and when there are sufficient TIF Proceeds to pay the TIF Administrative Fee, the TIF Administrative Fee shall have first priority to available Incremental Real Property Taxes.

4.3 50/50 Limitation. The TIF Proceeds available to Developer for reimbursement of TIF Eligible Expenses at any given time shall be limited to an amount which is equal to one half (1/2) of the amount of Project Costs which have been paid by Private Funds. In other words, the reimbursement of TIF Eligible Expenses from TIF Financing shall be paid on a 50/50 basis between Private Funds and TIF Proceeds available to Developer, and there shall not at any time during the Term be more Project Costs paid with TIF Proceeds than the amount of Project Costs paid by Private Funds (the "50/50 Limitation"). However, the parties understand and agree that for purposes of this provision, the portion of Private Funds which are spent on land acquisition, legal fees, developer fees, and construction contingency shall not be included in the calculation of Private Funds for purposes of calculating the 50/50 Limitation. By way of illustrative example of the 50/50 Limitation, if at a given point in time, Developer has incurred Project Costs (including any TIF Eligible Expenses) equal to $200 (none of which has been reimbursed with TIF Proceeds), then Developer's maximum reimbursement for TIF Eligible Expenses from TIF Financing is $100. However, the parties further understand and agree that if at a given point in time, Developer has incurred $225 of Project Costs, of which $125 are TIF Eligible Expenses and $100 are not TIF Eligible Expenses (and are not land acquisition, legal fees, developer fees, and/or contingency), then: (i) at that particular time, no more than $100 of TIF Eligible Expenses may be reimbursed with TIF Proceeds, but (ii) if Developer later incurs an additional $25 of Project Costs which are paid with Private Funds, then the remaining $25 of TIF Eligible Expenses may be reimbursed with TIF Proceeds. Payment of Project Costs from Private Funds shall be evidenced to the UG as set forth in Section 4.5 below.

4.4 Conditions Precedent to Reimbursements. Developer hereby understands and agrees that even when TIF Proceeds have begun to be collected by the UG, the UG will hold and not disburse to Developer any reimbursements for TIF Eligible Expenses from TIF Financing, unless and until the conditions precedent set forth below have been fully satisfied as determined by UG in its sole reasonable discretion:

(a) The UG has approved Certificate(s) of Expenditures for such TIF Eligible Expenses;

(b) Developer shall have completed and opened the Project; and

(c) Developer shall be in full compliance with the terms and conditions of this Agreement and shall not be in default hereunder, nor shall there be conditions, actions or omissions of Developer which will, with the passage of time, become occurrences of default hereunder.

4.5 Certificate(s) of Expenditures for Reimbursement from TIF Proceeds. The parties hereby agree as follows:

(a) Certificate of Expenditures. In order to receive payment or reimbursement for TIF Eligible Expenses from TIF Financing, Developer shall submit a certificate of expenditures in the form attached hereto as **Exhibit H** (each, a "Certificate of Expenditures") attesting to the expenditure of Project Costs in accordance with the procedure set forth below. Developer may submit a separate Certificate of Expenditures each month, but no more than one time per month, for the TIF Fund. Additionally, Developer shall require that no transferee, purchaser, or lessee of any portion of the Project Site otherwise provide Certificate(s) of Expenditures to the UG.

(b) Procedures for Certification of Expenditures. The UG or a representative of the UG shall review the Certificate(s) of Expenditures to be made in connection with the Project Costs for approval or denial of the same as follows:

(i) Developer shall submit to the UG a Certificate of Expenditures setting forth the amount for which certification is sought and identification of the relevant TIF Eligible Costs for payment of such TIF Eligible Expenses. Developer shall certify to the UG that it shall only use the TIF Proceeds for the designated TIF Eligible Expenses described in the Certificate of Expenditures.

(ii) Each Certificate of Expenditures shall be accompanied by an accounting of the Private Funds paid to date, along with supporting documentation therefor.

(iii) Each Certificate of Expenditures shall be accompanied by such bills, contracts, invoices, lien waivers and other evidence as the UG shall reasonably require to document appropriate payment.

(iv) The Certificate of Expenditures shall be accompanied by a report regarding any LBE/MBE/WBE participation associated with the costs requested for payment or reimbursement in the Certificate of Expenditures.

(v) The UG reserves the right to, at reasonable times and upon reasonable notice, have its engineer or other agents, consultants or employees inspect all the items set forth in Section 4.5(b)(iii) above as reasonably necessary to determine that the expenses therein are valid, eligible and properly incurred and constitute TIF Eligible Expenses.

(vi) The UG shall have forty-five (45) calendar days after receipt of any Certificate of Expenditures to review and respond by written notice to Developer. If the UG disapproves of the Certificate of Expenditures, the UG shall notify Developer in writing of the reason for such disapproval within such forty-five (45) day period, in which event Developer shall have the right to revise and re-submit the Certificate of Expenditures to address the UG's reason for disapproval, and the UG will review and approve the revised Certificate of Expenditures within thirty (30) calendar days after receipt of the re-submitted Certificate of Expenditures. Approval of any Certificate of Expenditures will not be unreasonably withheld, conditioned, or delayed.

(c) Third Party Oversight/Management. The parties hereby understand and agree that the process to approve Certificate(s) of Expenditures and properly disburse the TIF Proceeds is important to the UG and Developer for various reasons. Accordingly, the parties hereby understand and agree that the UG may retain outside third party representatives, at Developer's expense, to manage and/or provide oversight to this process and Developer hereby agrees to fully cooperate with any such third party representatives in this process; provided however that the Developer shall have a right to review and reasonably approve the cost proposal for any such outside third party representatives.

4.6 Reimbursement Priority. All payments or reimbursements of whatever kind from the UG to Developer under this Agreement shall be made in the following priority:

(a) First, to the UG, to the extent permitted by Applicable Laws and Requirements, as payments by Developer for any amounts due and owing to the UG; provided, however, that the UG shall first provide Developer with advance written notice specifying the amount(s) in question, and afford Developer a period of ten (10) days following its receipt of such notice in which to pay such amount(s) from Private Funds, including, without limitation: (i) all amounts delinquently due or owing, including all taxes, fees, or fines and including any interest and penalty thereon, by Developer to the UG under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; (ii) all actual out of pocket costs incurred (and any interest or penalty thereon) by the UG (in excess of what has been then deposited with the UG by Developer pursuant to the Funding Agreement described in Section 3.2 above) in entering into, operating under, or enforcing this Agreement, including reasonable attorneys' fees, and all costs of pursuit of Developer (or any Affiliate); (iii) indemnification of the UG for any indemnity obligation owed by Developer (or any Affiliate) to the UG, and any interest or penalty thereon; and (iv) any reimbursement due to the UG on account of any prior overpayment or over-reimbursement to Developer under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; and

(b) Second, to Developer for actual amounts to which Developer is entitled by the other provisions of this Agreement.

ARTICLE 5
INDUSTRIAL REVENUE BONDS FOR SOLE PURPOSE OF ABATEMENT OF SALES TAX ON CONSTRUCTION MATERIALS

5.1 Industrial Revenue Bonds. Subject to all Applicable Laws and Requirements, and subject further to compliance by Developer with all UG requirements, including all ordinances and policies of the UG regarding deadlines, for the issuance of industrial revenue bonds ("IRBs"), it is the UG's present intention that Developer may use IRB financing to obtain an exemption on sales taxes levied by Kansas governmental entities for construction materials, equipment, labor and furnishing for the Project. The Parties hereby understand and agree that, for purposes of the IRB financing agreed to and provided for in this Section 5.1, the IRBs shall not be used for abatement of ad valorem taxes for the Project or the Project Site.

5.2 Redemption of IRBs. Developer hereby understands and agrees that the IRBs for the Project shall be redeemed and paid in full within twelve (12) months from the date of completion of the Improvements. If Developer fails (at no fault of the UG) to obtain the issuance of any IRBs within twelve (12) months after the resolution of intent approving them is made effective, then the Developer will be deemed to have waived all rights to seek or obtain any IRBs related to any Improvements.

5.3 Resolution of Intent. Upon Developer's request, and subject to all Applicable Laws and Requirements, the UG will advance a resolution of intent for IRBs, which resolution of intent will be advanced to the Governing Body for consideration and approval or disapproval, or approval upon conditions as required by the Governing Body in its sole discretion. In the event of approval, the UG will promptly apply to the State of Kansas for a Project Exemption Certificate for the Project, with an expiration no later than the estimated time for completion of construction.

ARTICLE 6
CONSTRUCTION OF IMPROVEMENTS AND INFRASTRUCTURE IMPROVEMENTS

6.1 Design Professionals. Developer shall select such architects, engineers and other design professionals and consultants as are necessary to provide construction documents and construction oversight services for the Improvements. All agreements respecting architectural and engineering services shall be between Developer and such Persons, and a copy of each such agreement shall be timely provided to the UG upon a request for the same.

6.2 Design and Plans and Specifications. Developer shall, as soon as practicable, provide the UG with plans and specifications for the Improvements (the "Plans and Specifications"), which Plans and Specifications shall include cost estimates for the Improvements, the design of which is compatible with the Development Plan, and all Applicable Laws and Requirements. Developer recognizes, stipulates and agrees that the Plans and Specifications will be presented to and subject to approval by the appropriate Government Authorities. Without the prior written approval of the appropriate Government Authorities, there shall be no Material Changes to the Plans and Specifications subsequent to the initial approval.

6.3 General Contractor and Construction Documents. Developer shall select a general contractor (the "General Contractor") for the Improvements. Developer represents that its construction documents relative to the Improvements (the "Construction Documents") will require and provide for: (a) the design, development, construction, equipping and completion of the Improvements in accordance with the Development Plan, the Plans and Specifications and all Applicable Laws and Requirements; (b) a guaranteed maximum price; (c) guaranteed Substantial Completion not later than the Completion Date set forth in Section 6.10 (with liquidated damages for failure); and (d) surety of performance and labor and material payment bonds in the full amount of the Construction Documents. Developer shall, as soon as practicable, provide the UG with a copy of the Construction Documents.

6.4 Changes or Amendments. Developer shall promptly deliver to the UG copies of all change orders or other changes or amendments to the Construction Documents. Developer agrees with the UG that (a) it will perform its duties and obligations under the Construction Documents and (b) enforce the obligations of all other parties thereunder.

6.5 Responsibility for Design and Construction. Developer shall, subject to the terms of this Agreement and the Development Plan, have the sole right, and the responsibility, to design, manage, operate and construct the Project. Developer shall receive no separate fee from the UG for acting as construction manager or developer of the Project.

6.6 Payment and Performance Bonds. The General Contractor shall be required under the Construction Documents to furnish and maintain in full force and effect performance and labor and material payment bonds in the full amount of the Total Project Costs, as set forth in the Construction Documents. Said bonds shall be in form and substance and issued by a corporate surety satisfactory to Developer and the UG.

6.7 Permits and Reviews. Developer hereby recognizes, stipulates and agrees (a) that in the design, construction, completion, use or operation of the Improvements, Developer, or its General Contractor, shall procure and pay for any and all permits, licenses or other forms of authorizations that are, from time to time, required; and (b) that nothing herein shall be construed as any release by the UG of the responsibility of Developer to comply with, and satisfy the requirements of, all Applicable Laws and Requirements.

6.8 Periodic Meetings with Developer. From the Effective Date until Substantial Completion of the Improvements, Developer hereby agrees to meet with the UG at such intervals as Developer, the UG and any such designee of the UG shall mutually agree or reasonably request, and not more frequently than monthly, to review and discuss the design, development and construction of the Improvements and the Project.

6.9 Commencement Date. Developer hereby agrees that, subject only to Force Majeure, Developer shall commence construction of the Improvements described in Section 2.2 on or before September 1, 2023. For purposes hereof, the words "commence construction" shall be deemed to mean the issuance of a building permit for the Improvements and Developer's undertaking of a program of construction which is continuously pursued to completion.

6.10 Completion Date. Developer hereby agrees that, subject only to Force Majeure, Developer shall Substantially Complete construction of the Improvements described in Section 2.2(a) on or before September 1, 2025.

ARTICLE 7
USE AND OPERATION

7.1 Term. The Term of this Agreement shall commence on the Effective Date and shall expire on that date which is the later of: (a) the last day of the TIF Collection Period, or (b) twenty (20) years from the Effective Date of this Agreement (the "Term").

7.2 Use and Operation. Developer covenants that at all times during the Term, it will, at its expense:

(a) Use the Project only for the Permitted Uses.

(b) Conduct its business at all times in a dignified quality manner and in conformity with the first-class industry standards and in such manner as to help establish and maintain a high reputation for the Project.

7.3 Development Plan. During the Term, Developer agrees that it shall perform and comply with each and all of the terms and provisions of the Development Plan and not suffer or permit any default or breach of any such terms or provisions of the Development Plan.

7.4 Maintenance and Use. During the Term, Developer shall cause the Project, and all parts thereof, the Project Site and all other of its property used or useful in the conduct of its business and operations on the Project Site, to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other first-class apartment space in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Developer may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with all Applicable Laws and Requirements and the Development Plan, and as long as the same do not materially adversely affect Developer's ability to perform its obligations under this Agreement. Developer agrees to set aside on its books such reserves for future maintenance and capital expenditures.

7.5 Compliance. Developer shall conduct its affairs and carry on its business and operations in such a manner as to comply with all Applicable Laws and Requirements, and to observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Government Authorities applicable to the conduct of its business and operations and the ownership of the Project; provided, however, that nothing contained in this Agreement shall require Developer to comply with, observe and conform to any such law, order, regulation or requirement of any Government Authorities so long as the validity thereof shall be contested by Developer in good faith by appropriate proceedings, and provided that Developer shall have set aside on its books adequate reserves in accordance with GAAP or secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of Developer to meet its obligations under this Agreement. Developer agrees to promptly pay any and all fees and expenses associated with any safety, health or other inspections required under this Agreement or imposed by Applicable Laws and Requirements, unless contested in good faith with the assurances provided in the preceding sentence.

7.6 Payment of Taxes and Other Charges. During the Term, Developer shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon Developer or the Project or any part thereof or upon any income therefrom, including, but not limited to, any taxes, assessments or other governmental charges levied, assessed or imposed on the Project, the Project Site, and/or the Improvements. Ad valorem property taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to make ad valorem property tax payments shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer and its successors and assigns in ownership of property on the Project Site. Additionally, Developer hereby understands and agrees that if Developer shall fail to timely pay its ad valorem property taxes as set forth herein, that Developer's access to the IRB financing described in Article 4 hereof shall be suspended until such taxes are paid in full.

7.7 Payment of Obligations. During the Term, Developer shall promptly pay or otherwise satisfy and discharge all of its obligations and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to perform its obligations under this Agreement nor subject any material part of the Project to loss or forfeiture.

7.8 Liens and Encumbrances. During the Term, except for Permitted Mortgages, Developer shall not create or incur or permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Project, or any part thereof, and shall promptly cause to be discharged, challenged or terminated all mortgages, liens, security interests, charges and encumbrances that are not Permitted Encumbrances or a Permitted Mortgage. Notwithstanding the foregoing, any Permitted Mortgage shall be subject to the terms and conditions of this Agreement, including without limitation, Section 7.2 of this Agreement.

7.9 Licenses and Permits. During the Term, Developer shall procure and maintain all licenses and permits, and allow all inspections and/or investigations required by Applicable Laws and Requirements or otherwise necessary in the operation of its business and affairs in, on or about the Project.

7.10 Insurance. During the Term, Developer shall maintain or cause to be maintained insurance with respect to the Project and operations covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation, general liability and employee dishonesty) and in such amounts as, in the reasonable judgment of the UG, are adequate to protect Developer, the UG and the Project, but in no event in an amount less than that required by the Insurance Specifications attached hereto as **Exhibit I**, and made a part hereof, or as otherwise required by the terms of the Transaction Documents. Each policy or other contract for such insurance shall (i) name the UG as an additional insured (with respect to liability insurance and only in an amount equal to Five Hundred Thousand Dollars ($500,000)), and (ii) contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least thirty (30) days after written notice of cancellation to Developer and each other insured, additional insured, loss payee and mortgage payee named therein. The rights of the UG to any insurance proceeds shall be subject and subordinate to the rights of any Permitted Mortgagee.

7.11 Damage, Destruction or Condemnation.

(a) In the event of damage to or destruction of any portion of the Project resulting from fire or other Casualty during the Term, or in the event any portion of the Improvements is condemned or taken for any public or quasi-public use or title thereto is found to be deficient during the Term, the net proceeds of any insurance relating to such damage or destruction, the net proceeds of such condemnation or taking or the net proceeds of any realization on title insurance shall be paid into, and used in accordance with a construction escrow agreement for restoration, repair and/or replacement of the Project which is satisfactory to the UG, Developer and any Permitted Mortgagee ("Casualty Escrow").

(b) If at any time during the Term, title to the whole or substantially all of the Project shall be taken in condemnation proceedings or by right of eminent domain, Developer, at its sole discretion, may terminate this Agreement as of the date of such taking. For purposes of this Section 7.11(b), "substantially all of the Project" shall be deemed to have been taken if the UG and Developer, each acting reasonably and in good faith, determine that the untaken portion of the Project, including the Parking Improvements, cannot be practically and economically used by Developer for the purposes and at the times contemplated by this Agreement.

(c) In the event of condemnation of less than the whole or substantially all of the Project during the Term, Developer, at its sole cost and expense, shall commence and thereafter proceed as promptly as possible to repair, restore and replace the remaining part of the Project, as nearly as possible, to their former condition, and shall be entitled to draw upon the Casualty Escrow for payment of said costs.

7.12 Indemnity. Developer shall pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense arising out of (a) the acquisition of the Project Site; (b) the design, construction and completion of the Project by Developer; (c) the use or occupation of the Project by Developer or anyone acting by, through or under it; (d) damage or injury, actual or claimed, of whatsoever kind or character occurring to persons or property occurring or allegedly occurring in, on or about the Project; (e) any breach, default or failure to perform by Developer under this Agreement; and (f) any act by an employee of the UG at the Project Site which are within or under the control of Developer. Developer shall also pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Developer in any action or proceeding brought by reason of any such claim, demand, expense, penalty or fine. If any action or proceeding is brought against the UG or its governing board members, directors, officers, employees or agents by reason of any such claim or demand, Developer, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the UG or its governing body members, directors, officers, employees or agents. Notwithstanding the foregoing, no party benefited by this indemnity shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by the said party's own respective willful and malicious acts or omissions or gross negligence. The foregoing covenants contained in this Section 7.12 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument.

7.13 Prohibition on Sales, Etc. Except for Permitted Encumbrances and Permitted Mortgages and as otherwise provided herein, during the Term, Developer will not, without the prior written consent of the UG, (a) assign, sell, lease, mortgage or otherwise transfer the Project Site, the Improvements or equipment that comprise the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this

Agreement. Any such assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG shall be an "Approved Assignment" and the assignee, purchaser, lessee, mortgagee or transferee shall be an "Assignee." The UG shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of adequate information to the UG as to whether the proposed Assignee has sufficient financial net worth and experience to successfully complete and operate the Project according to the terms and conditions of this Agreement. If there is an Approved Assignment, the Assignee shall assume and agree to pay and perform each and all of terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree that Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without the prior written approval of the UG, make leases of the residential units, storage areas and parking spaces within the Project.

7.14 Access. During the Term and subject to the privacy rights of tenants, Developer hereby recognizes, acknowledges and agrees that the UG, and its duly authorized representatives and agents, shall have the right to enter the Project at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or, to the extent Developer has failed to cure any breach within applicable notice and cure periods, to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the operation of the Project. Except as otherwise provided in this Agreement, the UG shall pay all costs it incurs under this provision. Nothing contained in this Section 7.14 shall restrict or impede the right of the UG to enter the Project pursuant to any Applicable Laws and Requirements.

7.15 Environmental Matters. Developer hereby agrees that by Closing on the transactions contemplated by this Agreement, Developer shall assume responsibility for the costs of any remediation of any environmental conditions upon the Project Site. Further, Developer shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Project in violation of any Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulations; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation; and shall comply with all other Environmental Regulations which are applicable to the Project. Developer shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees incurred by the UG (prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Project, whether or not Developer is responsible therefor, it being the intent of Developer and the UG that the UG shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances, which arises subsequent to Closing. The foregoing covenants contained in this Section 7.15 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate plus 2%, or, if less, the maximum rate permitted by law, and shall be payable on demand.

7.16 Power of the UG. Notwithstanding anything set forth herein to the contrary, no provision contained herein shall in any manner diminish or usurp the inherent rights and powers of the UG to act in its capacity as a public body. Further, nothing herein shall relieve Developer from complying with all Applicable Laws and Requirements.

ARTICLE 8
SPECIAL PROVISIONS

8.1 Special Agreements of Developer.

(a) Developer recognizes, stipulates and agrees that it will actively market and advertise the Project in the Kansas City Metropolitan area and regionally.

(b) During the Term, Developer agrees to actively participate in the civic, charitable, educational, philanthropic and economic development of the Kansas City, Kansas/Wyandotte County community in activities of its choice. Without limiting the generality of the foregoing, Developer specifically agrees that during the Term, Developer shall be an active, dues-paying member in good standing with the KCK Area Chamber of Commerce and the Wyandotte Economic Development Corporation.

8.2 LBE/MBE/WBE Employment Opportunity Goals. Developer agrees to comply with the goals set forth on **Exhibit J**, attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses. In the event Developer shall fail to meet the LBE/MBE/WBE goals set forth on **Exhibit J** for the Project, then the TIF Cap described in Section 4.2(b)(ii) hereof shall be reduced by twenty percent (20%).

8.3 Contribution for Neighborhood Improvements. On or before the Commencement Date described in Section 6.9 above, Developer shall make a contribution to the UG in the amount of $350,000, to be used by the UG, in its sole discretion, to make improvements in, to and around the intersection of 6th and Central Avenue, including traffic-calming improvements ("Neighborhood Improvements Contribution").

ARTICLE 9
DEFAULT AND REMEDIES

9.1 Default Provisions. Developer shall be in default under this Agreement if:

(a) Developer fails to make any of the payments of money required by the terms of this Agreement or any of the Transaction Documents, and Developer fails to cure or remedy the same within twenty (20) days after the UG has given Developer written notice specifying such default; or

(b) Developer fails to keep or perform any covenant or obligation herein contained on Developer's part to be kept or performed, and Developer fails to remedy the same within sixty (60) days after the UG has given Developer written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by Developer within such period and diligently pursued until the default is corrected; or

(c) Developer or any Affiliates of Developer shall file a voluntary petition under any bankruptcy law or an involuntary petition under any bankruptcy law is filed against any such party in a court having jurisdiction and said petition is not dismissed within sixty (60) days; or Developer or any Affiliates of Developer generally is not paying its debts as such debts become due; or Developer or any Affiliate of Developer makes an assignment for the benefit of its creditors; or a custodian, trustee or receiver is appointed or retained to take charge of and manage any substantial part of the assets of Developer, or any Affiliates of Developer and such appointment is not dismissed within sixty (60) days; or any execution or attachment shall issue against Developer whereupon the Project, or any part thereof, or any interest therein of Developer under this Agreement shall be taken and the same is not released prior to judicial sale thereunder (each of the events described in this subparagraph being deemed a default under the provisions of this Agreement); or

(d) Developer breaches the representations and warranties set forth in this Agreement and fails to cure or correct same within fifteen (15) days of written notice from the UG.

In the event of such default, the UG may take such actions, or pursue such remedies, as exist hereunder, or at law or in equity, and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the successful enforcement of such actions or remedies.

9.2 Rights and Remedies. Upon the occurrence and continuance of a Developer default, the UG shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(a) Whenever any default by Developer shall have occurred and be continuing, subject to applicable cure periods as set forth above, the UG may (i) refuse to approve any further Certificate of Expenditures or make any further reimbursements of TIF Proceeds unless and until such default is cured by the Developer, and/or (ii) terminate Developer's access to the TIF Financing and/or the IRB financing described in Section 5.1 hereof, and/or (iii) terminate the TIF and/or IRBs, and/or (iii) terminate this Agreement, including Developer's rights in and access to the TIF and IRB financing, (iv) exercise any remedies provided to the UG under the Transaction Documents. The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions.

(b) The UG may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the specific performance of the duties and obligations of the Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the UG under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the UG resulting from such Developer default. Without limiting the foregoing, the Developer shall not be compelled by specific performance to construct the Project, or the Improvements.

(c) In the event of such default by Developer, the UG may take such actions, or pursue such remedies, as exist hereunder or at law or in equity and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the successful enforcement of such actions or remedies.

(d) The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions. If a default by Developer occurs under this Agreement and is continuing, the UG may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by Developer of any provision of this Agreement. Except as provided in the last sentence of subsection (b) above, the UG shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Failure by the UG to enforce any such rights shall not be deemed a waiver thereof. Under no circumstances shall Developer be liable for punitive, remote or consequential damages.

9.3 Default by the UG. The UG shall be in default under this Agreement if the UG fails to keep or perform any covenant or obligation herein contained on the UG's part to be kept or performed, and the UG fails to remedy the same within thirty (30) days after Developer has given the UG written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by the UG within such period and diligently pursued until the default is corrected. If a default by the UG occurs under this Agreement and is continuing, Developer may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by the UG of any provision of this Agreement, however, the UG's liability for monetary amounts shall be limited to the actual amount, if any, in question, and under no circumstances shall the UG be liable for any remote or consequential damages. Developer shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceedings in equity. Under no circumstances shall the UG be liable for punitive, remote or consequential damages.

ARTICLE 10
MISCELLANEOUS

10.1 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

10.2 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, strikes, lockouts, unavailability of sufficient trade laborers, materials, or financing due to global pandemic, such as COVID-19, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate Government Authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the UG to timely approve the Plans and Specifications, the Construction Documents, war terrorism or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Except with respect to the unavailability of financing due to COVID-19 or a similar global pandemic, the provisions of this Section 10.2 shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

10.3 Covenants of Parties.

(a) Representations and Warranties of Developer. Developer represents and warrants to the UG as follows:

(i) Organization. Developer is a limited liability company duly formed and validly existing under the laws of the State of Missouri. Developer is duly authorized to conduct business in each other jurisdiction in which the nature of its properties or its activities requires such authorization. Developer shall (1) preserve and keep in full force and effect its corporate or other separate legal existence and (2) remain qualified to do business and conduct its affairs in the State and each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification.

(ii) Authority. The execution, delivery and performance by Developer of this Agreement are within Developer's powers and have been duly authorized by all necessary action of Developer.

(iii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the organizational documents of Developer or any provision of law, statute, rule or regulation to which Developer is subject, or to any judgment, decree, license, order or permit applicable to Developer, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which Developer is a party, by which Developer is bound, or to which Developer is subject.

(iv) No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by Developer of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by Developer of this Agreement or the consummation of the transactions contemplated hereby except for zoning, building and other customary permits to be obtained from the UG or other Government Authorities.

(v) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with the terms hereof.

(b) Representations and Warranties of the UG. The UG represents and warrants to the Developer as follows:

(i) Authority. The execution, delivery and performance by the UG of this Agreement are within its powers and have been duly authorized by all necessary action.

(ii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the ordinances, rules, regulations of the UG or the laws of the State nor result in a breach, conflict with or be inconsistent with any terms, covenants, conditions or provisions of any indenture, agreement or other instrument by which the UG is bound or to which the UG is subject.

(iii) No Consents. Other than the Commission's approval of this Agreement on or before the Effective Date, no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by the UG of this Agreement. Except as set forth in Section 3.1(c) hereof, no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by the UG of this Agreement or the consummation of the transactions contemplated hereby.

(iv) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of the UG enforceable against the UG in accordance with its terms.

10.4 Amendments. This Agreement may be amended, changed or modified only by a written agreement duly executed by the UG and Developer.

10.5 Construction and Enforcement. This Agreement shall be construed and enforced in accordance with the laws of the State.

10.6 Invalidity of Any Provisions. If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

10.7 Headings. The Article and Section headings shall not be treated as a part of this Agreement or as affecting the true meaning of the provisions hereof.

10.8 Execution of Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

10.9 Time. Time is of the essence in this Agreement.

10.10 Consents and Approvals. Wherever in this Agreement it is provided that the UG or Developer shall, may or must give its approval or consent, the UG or Developer shall not, unless specifically herein provided otherwise, unreasonably withhold, condition, delay or refuse to give such approvals or consents. It is agreed, however, that the sole right and remedy for Developer or the UG in any action concerning the other's reasonableness will be action for declaratory judgment and/or specific performance, and in no event shall either such party be entitled to claim damages of any type or nature in any such action.

10.11 Notices. All notices required or desired to be given hereunder shall be in writing and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered for all purposes if (i) delivered by nationally recognized overnight delivery service; (ii) delivered by electronic mail (with follow up within one (1) business day by United States Mail or by nationally recognized overnight delivery service); or (iii) delivered in person, in each case if addressed to the parties set forth below:

To the UG as follows:

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

with a copy to:

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

And a copy to:

County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, 9th Floor
Kansas City, Kansas 66101
Telephone: 913-573-5030
Email: ____________________________

And a copy to:

Todd A. LaSala, Esq.
Stinson LLP
1201 Walnut Street, Suite 2900
Kansas City, Missouri 64106
Telephone: 816-842-8600
Email: todd.lasala@stinson.com

To Developer as follows:

Mark Moberly
Sunflower Development Group, LLC
1125 Grand Boulevard, Suite 202
Kansas City, MO 64106
Telephone: (816) 581-3997
Email: mmoberly@sunflowerkc.com

with a copy to:

Pete Heaven, Esq.
Spencer Fane LLP
6201 College Boulevard, Suite 500
Overland Park, Kansas 66211
Telephone: (913) 327-5166
Email: pheaven@spencerfane.com

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

10.12 Entire Agreement. Together with the Exhibits hereto, this Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces all prior oral or written agreements concerning the subject matter hereof.

10.13 Run with the Land. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, successors and assigns and shall run with the land. However, Developer shall remain liable in the event of a violation of any of the terms or restrictions set forth in Sections 7.8 and 7.13 hereof. At Closing, the parties shall record a memorandum describing this Agreement in the land records of Wyandotte County, Kansas.

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

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

UG:

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:______________________________
David Alvey, Mayor/CEO

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ____________________, 2022, by Tyrone Garner as Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas.

____
Printed Name: _____________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires

____

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

DEVELOPER:

SUNFLOWER DEVELOPMENT GROUP, LLC

By:____________________________________

Name:__________________________________

Title:___________________________________

STATE OF _________________)
) SS.
COUNTY OF _______________)

This instrument was acknowledged before me on ____________________, 2022 by __________________________, as ____________________ of Sunflower Development Group, LLC, a Missouri limited liability company.

____
Printed Name: _____________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires

____

ANNEX 1
DEFINITIONS

"Affiliate" means any person, entity or group of persons or entities which controls Developer, which Developer controls or which is under common control with Developer. As used herein, the term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Development Agreement for 505 Central by and between the UG and Developer.

"Applicable Laws and Requirements" shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by Government Authorities, and all requirements of any insurers. Applicable Laws and Requirements shall include, without limitation, the Development Plan, the Kansas Cash Basis Law (K.S.A. 10-1100 et seq.) and Budget Law (K.S.A. 75-2935 *et seq.*).

"Approved Assignment" means any assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG pursuant to Section 7.13.

"Assignee" means the assignee, purchaser, lessee, mortgagee, or transferee of an Approved Assignment pursuant to Section 7.13.

"Base Year Assessed Valuation" means the assessed valuation of all real property within the boundaries of the TIF District on the date of publication of the TIF District Ordinance, as described in Section 4.2(a)(i).

"Casualty" means any fire, storm, earthquake, tornado, flood or natural disaster or other sudden, unexpected or unusual cause of damage or destruction.

"Casualty Escrow" means the net proceeds of any insurance relating to damage or destruction of any portion of the Improvements, the net proceeds of condemnation or taking of any portion of the Improvements, or the net proceeds of any realization on title insurance paid into, and used in accordance with, a construction escrow agreement for restoration, repair and/or replacement of the Project which is satisfactory to the UG, Developer, and Permitted Mortgagee, as described in Section 7.11(a).

"Certificate of Expenditures" means those certain certificates submitted by Developer in accordance with Section 4.5(a) and on the form set forth in **Exhibit H**.

"Closing" means the date on which Developer shall close on the acquisition of the Project Site.

"Commencement Date" means the applicable date identified for commencement of construct of the Improvements, as described in Section 6.9.

"Completion Date" means the applicable date identified for completion of construction of the Improvements, as described in Section 6.10.

"Construction Documents" means the Developer's construction documents relative to the Improvements, as described in Section 6.3.

"Current Owner" means Skyline Property Development, a Missouri limited liability company.

"Developer" means Sunflower Development Group, LLC, a Missouri limited liability company.

"Development Plan" means the plan for the Improvements agreed to by Developer and the UG, as described in Section 2.2.

"Effective Date" means the date of this Agreement first above written.

"Environmental Regulation" means any and all present and future laws, statutes, ordinances, rules, regulations and orders of any Government Authorities having jurisdiction over the parties hereto or any portion of the Project Site and pertaining to the protection of human health, hazardous substances, pollution, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and as the same may be further amended from time to time (hereinafter collectively called "CERCLA").

"50/50 Limitation" means the limitation on the reimbursement to Developer of TIF Eligible Expenses from TIF Financing, as described in Section 4.3.

"Funding Agreement" means that certain Funding Agreement between the UG and the Developer dated as of May 17, 2021, as described in Section 3.2.

"Force Majeure" is defined in Section 10.2.

"GAAP" means generally accepted accounting principles.

"General Contractor" means the general contractor(s) selected by Developer for the Improvements, as described in Section 6.3.

"Government Authorities" shall mean any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise), whether now or hereafter in existence.

"Hazardous Substance" means any substance that is defined or listed as a hazardous or toxic substance and which is regulated as such or may form the basis of liability under any present or future Environmental Regulations, or that is otherwise prohibited or subject to investigation or remediation under any present or future Environmental Regulations because of its hazardous, toxic, or dangerous properties, including, without limitation, (i) any substance that is a "hazardous substance" under CERCLA, and (ii) petroleum, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), only to the extent that the constituents of such synthetic gas are released or threatened to be released into the environment.

"Improvements" means those certain improvements to be constructed in the Project, as described in Section 2.2.

"Incremental Real Property Taxes" means that amount of Real Property Taxes collected from within the TIF District that is in excess of the amount of Real Property Taxes collected from the Base Year Assessed Valuation of the real property within the TIF District, as described in Section 4.2(a)(i).

"Insurance Specifications" means the insurance requirements on Developer in connection with the Project as generally described in Section 7.10 and more fully set forth in **Exhibit I**.

"IRB" means industrial revenue bond financing pursuant to K.S.A. 12-1741 *et seq.*

"Material Changes" means any substantial change to any agreement, plan or other document referred to herein, which change would require changes to Developer's permits or approval of the appropriate Government Authorities or is required by Applicable Laws and Requirements.

"Neighborhood Improvements Contribution" means that certain contribution made by the Developer to the UG as described in Section 8.3, to be used by the UG to make improvements in, to and around the Central Avenue corridor adjacent to and surrounding the Project for the benefit of the local community.

"Parking Improvements" means any parking improvements provided for in Section 2.2(d).

"Permitted Encumbrances" means any liens, restrictions, claims, easements, rights-of-way, encroachments, reservations, or other matters or encumbrances affecting the Project Site, which are acceptable to Developer in its sole discretion.

"Permitted Mortgage" means any mortgage placed on the Project Site or any part thereof in connection with any construction or permanent financing of the Project.

"Permitted Mortgagee" means the holder of the Permitted Mortgage.

"Permitted Uses" means a multi-family residential apartment building, including amenities and related infrastructure, as described in Section 2.2.

"Person" shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government or other entity.

"Plans and Specifications" means those plans and specifications for the Improvements, as described in Section 6.2.

"Private Funds" means the Developer's private equity and debt used to pay the costs for the design, development and construction of the Project, as described in Section 4.1.

"Prime Rate" means the rate of interest announced from time to time by Security Bank of Kansas City, or any successor to it. If such bank, or any successor to it, ceases to announce a prime rate, the UG shall designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

"Project" means the design, development, and construction of certain Improvements on the Project Site for use as apartment buildings and related amenities, as described in Recital A and Section 2.2.

"Project Area" means the single project area included in the TIF District, as described in Recital D.

"Project Costs" means the costs of acquiring, designing, developing, constructing and completing the Project, as described in Section 4.1 and **Exhibit G**.

"Project Plan" means the Developer's Redevelopment Project Plan for the TIF District approved and adopted by the UG pursuant to the TIF Project Plan Ordinance, as described in Recital D.

"Project Site" means the real property described in Recital A, as legally described on **Exhibit A** and as generally depicted on **Exhibit B**.

"Public Financing Conditions" means the conditions precedent to the issuance and delivery to Developer of any public financing contemplated under the terms of the Agreement, as described in Section 3.1.

"Real Property Taxes" means all taxes levied on an ad valorem basis upon land and Improvements within the TIF District, as described in Section 4.2(a)(i).

"Resolution of Intent" means that certain resolution of intent indicating the UG's intention to grant to Developer IRBs, as described in Section 5.3.

"State" means the State of Kansas.

"Substantial Completion" or **"Substantially Complete"** means the stage in the progress of the construction of the Project, or as to any particular portion thereof, when construction is sufficiently complete so that the Project or such particular portion can be occupied or utilized for its intended use (which shall be evidenced by the receipt a temporary certificate of occupancy).

"Term" means the term of this Agreement as set forth in Section 7.1.

"TIF" means tax increment financing.

"TIF Act" means K.S.A. 12-1770 *et seq*., as amended.

"TIF Administrative Fee" means the annual administrative fee for the TIF Fund, as described in Section 4.2(d).

"TIF Cap" means the limitation of TIF Proceeds available to Developer for reimbursement of TIF Eligible Expenses through TIF Financing, as described in Section 4.2(b)(i).

"TIF Collection Period" means the period which commences on the date that the Project Plan is approved by the UG's Board of Commissioners up to and concluding upon that date which is the earlier of (x) the date that Developer has been reimbursed for all TIF Eligible Expenses in an amount equal to the TIF Cap, or (y) twenty (20) years from the date that the Project Plan was approved, as described in Section 4.2(b)(i).

"TIF District" means the TIF District established by the UG pursuant to the TIF District Ordinance and TIF Act, as described in Recital C, legally described in **Exhibit A** and generally depicted on **Exhibit B**.

"TIF District Ordinance" means Ordinance No. O -_________ passed by the UG pursuant to the TIF Act on or about _______________, 2022 to approve the TIF District, as described in Recital C and a copy of which is attached hereto as **Exhibit C**.

"TIF Eligible Expenses" means those certain Project Costs identified by Developer which may be reimbursed with TIF Proceeds if and to the extent that such Project Costs are related to site improvement and the design and construction costs located within the TIF District, agreed upon by the parties and identified on **Exhibit G**, and eligible for payment or reimbursement pursuant to the TIF Act, as described in Section 4.2.

"TIF Financing" means the TIF Proceeds to be disbursed by the UG to Developer from the TIF Fund on a pay-as-you-go basis, as described in Section 4.2(b).

"TIF Fund" means the separate fund and account established by the UG for collection of the TIF Proceeds collected within the TIF District, as described in Section 4.2(a)(ii).

"TIF Proceeds" means the revenues received from the Incremental Real Property Taxes, less the TIF Administrative Fee, as described in Section 4.2(a)(iii).

"TIF Project Plan Ordinance" means Ordinance No. O -_________ passed by the UG pursuant to the TIF Act on or about _______________, 2022to approve the Project Plan, as described in Recital D and a copy of which is attached hereto as **Exhibit E**.

"Transaction Documents" means the lease, along with any bond trust indentures, bond purchase agreements, tax compliance agreements, financing agreements, and other similar documents executed and delivered by the parties in connection with the IRB financing.

"Total Project Budget" means the budget attached hereto as **Exhibit G**.

"Total Project Costs" means the costs of acquiring, designing, developing, constructing and completing the Project, as more particularly set forth in the Total Project Budget attached hereto as **Exhibit G**.

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

INDEX OF EXHIBITS

EXHIBIT A

Project Site – Legal Description

All that part of Lots 9, 10, and 11, Block 21, RIVERVIEW ADDITION, a subdivision in the City of Kansas City, Wyandotte County Kansas, more particularly described as following: Beginning at the Southeast corner of the North 40 feet of Lot 9, thence North 06 degrees 39 minutes 38 seconds East, 91.37 feet; thence South 87 degrees 13 minutes 30 seconds East, 45.07 feet to the Northwest Corner of Lot 2, Block 21; thence South 32 degrees 07 minutes 20 seconds West, along the East line of Lots 11, 10 & 9, 104.59 feet, to the Point of Beginning, according to the recorded plat thereof.

and

Lots 2, 3, 4 and the North 1/2 of the East 130 Feet of Lot 5, Block 21, RIVERVIEW ADDITION, a subdivision of land in Kansas City, Wyandotte County, Kansas, according to the recorded plat thereof.

EXHIBIT B

Project Site – Map

1 Chicago's
2 Slap's BBQ
3 Spitlog Coffee

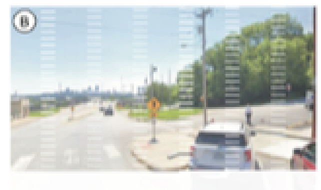

EXHIBIT C

TIF District Ordinance

EXHIBIT D

Reserved

EXHIBIT E

TIF Project Plan Ordinance

EXHIBIT F

Project Site Plan

EXHIBIT G

Total Project Budget

505 Central, KCK - Preliminary Development Budget

PROJECT COSTS

Item	Notes/Description	Total Budget	TIF Eligible	Non-TIF Eligible
Acquisition Costs				
	Property Purchase Price	$520,000	$520,000	$0
	Other	$25,000	$0	$25,000
Acquisition		**$545,000**	**$520,000**	**$25,000**
Hard Construction Costs				
Garage	GC Subtotal	$5,747,464	$5,747,464	$0
Garage	Permits, Insurance, OH&P	$307,360	$307,360	$0
Garage	Preliminary Budget Contingency & Inflation Factor	$443,187	$443,187	$0
Garage	**Total Garage Cost**	**$6,498,011**	**$6,498,011**	**$0**
Building	GC Subtotal	$20,091,724	$0	$20,091,724
Building	Permits, Insurance, OH&P	$1,165,196	$0	$1,165,196
Building	Preliminary Budget Contingency & Inflation Factor	$1,634,431	$0	$1,634,431
Building	**Total Residential Tower Cost**	**$22,891,351**	**$0**	**$22,891,351**
	Total Construction Contract Amount	**$29,389,362**	**$6,498,011**	**$22,891,351**
	Construction Contract TIF vs. Non-TIF Eligible		*22.11%*	*77.89%*
	Payment & Performance Bond	$205,726	$45,486	$160,240
	Business License	$25,000	$5,528	$19,472
	Public Improvement Costs / Tap Fees	$150,000	$150,000	$0
	Low Voltage/Access Control/Security/Smart Upgrades	$516,000	$114,088	$401,912
	Winterization	$200,000	$44,220	$155,780
	Site Security	$50,000	$11,055	$38,945
	Utilities During Construction	$25,000	$5,528	$19,472
	Contingency	$1,222,444	$270,283	$952,161
	Sales Tax Exemption on Construction Materials	($861,991)	($190,587)	($671,404)
Total Hard Costs		**$30,921,541**	**$6,953,612**	**$23,967,929**
Soft Construction Costs			*22.11%*	*77.89%*
	Architecture, Engineering and Special Inspections	$1,814,015	$673,555	$1,140,460
	Legal	$185,000	$40,904	$144,096
	Community Benefit Contribution per TIF Development Agreement	$350,000	$0	$350,000
	Third Party Reports	$61,500	$52,153	$9,347
	Construction Loan Fees and Interest	$1,884,000	$372,334	$1,311,666
	Taxes and Insurance Costs During Construction	$98,000	$21,668	$76,332
	Title and Accoutning Fees	$54,000	$11,939	$42,061
	Commissions, Construction and Developer Fees	$1,750,000	$386,926	$1,363,074
	FF&E, Travel, Marketing, Working Capital and Contingency	$1,336,945	$128,260	$1,059,337
Total Soft Costs		**$7,533,460**	**$1,687,739**	**$5,496,373**
TOTAL PROJECT COSTS		**$39,000,000**	**$9,161,351**	**$29,489,302**

SOURCES & USES

Sources	Investor Equity	$11,700,000
	Construction-To-Perm Loan	$27,300,000
	TOTAL SOURCES	**$39,000,000**
Uses	Acquisition	$545,000
	Total Construction Hard Costs	$30,921,541
	Total Soft Costs	$7,533,460
	TOTAL USES	**$39,000,000**

EXHIBIT H

Form of Certificate of Expenditures

CERTIFICATE OF EXPENDITURES

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

Re: 505 Central Avenue

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the 505 Central Development Agreement dated as of ______________, 2022 (the "Agreement") between the Unified Government and Developer.

In connection with the Agreement, the undersigned hereby states and certifies that, to the best of its actual knowledge:

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

2. These Project Costs have been paid by Developer, successors, assigns, tenants, or transferees and are reimbursable under the Agreement.

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

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

5. All necessary permits and approvals required for the work for which this certificate relates were issued and were in full force and effect at the time such work was being performed.

6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.

7. Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a default under the Agreement.

8. All of Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

Dated this ____ day of _________________, 202__.

SUNFLOWER DEVELOPMENT GROUP, LLC, a Missouri limited liability company

By: ____________________________________

Name: __________________________________

Title: ___________________________________

Approved for Payment this ____ day of ___________, 202___:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ___________________________________

Title: ___________________________________

SCHEDULE 1
TO
CERTIFICATE OF EXPENDITURES

Description of Project Costs	Cost	Payee	Designate as Redevelopment Project Costs

Total Costs:

EXHIBIT I

Insurance Specifications

1. Worker's Compensation. Developer may self-insure, to the extent allowed by applicable law. The self-insured retention shall be that which is standard in the industry. Developer will then purchase excess Worker's Compensation Insurance with statutory limits over the self-insured retention. If self-insurance is not available under applicable state law, coverage will be purchased in accordance with the statutory requirements.

2. Comprehensive General Liability. Developer will purchase and maintain with primary limits of $3,000,000.

3. Automobile Liability. Developer will purchase and maintain with primary limits of $1,000,000.

4. Excess Liability. Developer will purchase and maintain excess liability insurance in an amount not less than $5,000,000.

5. Special Perils Form Property Insurance. Developer will purchase on a replacement cost basis. Deductibles and limits will be standard to those in the industry, and the policy shall include an "Agreed Amount" endorsement. Earthquake and flood insurance (if required and if available at a reasonable cost), along with fired vessel, boiler and machinery, and underground collapse may be required by the UG as additional perils.

EXHIBIT J

LBE/MBE/WBE Goals and Requirements

This Exhibit sets forth the guidelines for the utilization of local business, minority, and women enterprises and local resident, minority, and women participation and equal employment opportunity referenced in **Section 8.2** of the 505 Central Development Agreement (the **"Agreement"**) between the Unified Government of Wyandotte County/Kansas City, Kansas (the **"UG"**) and Sunflower Development Group, LLC, a Missouri limited liability company (the **"Developer"**). The parties agree as follows:

I. SCOPE.

These procedures are applicable to the Construction of, and the Professional Services for (as such terms are defined hereof) the Project, including but not limited to all aspects of the construction of the Improvements and all related facilities, including labor, materials and supplies, and construction-related services, but not including: (i) Specialized Services; or (ii) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement (as defined in the Agreement), which shall specifically be excluded from both the numerator and the denominator in determining whether the Construction and Professional Services goals set forth herein have been met.

II. DEFINITIONS.

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

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

B. **"Construction"** means all aspects of the construction of the Improvements, all related facilities, and the Project, including labor, materials and supplies, and construction-related services, whether performed or contracted for by or on behalf of Developer; provided, however, "Construction" shall not include: (i) services performed or associated with tenant improvements or any services requested by tenants of the Project, provided that this exception shall only apply to tenants who are third parties unaffiliated with Developer; (ii) Specialized Services; (iii) Professional Services; (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement; or (v) labor, material and supplies obtained or utilized after the initial completion of the Project and for ongoing operations.

C. **"Contractor"** means the Proposer selected by Developer for the design, development, or construction of the Project.

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

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

F. **"Minority Business Enterprise"** or **"MBE"** means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

G. **"Professional Services"** means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development, and construction of the Project but specifically excluding: (i) design and/or engineering services which may be performed by Developer or its members, parents or subsidiaries; (ii) Specialized Services; (iii) Construction; and (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement.

H. **"Proposer"** means a person who submits a proposal in response to a solicitation for proposals issued by Developer or one of its Contractors with respect to the design, development, or construction of the Project, or with respect to ongoing maintenance and operations of the Project.

I. **"Specialized Services"** means expertise, services, or products, the application of which are unique to the construction of the Project and which are only available through sole or limited source providers or national vendors. Specialized Services shall also include the services provided by the Contractors and designers who have been involved with and have previous experience on similar projects with Developer and which Developer has engaged or intends to engage to perform similar services for the Project.

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

III. DESIGN, DEVELOPMENT, AND CONSTRUCTION OF THE PROJECT.

A. GOALS FOR LBE/MBE/WBE PARTICIPATION.

1. Project Design, Development, and Construction Goals.

Developer will use its Best Efforts to meet the following goals based upon the total cost of Construction of, and Professional Services for, the Project and all related facilities undertaken by Developer, but not including Specialized Services. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. In the event Developer obtains bids for any aspect of the Project for which a bid by a Proposer qualifying as an LBE, MBE, or WBE is not the lowest or best bid, Developer shall not be required to meet the LBE/MBE/WBE participation percentage goals for that aspect of the Project. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not to act as quotas or set asides.

	Construction	Professional Services
LBE	18%	18%
MBE	15%	13%
WBE	7%	8%

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

2. Contract Specific Goals.

The parties agree that the goals are set forth for Construction of, and Professional Services for, the Project as a whole, excluding Specialized Services, and the UG will reasonably agree to different specific goals for specific contracts or portions of contracts to be awarded by Developer, when proposed by the Developer, relating to the Construction of the Project, based upon the availability of qualified LBEs and certified MBEs and WBEs to perform the specific scopes of work delineated in Developer's Project Utilization Plan (as described herein).

3. Eligibility for Credit.

a. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification at the time of submittal of the subject bid or proposal and ultimately certified as MBEs or WBEs by the Kansas Department of Commerce, State of Missouri, Missouri Department of Transportation, City of Kansas City, Missouri, MidAmerica Minority Business Development Council, Women's Business Enterprise National Council, or any other public or private entity reasonably acceptable to the UG and the Developer (each an "approved" business), may be counted towards the participation goals in Section III.A.1. above.

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

4. Construction Workforce.

a. Recruitment and outreach. Developer will use its Best Efforts to employ and to ensure its Contractors employ Local Residents, minorities, and women in all aspects of the Construction of, and Professional Services for, the Project except for Specialized Services. These efforts shall include but not be limited to:

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

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

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

Documentation of these and any other steps taken shall be submitted to the UG prior to the beginning of the bidding process.

b. Employment Procedures. Developer and its Contractors shall implement equal employment opportunity hiring and job action procedures as those terms are commonly understood.

B. DEVELOPMENT AND PROJECT UTILIZATION PLANS.

1. Submissions, Content, and Fulfillment of Project Utilization Plan.

a. Fourteen (14) calendar days before the solicitation of the first proposal for the Construction of part of the Project, which is issued by Developer after the execution of the Agreement, Developer will submit a Project Utilization Plan to the UG for review and approval. The Project Utilization Plan shall be on the form attached to this Exhibit as Attachment A or on another form provided or approved by the UG. This Project Utilization Plan shall set forth, to the best of Developer's knowledge: all categories of work that will be covered within solicitations that Developer or its Contractors intend to issue for all Construction and Professional Services providers necessary for the construction of the Project; an estimate of the dollar value of all work covered by these solicitations; an estimate of the dollar value of work within each identified work category; the dollar value of the work for each identified work category that is projected to be performed by LBEs, MBEs and WBEs; any known potential joint ventures with LBEs, MBEs, and WBEs within each identified work category; an overall schedule of all work projected to be performed related to the design, development, and construction of the Project, laid out sequentially over time; and the actions Developer intends to take, with respect to each of these solicitations, to make its Best Efforts to meet the goals set forth in Section III.A.1. of this Exhibit.

b. Developer, in the Project Utilization Plan, shall designate one person as the Project Manager to serve as the point of contact with the UG on all matters related to the Project Utilization Plan. Developer shall provide the Project Manager's name, physical office address, e-mail address, and phone number to the UG. The Project Manager shall be an individual with administrative authority with regard to enforcement of the stipulations located within this Exhibit.

c. The goals of Section III.A.1 may be met by the expenditure of dollars with approved LBE/MBE/WBE prime Contractors, material suppliers (either by Developer or a prime Contractor), subcontractors (either by Developer or a prime Contractor), or through joint ventures with approved LBEs, MBEs or WBEs.

i. Certified MBE and WBE prime Contractor Proposers may count their own participation toward a goal for which they qualify, and may divide their own participation between two goals, but their participation may not be double-counted. These prime Contractor Proposers shall receive credit towards the goals for the dollar value of the contract.

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

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

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

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

2. <u>Evaluation of Project Utilization Plans</u>.

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

b. Changes to the Project Utilization Plan after its initial submission to the UG shall be reviewed and approved or rejected by the UG within thirty (30) days following submission of the same by Developer, and such changes shall be deemed to be approved by the UG if not rejected within such thirty (30) day period.

C. CONTRACT AWARD COMPLIANCE PROCEDURES.

1. <u>Solicitation Documents</u>.

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

2. Developer's Report of Solicitation Results.

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

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

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

b. For each Project Utilization Plan goal that is not achieved, Developer shall be deemed to have used "**Best Efforts**" to meet the Project Utilization Plan goals for construction and Professional Services set forth in Section III.A.1. of this Exhibit if Developer shall have taken substantially all the following actions:

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

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

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

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

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

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

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

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

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

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

4. Signed Contracts.

Within twenty-one (21) working days of provision of the UG's evaluation of the Report to Developer, the Project Manager shall submit signed contracts with successful Proposers to the UG.

D. SUBCONTRACTOR RELATIONS.

1. Documentation of Subcontracting Agreements.

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

2. Documentation of Schedules.

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

b. For Professional Services contracts, Developer must present a written schedule of when the LBE/MBE/WBE consultants will be working on the Project. This written schedule shall be provided to the UG prior to the Closing (as defined in the Agreement).

3. Substitutions, Additions, or Deletions.

Where a substitution for a LBE/MBE/WBE subcontractor must occur after submission of proposals by the Project Manager to the UG, the Project Manager must submit the proposed change or substitution to the UG for review. The UG shall have no authority to approve or reject any change or substitution. The sole purpose of the review by the UG shall be to determine whether the LBE/MBE/WBE should be counted toward achievement of the goals of Section III.A.1.

IV. UG'S ASSISTANCE TO DEVELOPER.

The UG shall use its best efforts to provide assistance to Developer in fulfilling its obligations as set forth in this Exhibit. Developer assumes all responsibility for its Best Efforts in meeting the goals and complying with the procedures and processes set forth herein. The UG assumes no duty or responsibility to the Developer with respect to Developer's fulfillment of the goals set forth in this Exhibit by reason of the provision of assistance to Developer. Examples of assistance the UG may provide include but are not limited to:

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

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

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

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

E. recommending contract specific goals, as appropriate;

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

G. reviewing Developer, Contractor, and subcontractor performance and LBE/MBE/WBE participation on the Project;

H. providing advice relative to utilization and compliance matters;

I. conducting compliance reviews and audits of LBE/MBE/WBE participation;

J. evaluating requests for substitutions, additions, and deletions;

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

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

M. reviewing complaints from LBEs, MBEs WBEs, Contractors, subcontractors, and any other interested persons regarding these goals and procedures;

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

O. reviewing and approving utilization plans and contract award submittals.

V. DEVELOPER COMPLIANCE RECORDS AND REPORTS.

A. RECORDS.

Developer shall maintain those records as may reasonably be required to demonstrate compliance with (and/or its Best Efforts to comply with) the goals and procedures set forth in this Exhibit. These records shall be available to the UG upon reasonable notice.

B. DEVELOPMENT AND PROJECT UTILIZATION PLAN REPORTS.

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

C. REMEDIES.

If Developer should fail to provide a Report required by this Exhibit, and fail to cure such failure within thirty (30) days after receipt of written notice from the UG specifying such failure, then such failure to cure shall constitute an event of default and the UG shall have those remedies set forth in Section 9.2 of the Agreement. In addition, the UG shall have the right to stop processing draw requests until Developer complies with reporting requirements.

If, after reviewing Developer's Reports, the UG believes that the participation goals contained in this Exhibit have not been met, and that the Best Efforts described herein have not been met, then the UG shall inform Developer of this determination in writing. If, within thirty (30) days following its receipt of said written determination from the UG, Developer fails to demonstrate to the UG's reasonable satisfaction that either: (i) the goals contained in this Exhibit have been met; or (ii) the goals contained in this Exhibit may not have been met but the Best Efforts described herein have been met, then the UG shall have the right to reduce the TIF Cap by an amount equal to twenty percent (20%) as the UG's sole and exclusive remedy for such failure. The UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:_________________________________
Cheryl Harrison-Lee
Interim County Administrator
Date:____________________________, 2022

SUNFLOWER DEVELOPMENT GROUP, LLC

By:_____________________________
Name:___________________________
Title:____________________________
Date:______________________, 2022

Attachment A

Unified Government **Date:_______________**

Project Utilization Plan

Project Name:_____________________________

Bid Package	Estimated Contract Value	Estimated LBE Value	Estimated LBE %	Estimated MBE Value	Estimated MBE %	Estimated WBE Value	Estimated WBE %	Total Combined Value	Total Combined %
DIVERSITY TOTAL	**0**			**0**	**#DIV/0!**	**0**	**#REF!**		

Attachment B

LBE/MBE/WBE Utilization Report

LBE/MBE/WBE - UTILIZATION REPORT

Month, Year

CONSTRUCTION

APPLICABLE TRADES

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

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

Attachment C

LBE/MBE/WBE COMPLIANCE

SUMMARY REPORT

EXPENDITURES FOR REPORTING PERIOD

GOODS SUPPLIES and OTHER SERVICES	**Total**	**Class**	**Percent**	**Comments**
Total $ Awarded				
Total $ Expended				
Total $ MBE		% MBE		
Total $ WBE		%WBE		
Total $ M/WBE		%M/WBE		

6/29/2022 EXECUTIVE SUMMARY
505 CENTRAL DEVELOPMENT AGREEMENT

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1. **Parties**. The UG and Sunflower Development Group, LLC ("Developer"), which is a Missouri limited liability company.

2. **The Project/Timing**. The Project is to be a newly-constructed first-class, market-rate apartment complex and shall, at minimum, include the following Improvements: (a) a high-end apartment building, initially renting for a blended rate of approximately $1.90 per square foot, and consisting of approximately 148 total units (comprised of approximately 23 studio apartments, approximately 90 one-bedroom apartments and approximately 17 two-bedroom apartments), including site amenities and related infrastructure, (b) structured parking with an approximate 125 parking spaces, and (c) a surface parking lot with approximately 20 stalls and additional street parking spaces. Developer has agreed to substantially complete the project by September 1, 2025.

3. Budget/TIF. The overall project budget is approximately $39M, of which approximately $6M of improvements are to be paid for with tax increment financing ("TIF"). This is a public private ratio of 15.4%. The TIF for this Project would be based solely on the increased (or "incremental") real property taxes created by the Project after a 2022 "base year". Subject to the limitations described below, for a period of 20 years, Developer would have access to 90% of the incremental property tax revenues that Developer could use to reimburse itself for eligible Project expenses or "TIF Improvement Costs", which are specified on the budget attached as Exhibit G.

(i) The TIF will be pay-as-you-go only for a period of 20 years, with no opportunity to issue bonds, and it will be capped at $6,000,000 (the "TIF Cap"), which TIF Cap is subject to adjustment as described in Paragraph 9 below.

(ii) In an effort to ensure that the UG never has more public money invested in a project than the Developer's private investment, this document contains the so-called 50/50 Limitation that says the UG will never disburse more TIF proceeds than the amount of private funds that the Developer has spent and documented for the Project. As a practical matter, this is not likely to be an issue given the 15.4% public/private ratio. However, this provision is a standard protection in all of the UG's development agreements.

4. **IRBs**. The UG will provide Industrial Revenue Bond ("IRB") financing for the project for the limited purpose of obtaining an exemption on sales taxes on construction materials, equipment and furnishings. These IRBs are not to be used for abating the ad valorem property taxes on the Project Site.

5. **Construction Provisions**. Developer's construction contracts will provide for a guaranteed maximum price and payment and performance bonds for the Improvements. However, Developer otherwise has fairly wide discretion for the selection of contractors and other provisions for construction of the apartment building and other improvements.

6. **Use and Operation**. During the 20-year Term of the Agreement, Developer agrees to operate the Project in a dignified and high quality manner and Developer also generally agrees to the UG's standard development agreement terms and conditions regarding the maintenance of the Project, complying with law and the timely payment of taxes. Developer also agrees to provide insurance and indemnify the UG.

7. **Assignment and Transfer**. Generally, Developer must have the UG's prior approval to assign, convey or transfer the Project to others, but the UG agrees to be reasonable about granting or withholding it's approval based on whether or not the proposed assignee has sufficient financial net worth and experience to successfully complete and operate the Project according to the terms and conditions of this Agreement.

8. **Neighborhood Improvements Contribution**. On or before the date when Developer commences construction of the Project (which will be before September 1, 2023), Developer will pay the UG $350,000, a "Neighborhood Improvements Contribution" to be used by the UG to make improvements in, to and around the intersection of 6th and Central Avenue, including traffic calming improvements.

9. **MBE/WBE/LBE**. Developer has agreed to the following participation goals for construction of the Project: LBE – 18%; MBE – 15% and (iii) WBE – 7%, and Developer has agreed to the following goals for professional services: LBE – 18%; MBE – 13% and (iii) WBE – 8%. If Developer fails to meet the goals (or at least demonstrate that it used Best Efforts to meet the goals), then the UG shall have the right to reduce the TIF Cap by an amount equal to twenty percent (20%).

10. **Default and Remedies.** In addition to other remedies mentioned above in this Executive Summary, Section 9.2(a) of the Agreement provides that if the Developer shall default beyond applicable notice and cure periods, then the UG may (i) refuse to approve any further certificates of expenditure for Project costs or make any further reimbursements of TIF Proceeds unless and until such default is cured by the Developer, and/or (ii) terminate Developer's access to the TIF financing and/or the IRB financing described herein, and/or (iii) terminate the TIF and/or IRBs, and/or (iii) terminate the Agreement, including Developer's rights in and access to the TIF and IRB financing.

Staff Request for Commission Action

Tracking No. 211785

Full Commission Meeting Date: 7/28/2022

Committee: Economic Development & Finance

Date of Standing Committee Action: 7/11/2022 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
06/24/2022	Debbie Jonscher	x5847	djonscher@wycokck.org	Finance

Item Description: Approval of an ordinance and resolution to reallocate ARPA funds to reflect revised revenue replacement calculations, submitted by Debbie Jonscher, Deputy Chief Financial Officer. *Please Approve.*
Action Requested: *Please Approve.*
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: ARPA Revenue Replacement Adj - Ord-Reso-7.11.22 - clean copy-v2, Revenue Replacement Adjustments-7.11.22-v2

Published in the *Wyandotte Echo* ________________

ORDINANCE NO. O-________________
RESOLUTION NO. R-________________

AN ORDINANCE AND RESOLUTION FOR THE APPROVAL OF ADJUSTMENTS TO THE FEDERAL LOCAL FISCAL RECOVERY FUNDS USED FOR REVENUE REPLACEMENT NEEDS BY THE UNIFIED GOVERNMENT AS PART OF THE AMERICAN RESCUE PLAN ACT

WHEREAS, the American Rescue Plan Act (ARPA) was signed into law by President Biden on March 11, 2021, (Public Law 117-2), and was codified at 42 U.S.C. § 802 *et seq.*; and

WHEREAS, ARPA established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund, which were together intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses; and

WHEREAS, the Recovery Funds are intended to build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF), which was established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Pub. L. No. 116-136, 134 Stat. 281 (2020); and

WHEREAS, ARPA—which, among other things, adds sections 602 and 603 to the Social Security Act—generally provides that the Recovery Funds may be used:

a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;

c) For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and

d) To make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, the Supplementary Information accompanying the federal Department of the Treasury's Interim Final Rule (31 CFR Part 35) states that "these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color." (86 FR 26786, at 26788); and

WHEREAS, Ordinance O-115-21 and Resolution R-58-21 approved the acceptance on behalf of the City of Kansas City, Kansas of Fifty-Five Million Three Hundred Eighty-Three Thousand Eight Hundred Seventy-Two Dollars ($55,383,872) from the Coronavirus Local Fiscal Recovery Fund; and approves the acceptance on behalf of Wyandotte County, Kansas of Thirty-Two Million One Hundred Thirty-Two Thousand Six Hundred Forty-Four Dollars ($32,132,644) from the Coronavirus Local Fiscal Recovery Fund; and

WHEREAS, Section II.C of the Supplementary Information accompanying the federal Department of the Treasury's Interim Rule (31 CFR Part 35) provided in part that, for purposes of measuring revenue growth from the pre-pandemic period recipient Kansas City, Kansas would utilize the calculated rate of 4.1% and recipient Wyandotte County, Kansas would utilize the calculated rate of 6.2%; and

WHEREAS, Ordinance O-115-21 and Resolution R-58-21 dated August 26, 2021 approved that of the Kansas City, Kansas total allocation, Eighteen Million Seven Hundred Eighty Thousand Four Hundred Seventy Dollars ($18,780,470) will be used to replace estimated revenue lost due to COVID-19 during 2020, and an estimated Twelve Million Three Hundred Four Thousand Seven Hundred Seventy-Four Dollars ($12,304,774) will be used to replace revenue lost due to COVID-19 during 2021, for a total revenue replacement allocation over the two year period of Thirty One Million Eighty-Five Thousand Two Hundred Forty-Four Dollars ($31,085,244); and

WHEREAS, Ordinance O-115-21 and Resolution R-58-21 dated August 26, 2021 approved that of the Wyandotte County, Kansas total allocation, Six Million Six Hundred Fifty Thousand Eight Hundred Eighty Dollars ($6,650,880) will be used to replace estimated revenue lost due to COVID-19 during 2020, and an estimated Four Million Three Hundred Seventy Thousand Ninety-Five Dollars ($4,370,095) will be used to replace revenue lost due to COVID-19 during 2021, for a total revenue replacement allocation over the two year period of Eleven Million Twenty Thousand Nine Hundred Seventy-Five Dollars ($11,020,975); and

WHEREAS, Ordinance O-115-21 and Resolution R-58-21 dated August 26, 2021 approved in its Exhibit B entitled "ARPA Immediate Needs Report" the adopted total allocated funds not from revenue replacement funding was One Million Five Hundred Sixteen Thousand Six Hundred Thirty-Four Dollars ($1,516,634) for Kansas City, Kansas and Eight Million Two Hundred Ninety-Eight Thousand Three Hundred Forty-Two Dollars ($8,298,342) for Wyandotte County; and

WHEREAS, Ordinance O-115-21 and Resolution R-59-21 dated August 26, 2021 approved that of the Wyandotte County, Kansas total allocation, One Million Eight Hundred Fifty Thousand Dollars ($1,850,000) be allocated to address and prevent housing insecurities and negative economic impacts associated with homelessness and other related human services in Wyandotte County through January of 2022; and

WHEREAS, Although Ordinance O-115-21 and Resolution R-72-21 dated September 30, 2021 approved an ARPA allocation of One Million Dollars ($1,000,000) to fund the Covid-19 Mitigation Plan for Unified Government staff, Ordinance O-20-22 and Resolution R-8-22 dated February 10, 2022 approved that these same funds be redirected with Six Hundred Sixty Thousand Dollars ($660,000) from the Kansas City, Kansas allocation and Three Hundred Forty Thousand Dollars ($340,000) from the Wyandotte County allocation; and

WHEREAS, Ordinance O-20-22 and Resolution R-8-22 dated February 10, 2022 approved that of the Wyandotte County, Kansas total allocation, Three Million Four Hundred Thirty-Five Thousand Nine Hundred Thirty-Four Dollars ($3,435,934) be allocated for eligible uses of the Local Fiscal Recovery Fund as part of the American Rescue Plan Act for the Public Health Department for Additional Needs; and

WHEREAS, the Unified Government Board of Commissioners originally directed that $75,000 authorized by O-115-21 and Resolution R-58-21 dated August 26, 2021 to fund the Covid-19 Immediate Needs and $75,000 authorized by Ordinance O-20-22 and Resolution R-8-22 dated February 10, 2022 to fund the Unified Government's Public Health Department Additional Needs for the Municipal Court Fees and Fines Waiver Program be funded from the Wyandotte County allocation, however, through Ordinance O-75-22 and Resolution R-23-22 dated May 26, 2022 the Commission re-allocated those funds and directed that the Municipal Court Fees and Fines Waiver Program be paid from the Kansas City, Kansas allocation.

WHEREAS, Ordinance O-75-22 and Resolution R-23.22 dated May 26, 2022 approved that of the Kansas City, Kansas total allocation Seventeen Million Four Hundred Seventy-Four Thousand Five Hundred Twenty-Eight Dollars ($17,474,528) be allocated for eligible uses of the Local Fiscal Recovery Fund as part of the American Rescue Plan Act for Capital and Other Needs; and

WHEREAS, Ordinance O-75-22 and Resolution R-23.22 dated May 26, 2022 approved that of the Wyandotte County, Kansas total allocation Six Million Three Hundred Seventy-Eight Thousand Three Hundred Eight Dollars ($6,378,308) be allocated for eligible uses of the Local Fiscal Recovery Fund as part of the American Rescue Plan Act for Capital and Other Needs; and

WHEREAS, based on the guidance accompanying the federal Department of the Treasury's Interim Final Rule (at 31-CFR Part 35), the calculation of lost revenue eligible for replacement is to utilize final audited actual revenues and requires that adjustments be made to previous calculations that utilized budgeted estimates, as detailed in Exhibit A, which is attached hereto and incorporated by reference herein.

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

Section 1. The Unified Government Board of Commissioners hereby approves that the original estimated Kansas City, Kansas 2020 revenue replacement calculation of Eighteen Million Seven Hundred Eighty Thousand Four Hundred Seventy Dollars ($18,780,470) be adjusted down by Two Million Thirty-Four Thousand Four Hundred Ninety-Six Dollars ($2,034,496), due to an adjustment recommended by the external auditor, for a revised 2020 total of Sixteen Million Seven Hundred Forty-Five Thousand Nine Hundred Seventy-Four Dollars ($16,745,974).

Section 2. The Unified Government Board of Commissioners hereby approves that the original estimated Kansas City, Kansas 2021 revenue replacement calculation of Twelve Million Three Hundred Four Thousand Seven Hundred Seventy-Four Dollars ($12,304,774) to replace revenue lost due to COVID-19 during 2021 be adjusted down by Seven Million Two Hundred Sixty Thousand Eight Hundred Fifty-Two Dollars ($7,260,852) based on audit actual revenues collected in 2021 for a revised total of Five Million Forty-Three Thousand Nine Hundred Twenty-Two Dollars ($5,043,922).

Section 3. The Unified Government Board of Commissioners hereby approves that the original estimated Wyandotte County 2021 revenue replacement calculation of Four Million Three Hundred Seventy Thousand Ninety-Five Dollars ($4,370,095) to replace revenue lost due to COVID-19 during 2021 be adjusted down by One Million Six Hundred Fifty-Four Thousand Four Hundred Seventy-Three Dollars ($1,654,473) based on audit actual revenues collected in 2021 for a total of Two Million Seven Hundred Fifteen Thousand Six Hundred Twenty-Two Dollars ($2,715,622).

Section 4. The Unified Government Board of Commissioners hereby accepts that, in compliance with federal Department of Treasury ARPA guidelines, the reduction in revenue replacement funds detailed in Section 1 and 2 be reallocated to the Special Grant Fund-269 and will be made available for future ARPA eligible uses as determined by the Board of Commissioner.

Section 5. The Unified Government Board of Commissioners hereby determines that, as of the date of the passage of this ordinance and resolution, the remaining ARPA allocation for Kansas City, Kansas that has not been obligated totals Thirteen Million Seven Hundred Ninety-Two Thousand Eight Hundred Fourteen Dollars ($13,792,814)

Section 6. The Unified Government Board of Commissioners hereby determines that, as of the date of the passage of this ordinance and resolution, the remaining ARPA allocation for Wyandotte County, Kansas that has not been obligated totals Two Million Six Hundred Thirteen Thousand Five Hundred Fifty-Eight Dollars ($2,613,558).

Section 7. Effective Date. This ordinance and resolution shall take effect and be in full force from and after its passage and publication in the *Wyandotte Echo*.

ADOPTED AND APPROVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AND APPROVED AND SIGNED BY THE MAYOR/CEO THIS 28th DAY OF JULY 2022.

____
Tyrone A. Garner, Mayor/CEO

Attest:

____
Unified Government Clerk

Approved as to Form:

____
Unified Government Chief Counsel

EXHIBIT A

CALCULATION OF AMERICAN RESCUE PLAN, REVENUE REPLACEMENT
ORIGINAL AND ADJUSTED CALCULATIONS

KANSAS CITY, KANSAS

	2019 Actuals "General Revenue from Own Sources"	2020 Actuals "General Revenue from Own Sources"	2020 Counter-factual with 4.1% CPI Increase from 2019 Actuals	2020 COVID-19 ARPA Revenue Loss
Original Calculations	$239,942,629	$230,999,806	$249,780,276	($18,780,470)
Adjusted Calculations	239,942,629	233,034,302	249,780,276	(16,745,974)
Variance	0	(2,034,496)	0	(2,034,496)

	2020 Counter-factual with 4.1% CPI Increase from 2019 Actuals	2021 Actuals "General Revenue from Own Sources"	2021 Counter-factual with 4.1% CPI Increase from 2020 Calculation	2021 COVID-19 ARPA Revenue Loss
Original Calculations	$249,780,276	$247,716,494	$260,021,268	($12,304,774)
Adjusted Calculations	249,780,276	254,977,346	260,021,268	(5,043,922)
Variance	0	(7,260,852)	0	(7,260,852)

WYANDOTTE COUNTY, KANSAS

	2019 Actuals "General Revenue from Own Sources"	2020 Actuals "General Revenue from Own Sources"	2020 Counter-factual with 4.1% CPI Increase from 2019 Actuals	2020 COVID-19 ARPA Revenue Loss
Original Calculations	$82,328,264	$80,781,736	$87,432,616	($6,650,880)
Adjusted Calculations	82,328,264	80,781,736	87,432,616	(6,650,880)
Variance	0	0	0	0

	2020 Counter-factual with 4.1% CPI Increase from 2019 Actuals	2021 Actuals "General Revenue from Own Sources"	2021 Counter-factual with 4.1% CPI Increase from 2020 Calculation	2021 COVID-19 ARPA Revenue Loss
Original Calculations	$87,432,616	$88,483,343	$92,853,438	($4,370,095)
Adjusted Calculations	87,432,616	90,137,816	92,853,438	(2,715,622)
Variance	0	(1,654,476)	0	(1,654,476)

NOTES:
"General revenues from own sources" as defined by ARPA's Interim Final Rule US Treasury Department Guidance.

For Kansas City, Kansas funds, the percentage increase in actual "general revenues from own sources" was 4.3% in 2017, 0.3% in 2018 and 3.3% in 2019, or a 3-year average of 2.6% which is below the minimum 4.1% growth factor allowed by ARPA's Interim Final Rule US Treasury Department Guidance.

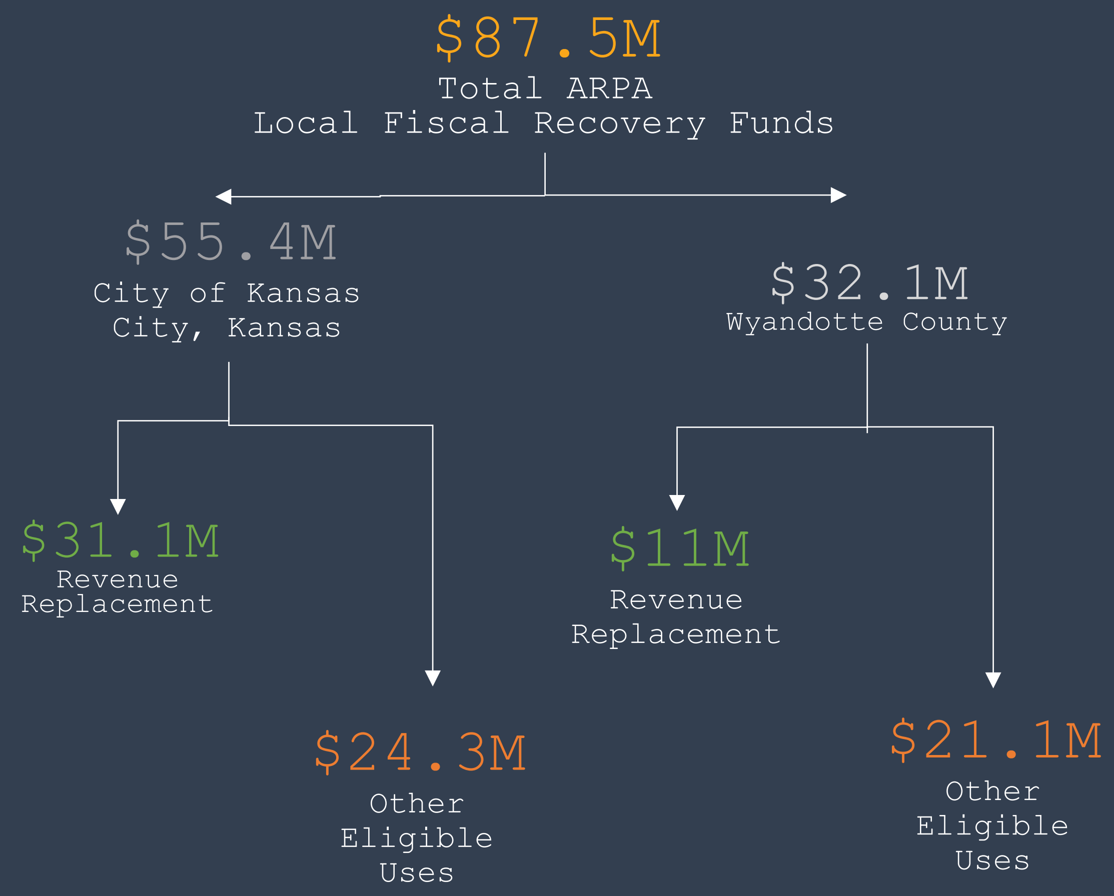
For Wyandotte County, Kansas funds, the percentage increase in actual "general revenues from own sources" was 8.7% in 2017, 3.4% in 2018 and 6.5% in 2019, or a 3-year average of 6.2% which is above the minimum 4.1% growth factor allowed by ARPA Interim Final Rule US Treasury Department Guidance.

Adjustments to the Original ARPA Revenue Replacement

CALCULATION DETAILS AND USE OF REVENUE REPLACEMENT FUNDS

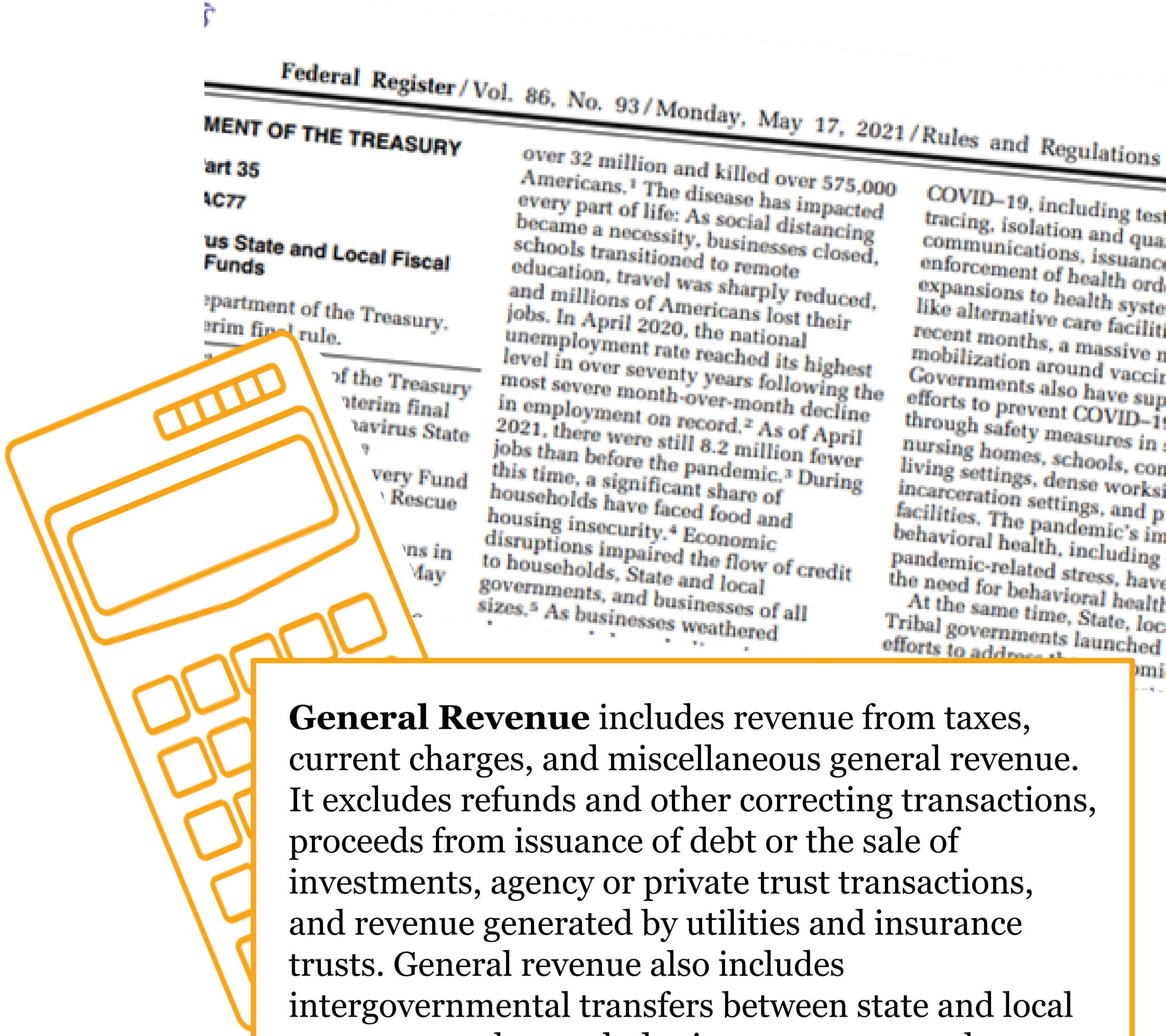
American Rescue Plan Act Direct Aid Funding Splits

- The UG is considered two recipient entities, Kansas City, KS and Wyandotte County, KS.
  - The allocations are received in May 2021 and May 2022.
  - Each entity's allocation must be spent in the respective funds of the entity.
- Spending the ARPA funds are directed by the federal government.
  - A portion of the funds are allowed to go towards covering the lost revenue from 2020-2021 due to the pandemic.
  - The remaining funds are then eligible for use amongst the pre-defined ARPA eligible use categories.
- All funds must be obligated by the end of 2024, and entirely spent by the end of 2026.



Calculating
Revenue Replacement

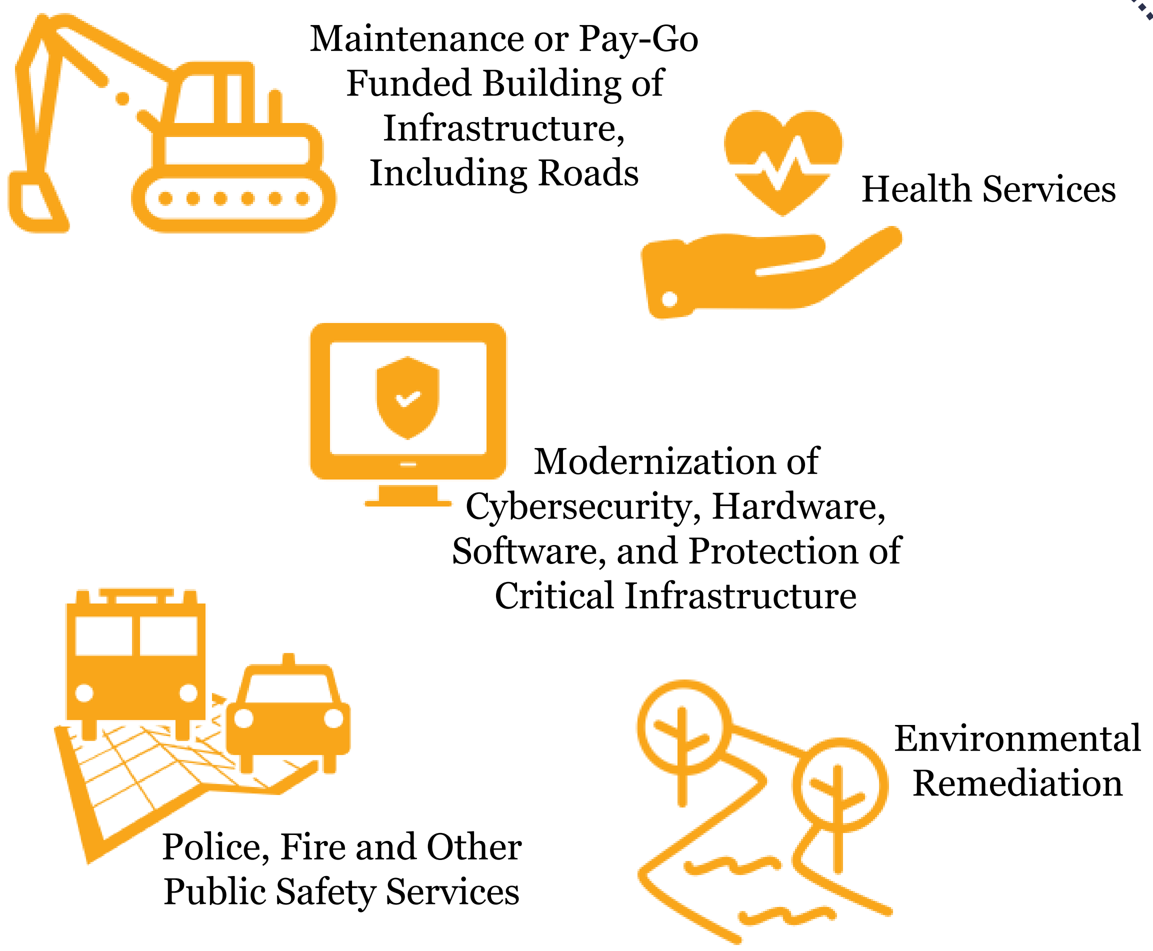
1. Use United States Treasury Guidelines and calculate on "recipient entity-wide basis" (i.e., city and county separate)
2. Identify "General Revenue Own Sources" per US Census Bureau Government Finance and Employment Classification Manual.
3. For 2020 calculations, compare 2019 actuals with 2020 actuals. Account for average growth of prior three years or 4.1%, whichever is greater, to reflect normal (non-pandemic) inflationary growth.
4. For 2021 calculations, increase the inflated 2020 calculations by the same growth rate above and compare with 2021 estimated and/or actual revenues.
5. The 2021 calculation estimates to "actuals" is being adjusted now that the 2021 fiscal year is completed.
6. The revenue replacement funds are recorded in the subsequent year (i.e., 2020 revenue loss is reflected in 2021 and 2021 revenue loss in recorded in 2022)



General Revenue includes revenue from taxes, current charges, and miscellaneous general revenue. It excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts. General revenue also includes intergovernmental transfers between state and local governments but excludes intergovernmental transfers from the Federal government.

Claiming Maximum Revenue Replacement

- Greatest spending flexibility of all uses.
- Eligible use is “Government Services”
- Government services list (not all inclusive):
    - maintenance or pay-go funded building of infrastructure, including roads;
    - modernization of cybersecurity, including hardware, software, and protection of critical infrastructure;
    - health services;
    - environmental remediation; and
    - the provision of police, fire, and other public safety services



GOVERNMENT SERVICES (EXAMPLES)

ARPA Revenue Replacement

continued

26786 Federal Register / Vol. 86, No. 93 / Monday, May 17, 2021 / Rules and Regulations

DEPARTMENT OF THE TREASURY

31 CFR Part 35

RIN 1505–AC77

Coronavirus State and Local Fiscal Recovery Funds

AGENCY: Department of the Treasury.

ACTION: Interim final rule.

SUMMARY: The Secretary of the Treasury (Treasury) is issuing this interim final rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act.

DATES: *Effective date:* The provisions in this interim final rule are effective May 17, 2021.

over 32 million and killed over 575,000 Americans.[1] The disease has impacted every part of life: As social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record.[2] As of April 2021, there were still 8.2 million fewer jobs than before the pandemic.[3] During this time, a significant share of households have faced food and housing insecurity.[4] Economic disruptions impaired the flow of credit to households, State and local governments, and businesses of all sizes.[5] As businesses weathered

COVID–19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, expansions to health system capacity like alternative care facilities, and in recent months, a massive nationwide mobilization around vaccinations. Governments also have supported major efforts to prevent COVID–19 spread through safety measures in settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and public facilities. The pandemic's impacts on behavioral health, including the toll of pandemic-related stress, have increased the need for behavioral health resources.

At the same time, State, local and Tribal governments launched major efforts to address the economic impacts

- **Kansas City, Kansas** funds average growth rate of "*general revenue own sources*"
  - 2017 – 4.3%
  - 2018 – 0.3%
  - 2019 – 3.3%
  - **Prior 3-year Average = 2.6% (lower than 4.1% minimum allowed under ARPA); ← use 4.1%**
- **Wyandotte County** funds average growth rate of "general revenue own sources"
  - 2017 – 8.7%
  - 2018 – 3.4%
  - 2019 – 6.5%
  - **Prior 3-year Average = 6.2% (greater than 4.1% minimum allowed under ARPA); ← use 6.2%**

ORIGINAL CALCS

KANSAS CITY, KANSAS FUNDS	2019 Actuals	2020 Actuals	2020 Counterfactual with 4.1% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Estimate	2021 Counterfactual with 4.1% CPI increase	2021 Est. COVID Revenue Loss
City General Fund	**$ 136,642,839**	**$ 130,552,477**	**$ 142,245,195**	**$ (11,692,719)**	**$ 139,831,164**	**$ 148,077,248**	**$ (8,246,085)**
Special Revenue Funds	**22,756,420**	**20,857,395**	**23,689,433**	**(2,832,038)**	**23,246,073**	**24,660,700**	**(1,414,627)**
Dedicated Sales Tax	10,604,121	10,563,372	11,038,890	(475,518)	11,760,328	11,491,485	268,843
Special Street & Hiway-City	7,366,968	7,067,916	7,669,013	(601,097)	7,418,000	7,983,443	(565,443)
Special Parks and Recreation-City	552,242	382,944	574,884	(191,940)	480,000	598,454	(118,454)
Special Alcohol Program-City	549,485	382,499	572,014	(189,514)	480,100	595,466	(115,366)
Tourism & Convention Prom	3,683,604	2,460,663	3,834,632	(1,373,969)	3,107,645	3,991,852	(884,207)
Specials Assets	-	-	-	-	-	-	-
City Debt Service Fund	**23,391,849**	**22,566,780**	**24,350,915**	**(1,784,136)**	**24,230,259**	**25,349,303**	**(1,119,043)**
TIF Debt Service Funds	**2,601,402**	**2,566,821**	**2,708,059**	**(141,238)**	**2,746,499**	**2,819,090**	**(72,591)**
I-70 and Armstrong TIF	147,925	144,168	153,990	(9,822)	149,000	160,304	(11,304)
Melrose TIF	265,021	243,524	275,887	(32,363)	245,500	287,198	(41,698)
Strawberry Hill TIF	25,992	26,562	27,058	(496)	25,500	28,167	(2,667)
MissionCliffs/RainbowPark TIF	58,491	65,879	60,889	4,990	69,980	63,386	6,594
St Peters Waterway TIF	147,211	157,331	153,247	4,085	162,283	159,530	2,753
Mt. Carmel TIF	-	-	-	-	-	-	-
NE Armourdale TIF	-	-	-	-	-	-	-
Turtle Hill Redevelopment TIF	8,977	6,277	9,345	(3,068)	6,217	9,728	(3,512)
All America City TIF (Per Flc)	18,926	15,141	19,702	(4,561)	15,974	20,510	(4,536)
Adams Street TIF	-	-	-	-	-	-	-
Mission Cliff's (A) TIF	132,965	167,503	138,417	29,086	176,733	144,092	32,641
Prescott Plaza TIF	1,040,376	967,106	1,083,031	(115,925)	1,047,231	1,127,436	(80,205)
East Parallel TIF	1,423	-	1,482	(1,482)	-	1,543	(1,543)
Metropolitan Avenue TIF	166,992	201,354	173,839	27,515	217,252	180,966	36,285
Walmart TIF(24th/Metro)LaPlaza	587,101	560,590	611,172	(50,582)	586,430	636,230	(49,800)
Downtown Grocery Store TIF	-	11,385	-	11,385	44,400	-	44,400
Other Funds	**1,506,946**	**1,501,833**	**1,568,731**	**(66,899)**	**1,594,949**	**1,633,049**	**(38,100)**
Court Trustee Fund	427,352	393,145	444,874	(51,729)	435,000	463,113	(28,113)
Environment Trust	1,079,594	1,108,688	1,123,858	(15,170)	1,159,949	1,169,936	(9,987)
Sewer Enterprise Fund	**36,566,895**	**37,363,425**	**38,066,138**	**(702,712)**	**39,401,700**	**39,626,849**	**(225,149)**
Other Enterprise Funds	**16,476,277**	**15,591,076**	**17,151,805**	**(1,560,729)**	**16,665,851**	**17,855,029**	**(1,189,178)**
Public Levee	345,577	338,509	359,746	(21,237)	340,500	374,495	(33,995)
Stormwater Enterprise	3,671,890	3,653,358	3,822,437	(169,079)	3,605,000	3,979,157	(374,157)
Emergency Medical Services	11,614,616	10,781,575	12,090,816	(1,309,241)	11,812,551	12,586,539	(773,988)
Sunflower Hills Golf Fund	664,375	822,759	691,615	131,145	807,800	719,971	87,829
Stadium-Baseball	179,819	(5,125)	187,192	(192,316)	100,000	194,867	(94,867)
KCK FUNDS TOTALS:	**$ 239,942,629**	**$ 230,999,806**	**$ 249,780,276**	**$ (18,780,470)**	**$ 247,716,494**	**$ 260,021,268**	**$ (12,304,774)**

Kansas City, Kansas

Straight Revenue Replacement Calculations without Adjustments

2020 Actual - $18,780,470
2021 Estimate - $12,304,774

2-Year Total - $31,085,244

**You typically don't see these TIF Funds broken out because in the budget book we reflect their transactions combined with the City Debt Service Fund.*

ORIGINAL CALCS

WYANDOTTE COUNTY, KANSAS FUNDS							
	2019 Actuals	2020 Actuals	2020 Counterfactual with 6.2% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Estimate	2021 Counterfactual with 6.2% CPI increase	2021 Est. COVID Revenue Loss
County General Fund	$ 64,823,303	$ 63,023,322	$ 68,908,995	$ (5,885,673)	$ 69,224,049	$ 73,250,731	$ (4,026,683)
Parks General Fund	2,705,905	2,670,262	2,873,671	(203,409)	3,084,576	3,051,839	32,738
County Debt Service Fund	3,802,838	3,753,572	4,038,614	(285,042)	4,058,767	4,289,008	(230,241)
County Tax Levy Funds	6,639,995	6,771,302	7,051,674	(280,372)	7,284,290	7,488,878	(204,588)
Elections	1,288,308	1,330,327	1,368,183	(37,857)	1,446,194	1,453,011	(6,817)
Aging	1,518,459	1,543,506	1,612,603	(69,097)	1,666,670	1,712,584	(45,914)
Mental Health	616,651	632,307	654,883	(22,576)	671,943	695,486	(23,543)
Developmental Disability	540,932	560,007	574,470	(14,462)	588,261	610,087	(21,825)
Health Department	2,675,645	2,705,155	2,841,535	(136,380)	2,911,222	3,017,710	(106,489)
Special Revenue Funds	4,356,223	4,563,277	4,559,662	3,615	4,831,661	4,772,982	58,679
County - Library	3,173,652	3,295,398	3,303,772	(8,373)	3,498,661	3,439,226	59,435
Jail Commissary Fund	50,675	36,480	53,817	(17,337)	45,000	57,154	(12,154)
Register of Deeds Tech Fund	172,646	200,294	183,350	16,944	220,000	194,718	25,282
Clerk's Technology Fund	43,127	50,074	45,801	4,273	55,000	48,641	6,359
Treasurer's Technology Fund	43,127	50,074	45,801	4,273	55,000	48,641	6,359
Wyandotte County 911 Fund	833,178	895,766	884,835	10,931	920,000	939,694	(19,694)
Special Parks and Recreation-Cour	18,685	18,104	19,843	(1,739)	19,000	21,074	(2,074)
Special Alcohol Program-County	21,133	17,089	22,444	(5,355)	19,000	23,835	(4,835)
WYCO FUNDS TOTALS:	$ 82,328,264	$ 80,781,736	$ 87,432,616	$ (6,650,880)	$ 88,483,343	$ 92,853,438	$ (4,370,095)

Wyandotte County

Straight Revenue Replacement Calculations without Adjustments

2020 Actual - $6,650,880
2021 Estimate - $4,370,095

2-Year Total - $11,020,975

ORIGINAL CALCS

Budgeting
Revenue Replacement

- This is the ORIGINAL revenue replacement by fund as estimated (08.26.2021)
- We recommended maximizing the revenue replacement to provide the Unified Government with the greatest flexibility in our recovery

Adjustments to Fund Allocations (Reflected in previous slide):

- Netted calculated revenue increases of various funds to the respective General Funds
- Reflected City & County Debt Service Funds revenue loss in the respective General Funds
- Reflected Tourism Fund revenue loss in the City General Fund

KANSAS CITY, KS FUNDS	2020 COVID Revenue Loss	2021 COVID Revenue Loss (estimated)
City General Fund	$14,644,100	$9,771,553
Special Revenue Funds	$1,458,069	$799,263
TIF Funds	$216,817	$193,722
Other Funds	$66,899	$38,100
Sewer Enterprise Fund	$702,712	$225,149
Other Enterprise Funds	$1,691,873	$1,277,007
Totals	**$18,780,470**	**$12,304,775**

WYANDOTTE COUNTY FUNDS	2020 COVID Revenue Loss	2021 COVID Revenue Loss (estimated)
County General Fund	$6,134,294	$4,126,751
Parks General Fund	$203,409	-
County Tax Levy Funds	$280,372	$204,588
Special Revenue Funds	$32,805	$38,757
Totals	**$6,650,880**	**$4,370,096**

Revenue Replacement Calculations Adjusted for the following reasons …

- 2020 Kansas City, Kansas:
  - In February 2022, external auditor reviewed the detailed 2020 calculations and found that the $2 M revenues from the sale of the former Woodland racetrack recorded in the City General Fund should have been categorizes as a “own revenue sources” since land sales is part of that category.
  - Since it is one-time in nature, I had interpreted it to be NOT included.
  - The $2 M inclusion increased the base revenue and reduced the amount “lost’ due to COVID.
- 2021 for both KCK and WyCo:
  - Calculation done summer of 2021 as part of the 2021 Amended/ 2022 Budget Process using2021 revenues estimates
  - Now that 2021 Actuals are known, the calculation must be reconciled to Actuals.

2020 Revenue Replacement

- Based on comparison of 2019 and 2020 Actual Revenues
- Replacement funds deposited as part of 2021 Budget
  - Since Interim Final Rule Guidance for calculation didn’t come our till Summer 2021, the auditor didn’t review the support doc till January 2022 as part of their 2021 audit work

2021 Revenue Replacement

- Based on comparison of Counterfactual inflated 2019 and 2021 Actual Revenues
- Replacement funds deposited as part of 2022 Budget

KANSAS CITY, KANSAS FUNDS							
	2019 Actuals	2020 Actuals	2020 Counterfactual with 4.1% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Actuals	2021 Counterfactual with 4.1% CPI increase	2021 COVID Revenue Loss
City General Fund	$ 136,642,839	$ 132,586,972	$142,245,195	$ (9,658,223)	$ 142,940,418	$ 148,077,248	$ (5,136,830)
Special Revenue Funds	22,756,420	20,857,395	23,689,433	(2,832,038)	23,974,249	24,660,700	(686,451)
Dedicated Sales Tax	10,604,121	10,563,372	11,038,890	(475,518)	12,258,732	11,491,485	767,247
Special Street & Hiway-City	7,366,968	7,067,916	7,669,013	(601,097)	7,459,279	7,983,443	(524,164)
Special Parks and Recreation-C	552,242	382,944	574,884	(191,940)	475,980	598,454	(122,474)
Special Alcohol Program-City	549,485	382,499	572,014	(189,514)	475,960	595,466	(119,506)
Tourism & Convention Prom	3,683,604	2,460,663	3,834,632	(1,373,969)	3,304,298	3,991,852	(687,554)
Specials Assets	-	-	-	-	-	-	-
City Debt Service Fund	23,391,849	22,566,780	24,350,915	(1,784,136)	24,407,227	25,349,303	(942,076)
TIF Funds	2,601,402	2,566,821	2,708,059	(141,238)	2,539,441	2,819,090	(279,649)
I-70 and Armstrong TIF	147,925	144,168	153,990	(9,822)	148,332	160,304	(11,972)
Melrose TIF	265,021	243,524	275,887	(32,363)	254,438	287,198	(32,760)
Strawberry Hill TIF	25,992	26,562	27,058	(496)	39,582	28,167	11,414
MissionCliffs/RainbowPark TIF	58,491	65,879	60,889	4,990	43,144	63,386	(20,241)
St Peters Waterway TIF	147,211	157,331	153,247	4,085	215,094	159,530	55,565
Mt. Carmel TIF	-	-	-	-	-	-	-
NE Armourdale TIF	-	-	-	-	-	-	-
Turtle Hill Redevelopment TIF	8,977	6,277	9,345	(3,068)	9,096	9,728	(633)
All America City TIF (Per Flc)	18,926	15,141	19,702	(4,561)	17,945	20,510	(2,565)
Adams Street TIF	-	-	-	-	-	-	-
Mission Cliff's (A) TIF	132,965	167,503	138,417	29,086	182,321	144,092	38,229
Prescott Plaza TIF	1,040,376	967,106	1,083,031	(115,925)	781,664	1,127,436	(345,772)
East Parallel TIF	1,423	-	1,482	(1,482)	-	1,543	(1,543)
Metropolitan Avenue TIF	166,992	201,354	173,839	27,515	264,056	180,966	83,089
Walmart TIF(24th/Metro)LaPlaz	587,101	560,590	611,172	(50,582)	539,823	636,230	(96,407)
Downtown Grocery Store TIF	-	11,385	-	11,385	43,945	-	43,945
Other Funds	1,506,946	1,501,833	1,568,731	(66,899)	1,607,210	1,633,049	(25,839)
Court Trustee Fund	427,352	393,145	444,874	(51,729)	477,009	463,113	13,896
Environment Trust	1,079,594	1,108,688	1,123,858	(15,170)	1,130,201	1,169,936	(39,734)
Sewer Enterprise Fund	36,566,895	37,363,425	38,066,138	(702,712)	42,145,949	39,626,849	2,519,100
Other Enterprise Funds	16,476,277	15,591,076	17,151,805	(1,560,729)	17,362,852	17,855,029	(492,177)
Public Levee	345,577	338,509	359,746	(21,237)	335,512	374,495	(38,983)
Stormwater Enterprise	3,671,890	3,653,358	3,822,437	(169,079)	3,690,261	3,979,157	(288,896)
Emergency Medical Services	11,614,616	10,781,575	12,090,816	(1,309,241)	12,271,057	12,586,539	(315,482)
Sunflower Hills Golf Fund	664,375	822,759	691,615	131,145	978,525	719,971	258,554
Stadium-Baseball	179,819	(5,125)	187,192	(192,316)	87,497	194,867	(107,370)
KCK FUNDS TOTALS:	$ 239,942,629	$ 233,034,302	$249,780,276	$ (16,745,974)	$ 254,977,346	$ 260,021,268	$ (5,043,922)

ADJUSTED CALCS

Kansas City, Kansas

Straight Revenue Replacement Calculations without Fund Changes

2020 Actual - $16,745,974
2021 Actual - $5,043,922

2-Year Total - $21,789,896

**You typically don't see these TIF Funds broken out because in the budget book we reflect their transactions combined with the City Debt Service Fund.*

ADJUSTED CALCS

WYANDOTTE COUNTY, KANSAS FUNDS	2019 Actuals	2020 Actuals	2020 Counterfactual with 6.2% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Actuals	2021 Counterfactual with 6.2% CPI increase	2021 COVID Revenue Loss
County General Fund	$ 64,823,303	$ 63,023,322	$ 68,908,995	$ (5,885,673)	$ 70,140,395	$ 73,250,731	$ (3,110,336)
Parks General Fund	2,705,905	2,670,262	2,873,671	(203,409)	3,127,440	3,051,839	75,601
Debt Service Funds	3,802,838	3,753,572	4,038,614	(285,042)	4,093,318	4,289,008	(195,690)
County Tax Levy Funds	6,639,995	6,771,302	7,051,674	(280,372)	7,856,728	7,488,878	367,850
Elections	1,288,308	1,330,327	1,368,183	(37,857)	1,416,002	1,453,011	(37,009)
Aging	1,518,459	1,543,506	1,612,603	(69,097)	1,661,579	1,712,584	(51,006)
Mental Health	616,651	632,307	654,883	(22,576)	687,801	695,486	(7,686)
Developmental Disability	540,932	560,007	574,470	(14,462)	569,876	610,087	(40,211)
Health Department	2,675,645	2,705,155	2,841,535	(136,380)	3,521,471	3,017,710	503,761
Special Revenue Funds	4,356,223	4,563,277	4,559,662	3,615	4,919,935	4,772,982	146,953
County - Library	3,173,652	3,295,398	3,303,772	(8,373)	3,529,295	3,439,226	90,069
Jail Commissary Fund	50,675	36,480	53,817	(17,337)	65,450	57,154	8,296
Register of Deeds Tech Fund	172,646	200,294	183,350	16,944	247,636	194,718	52,918
Clerk's Technology Fund	43,127	50,074	45,801	4,273	61,909	48,641	13,268
Treasurer's Technology Fund	43,127	50,074	45,801	4,273	61,909	48,641	13,268
Wyandotte County 911 Fund	833,178	895,766	884,835	10,931	913,516	939,694	(26,178)
Special Parks and Recreation-C	18,685	18,104	19,843	(1,739)	23,257	21,074	2,183
Special Alcohol Program-Count	21,133	17,089	22,444	(5,355)	16,963	23,835	(6,872)
WYCO FUNDS TOTALS:	$ 82,328,264	$ 80,781,736	$ 87,432,616	$ (6,650,880)	$ 90,137,816	$ 92,853,438	$ (2,715,622)

Wyandotte County

Straight Revenue Replacement Calculations without Adjustments

2020 Actual - $6,650,880
2021 Actual - $2,715,622

2-Year Total - $9,366,503

ADJUSTED CALCS

Budgeting
Revenue Replacement

- This is the ADJUSTED revenue replacement by fund as estimated (05/27/22)
- We recommended maximizing the revenue replacement to provide the Unified Government with the greatest flexibility in our recovery

Adjustments to Fund Allocations (Reflected in previous slide):

- Netted calculated revenue increases of various funds to the respective General Funds
- Reflected City & County, TIF Debt Service Funds and Public Levy Debt Service revenue loss in the respective General Funds
- Reflected Tourism Fund revenue loss in the City General Fund

KANSAS CITY, KS FUNDS	2020 COVID Revenue Loss (ACTUAL)	2021 COVID Revenue Loss (ACTUAL)
City General Fund	$12,912,238	$3,645,802
Special Revenue Funds	$1,393,489	$646,638
TIF Funds	$0	$
Other Funds	$66,899	$39,734
Sewer Enterprise Fund	$702,712	$0
Other Enterprise Funds	$1,670,636	$17711,748
Totals	**$16,745,974**	**$5,043,922**

WYANDOTTE COUNTY FUNDS	2020 COVID Revenue Loss (ACTUAL)	2021 COVID Revenue Loss (ACTUAL)
County General Fund	$6,172,338	$2,561,218
Parks General Fund	$203,409	-
County Tax Levy Funds	$257,796	$128,226
Special Revenue Funds	$17,337	$26,178
Totals	**$6,650,880**	**$2,715,622**

LOCAL RECOVERY
ARPA To Date

- Revenue Loss: Calculated impact of the pandemic on budgets
- Eligible Needs: Funded since August 2021 to sustain our public health priorities, housing needs, and small businesses.
- Unallocated Funds: Not yet directed per the fund guidelines. Must be allocated by 2024.

$87.5M
Total ARPA Allocation

City of KCK
$55.4 M

Revenue Loss Replacement
$21.8 M

Immediate Needs: $1.4 M

Deposited KCK Operating Funds: $20.4 M

Other ARPA Categories
$33.6 M

Immediate Needs: $1.5 M

Vaccine Incentive: $660 K

ARPA Eligible Capital & Other Needs:
$17.6 M

~$13.8 M
Unallocated ARPA Funds*
6/22/2022

Projected Remaining Available Balance in KCK Operating Funds: $6 M (2022)

Wyandotte County
$32.1M

Revenue Loss Replacement
$9.4 M

Immediate Needs: $0.5M

Deposited WyCo Operating Funds: $9.9 M

Other ARPA Categories
$22.7 M

Immediate Needs:$10.15M

Vaccine Incentive: $340K

UGPHD Additional Needs: $3.4M

ARPA Eligible Capital & Other Needs:
$6.2 M

~$2.6 M
Unallocated ARPA Funds*
6/22/2022

Projected Remaining Available Balance in WyCo Operating Funds: $1 M (2022)

Potential Immediate Needs Re-Allocation due to FEMA Reimbursement:$0

Rounding may create minor total discrepancies.

LOCAL RECOVERY

ARPA To Date

- Allocations by Date and Commission Actions

- Unallocated Funds: Not yet directed per the fund guidelines. Must be allocated by 2024.

Ord/Reso #s		City of Kansas City, Kansas	Wyandotte County, Kansas	Total Allocation Running Balances
	ARPA SLFRF Allocations	**$ 55,383,872**	**$ 32,132,644**	**$ 87,516,516**
O-115-21/R-58-21	Revenue Loss 2020	$ (18,780,470)	$ (6,650,880)	$ (25,431,350)
O-115-21/R-58-21	Revenue Loss 2021	$ (12,304,774)	$ (4,370,095)	$ (16,674,869)
O-115-21/R-58-21	Immediate Needs 8/26/21	$ (1,516,634)	$ (8,298,342)	$ (9,814,976)
R-59-21	Housing Assistance 8/26/21	$ -	$ (1,850,000)	$ (1,850,000)
R-72-21	Employee VaX Incentives 9/30/21	$ (1,000,000)	$ -	$ (1,000,000)
	Remaining ARPA SLFRF Balances (as of 9/30/21)	**$ 21,781,994**	**$ 10,963,327**	**$ 32,745,321**
O-20-22/R-8-22	UGPHD Additional Needs 2/10/22	$ -	$ (3,435,934)	$ (3,435,934)
O-20-22/R-8-22	Employee VaX Incentives 2/10/22	$ 340,000	$ (340,000)	$ -
	Remaining ARPA SLFRF Balances (as of 2/10/22)	**$ 22,121,994**	**$ 7,187,393**	**$ 29,309,387**
O-75-22/R-23-22	ARPA Capital Needs 5/26/22	$ (17,474,528)	$ (6,378,308)	$ (23,852,836)
O-75-22/R-23-22	Muni Court Fees Shift 5/26/22	$ (150,000)	$ 150,000	$ -
	Remaining ARPA SLFRF Balances (as of 5/26/22)	**$ 4,497,466**	**$ 959,085**	**$ 5,456,551**
O-xx-22/R-x-22	Adjustment to 2020 Revenue Loss for 2021 Budget	$ 2,034,496	$ -	$ 2,034,496
O-xx-22/R-x-22	Adjustment to 2021 Revenue Loss for 2022 Budget	$ 7,260,852	$ 1,654,473	$ 8,915,325
	Remaining ARPA SLFRF Balances (as of 6/2/22)	**$ 13,792,814**	**$ 2,613,558**	**$ 16,406,372**

**Rounding may create minor total discrepancies.*

Staff Request for Commission Action

Tracking No. 211744

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

Date of Standing Committee Action: 7/11/2022 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
06/21/2022	Debbie Jonscher	x5847	djonscher@wycokck.org	Finance

Item Description:
A presentation to review the 2021 Year-End Fund Balance and Reserves for the General Fund and Special Revenue Funds, submitted by Debbie Jonscher, Deputy Chief Financial Officer.

For information only.

Action Requested:
For information only

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

Attachments List:
2021 Year-End Reserve Balances-7-11-22-Adj for Mtg-v2

2021 Year-End Reserves Review

General Fund, Special Revenue Funds and Employee Benefits-related Internal Service Funds

UG ECONOMIC DEVELOPMENT & FINANCE COMMITTEE

JULY 11, 2022

2021 Reserves Review Discussion Items

General Fund

- Fund Balance Performance
- Minimum Reserves

Special Revenue Funds

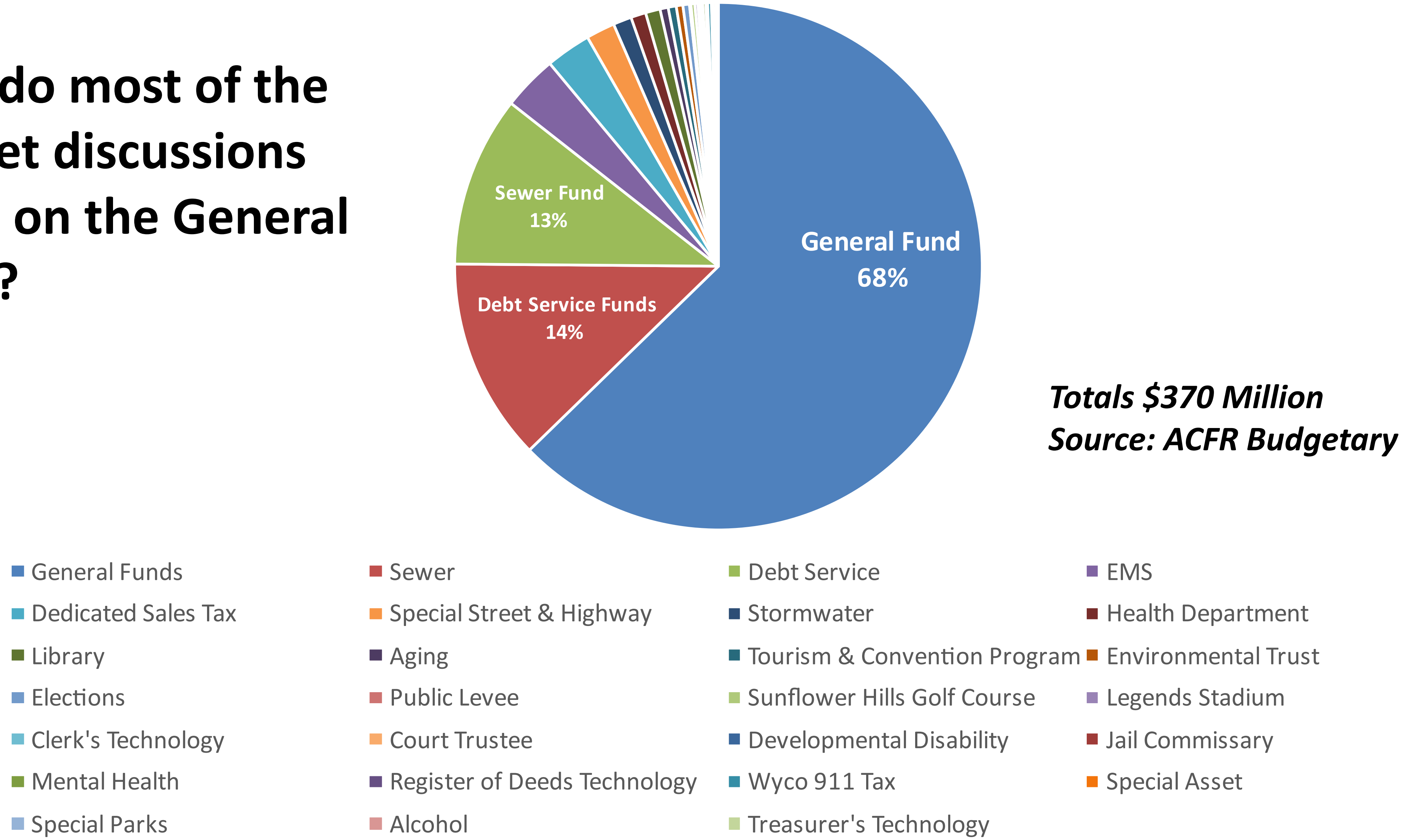
- Fund Balances Performance and Minimum Reserves
  - Legal authority for sources/uses of these special funds provided as supplementary info

Internal Service Funds (Employee Benefit-Related)

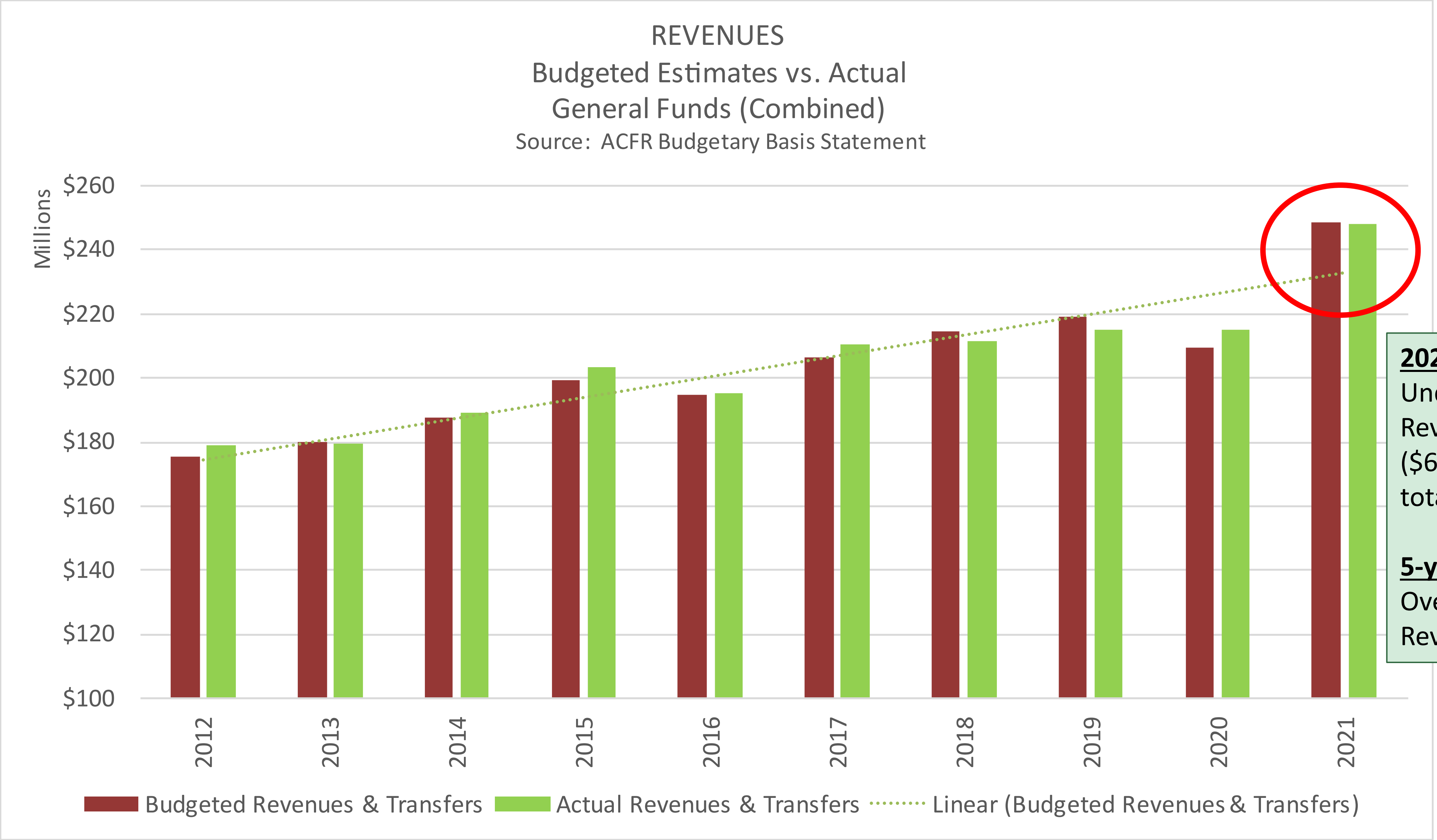
- Workers' Compensation
- Self-Insured Healthcare

Unified Government Total Expenditures by Certified Fund in 2021

Why do most of the budget discussions focus on the General Fund?

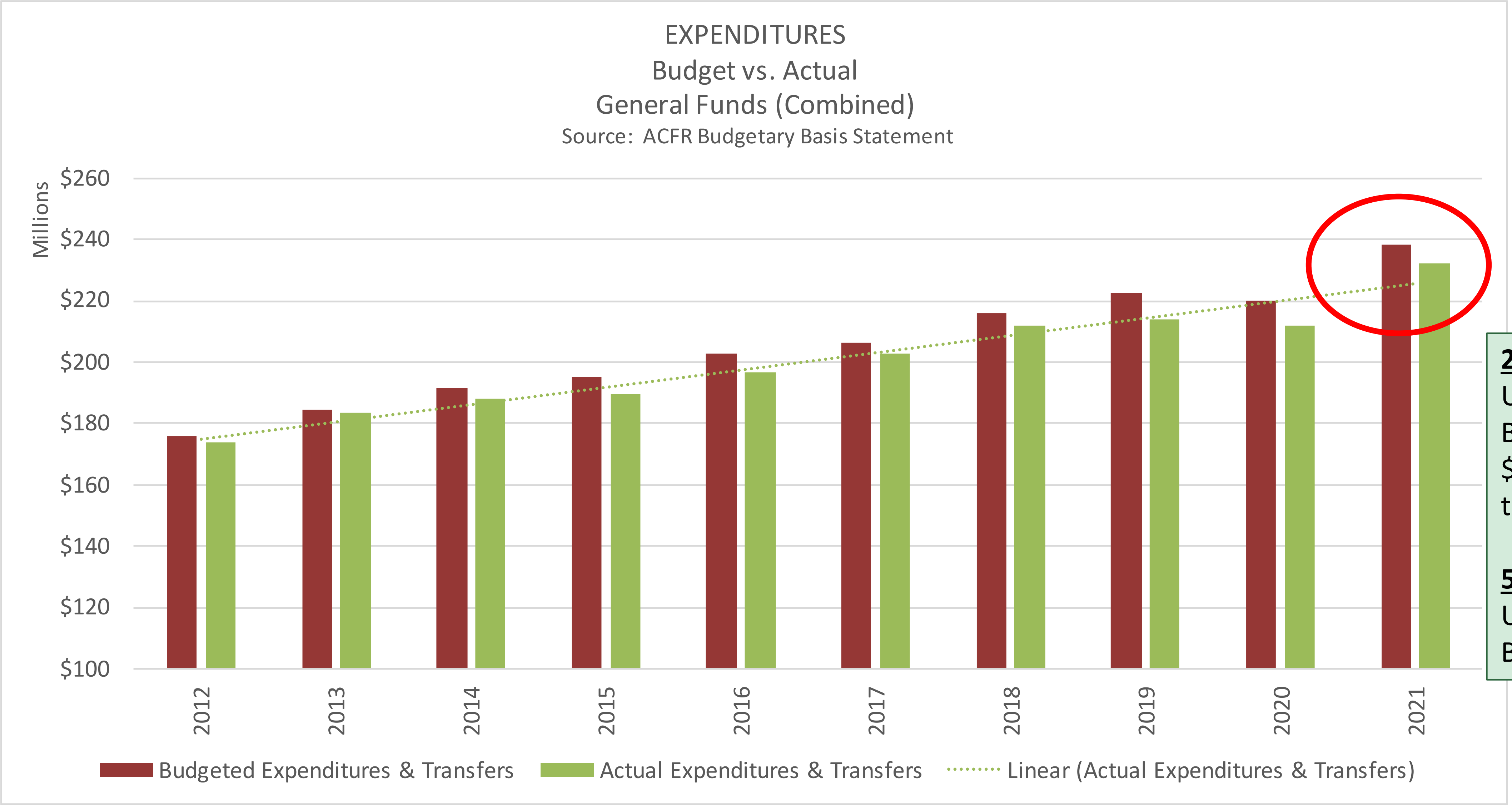


Totals $370 Million
Source: ACFR Budgetary Statements



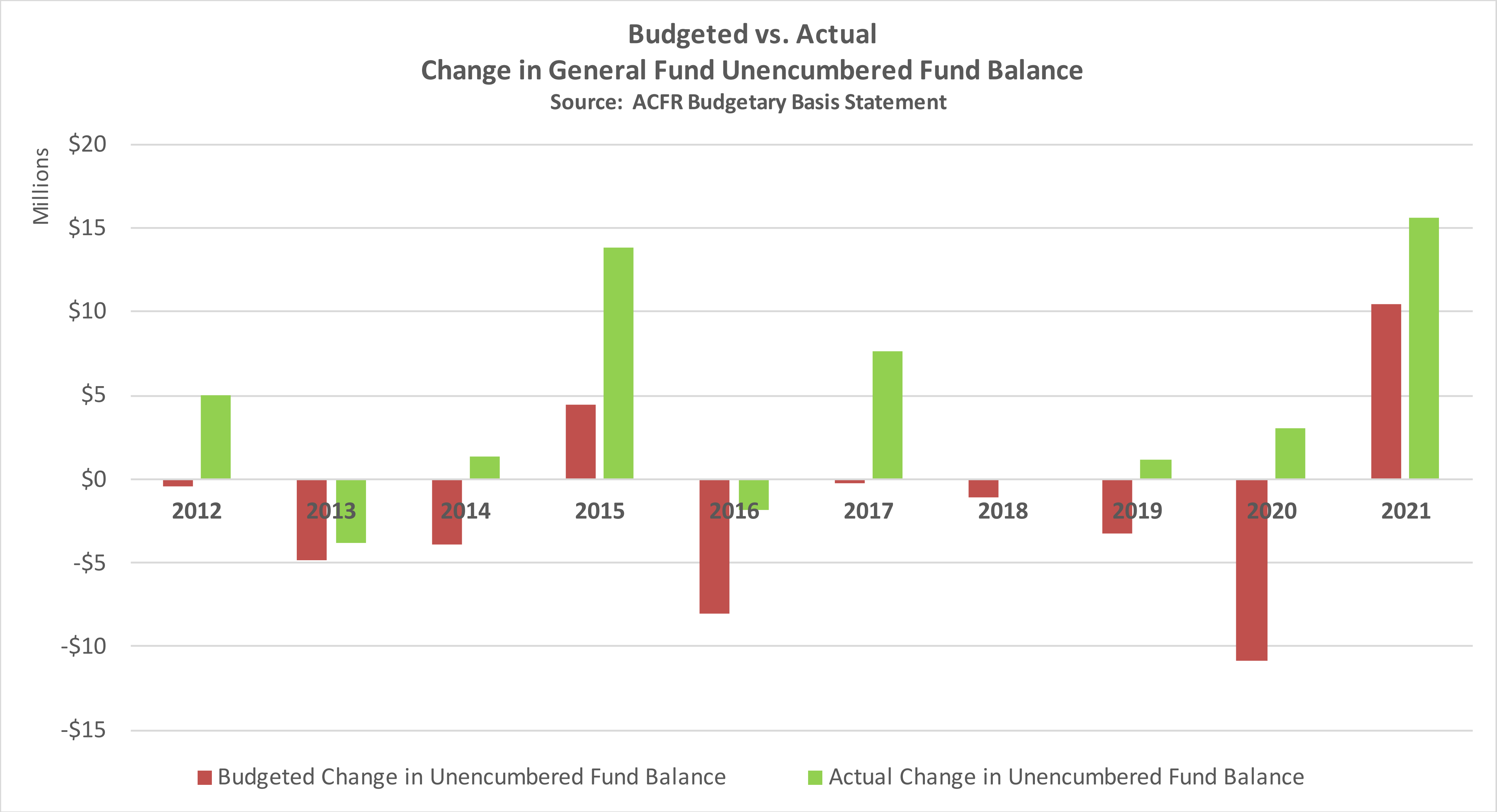
2021
Under-estimated Revenues by ($601 K) or 0.2% of total

5-yr Average
Over-estimated Revenues by $352 K



2021
Underspent Budget by $5.8 M or 2.4% of total

5-yr Average
Underspent Budget by $6.1 M

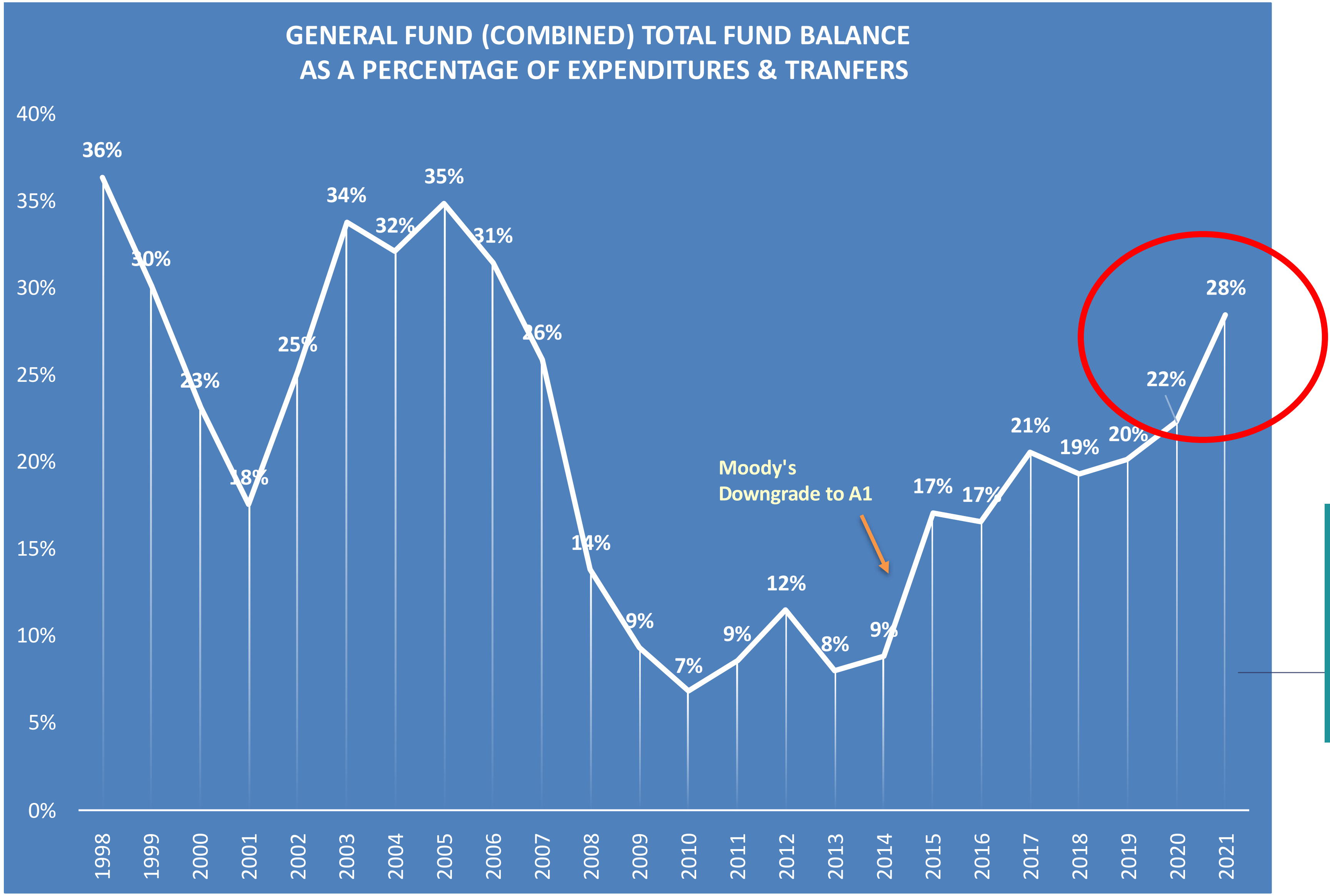

Budgeted vs. Actual
Change in General Fund Unencumbered Fund Balance
Source: ACFR Budgetary Basis Statement
Millions
$20
$15
$10
$5
$0
-$5
-$10
-$15
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Budgeted Change in Unencumbered Fund Balance
Actual Change in Unencumbered Fund Balance

General Fund Reserves

INCREASED 2021 YEAR-END BY $19.2 MILLION

Combined General Fund Reserves ($ in millions)	Reserves
2020 Ending Fund Balance - Reserves	$ 45.7
2021 Change in Fund Balance (net operating margin)	$ 19.2
2021 Ending Fund Balance - Reserves	$ 64.9
% of 2021 Expenditures and Transfers-Out	28.4%

- 2021 Year-End Reserves at 3.4 months of spending.
- 2-months of spending or 17% equals to $38 million.
- Remaining reserve balance for “emergencies” totals $26.9 million.
- As of end of 2021, we are $7.8 million over 3-month reserve target.



FUND BALANCE PERFORMANCE GENERAL FUND (COMBINED)

Net change in 2021 Fund balance was a positive $19.2 M primarily due to the deposit of $19.2 M in ARPA revenue replacement funds.

2021 Actuals has fund balance at 28% of total General Fund (Combined) expenditures and transfers out.

UG GENERAL FUND **MINIMUM** RESERVE POLICY

GFOA GENERAL FUND RESERVE RISK ASSESSMENT FACTORS

- Extreme Events
- Revenue Stability
- Expenditure Volatility
- Leverage
- Liquidity
- Other Funds Reliance
- Growth
- Capital Needs
- Government's Size
- Budget Practices
- Borrowing Capabilities
- Community Perceptions
- Political Support

UG GENERAL FUND **MINIMUM** RESERVE POLICY

GFOA GENERAL FUND RESERVE RISK ASSESSMENT

Score	*Analytical Guidance*	
8 - 16	You face minimal risk to retain through reserves. Consider a target equal to the GFOA minimum recommended reserve of 16.6% of revenues/expenditures.	
17-24	You face a low to moderate level of risk to retain through reserves. Consider adopting a reserve target somewhat higher than the GFOA minimum (e.g. 17-25% of revenues/expenditures). Since risk is low, do not invest excessive analytical effort in determining an exact target amount. Consider a short, informal benchmarking study with peer agencies to provide guidance.	
25-31	You face a moderate to high level of risk to retain through reserves. Consider adopting a target amount of reserves significantly higher than the GFOA recommended minimum (e.g., 26 - 35%). Consider a short, informal benchmarking survey as a starting point, but then analyze your most significant risk factors to make sure they are adequately covered by what the survey suggests is reasonable.	<--UG Score = 27
32 - 40	You face a high level of risk to retain through reserves. Consider adopting a much higher target than the GFOA minimum (e.g., greater than 35%). Consider performing a more indepth analysis of the risks you face to arrive at target level of reserved that provides sufficient coverage.	

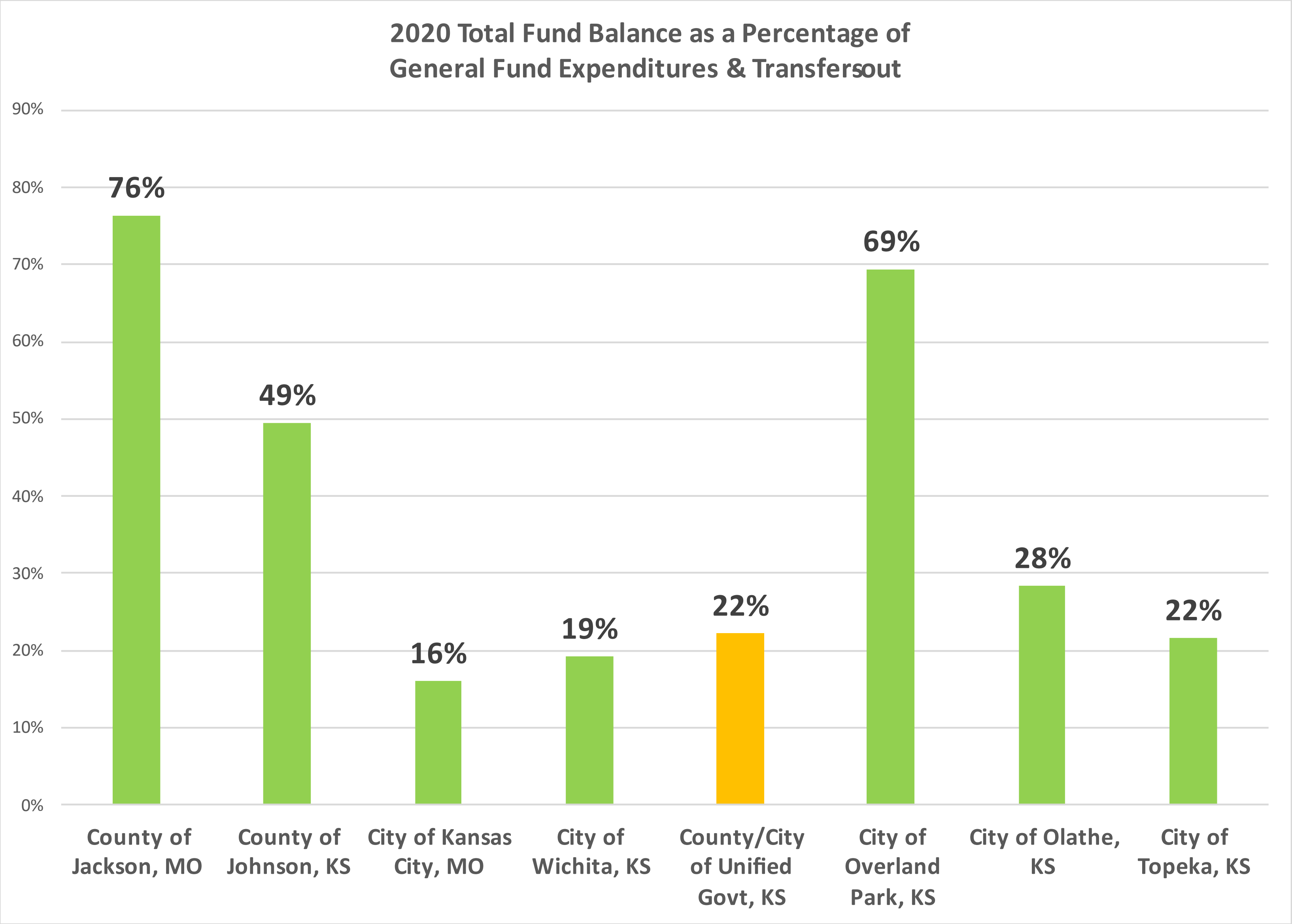
Result of risk assessment:
Should have a 26%-35% reserve

Start by doing a benchmarking survey

17%	**2 months - budget uncertainty/liquidity**
8%	**1 month - emergency events**
25%	**= recommended GF reserve**

Benchmarking:

Neighboring Municipalities General Fund Reserves



Source:
Annual Comprehensive Financial Reports from entities, Fund Financial Statements on a modified accrual basis.

2020 is most recent comparative available data. In the middle of pandemic and pre-ARPA.

UG GENERAL FUND **MINIMUM** RESERVE POLICY

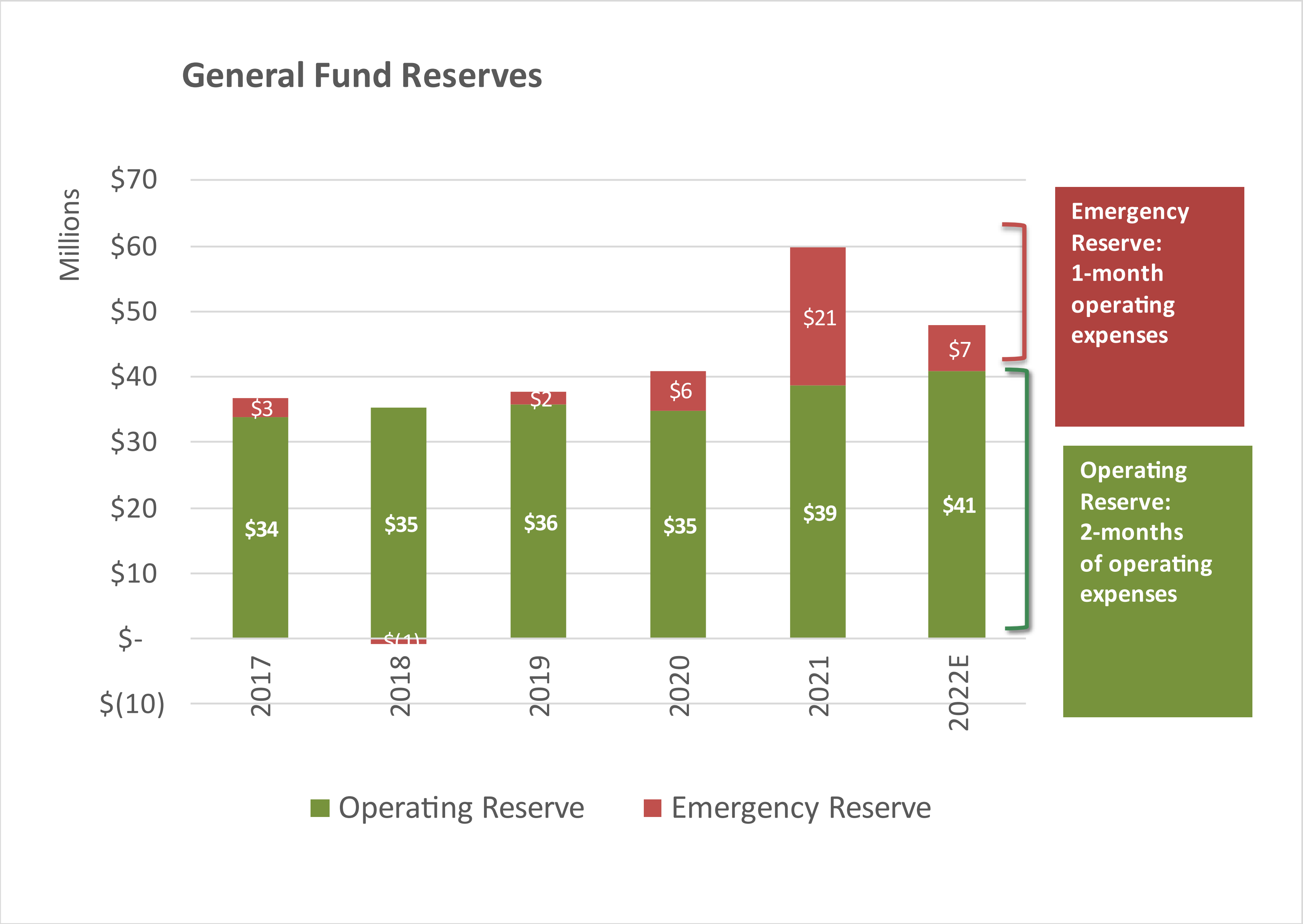
ADOPTED JUNE 2018

General Fund Minimum Reserves

Operating Reserve:	2-months of on-going operating expenditures, or 17%
Economic Uncertainty / Emergency Reserve:	1-month of on-going expenditures, or 8%
Total Fund Balance Reserves:	3-months of on-going expenditures, or 25%

Compliance

- Measurement at December 31st as part of annual financial audit
- If minimum target level of reserves are not being met **or likely to not be met at some point within a five-year time horizon**, then during the annual budget process, fund balance levels will be provided to the Mayor and Board of Commissioners
- Develop a **plan to replenish the reserves** to achieve minimum reserve levels **over a five-year period**



- 2022E assumes all remaining ARPA revenue replacement funds will be appropriated and spent in 2022
- Assumes we will end 2022 with a fund balance equal to pre-pandemic 2019

Special revenue funds reserve policy

ADOPTED JUNE 2018

THESE RESERVES LEVELS WILL BE INCORPORATED AS PART OF THE 2022 AMENDED/2023 PROPOSED BUDGET PROCESS

Reserve Targets

- Range based on percentage of expenditures and transfers for the fiscal year
- Each special revenue fund has a specific prescribed target reserve range

Compliance

- Measurement at December 31st as part of annual financial audit
- If target level of reserves are not being met **or likely to not be met at some point within a five-year time horizon**, then during the annual budget process, fund balance levels will be provided to the Mayor and Board of Commissioners and develop a plan to replenish

SPECIAL REVENUE FUNDS AUTHORIZATION CATEGORIES

Legal authorization provided as a supplement to this presentation

1) COUNTY LEVY FUNDS

2) DEBT SERVICE FUNDS

3) FUNDS RESTRICTED BY KANSAS STATE STATUTE

4) FUNDS CREATED BY UG COMMISSION WITH AUTHORITY OF STATE STATUTE

2021 Expenditure and Transfers & Fund Balances						
Special Revenue Funds' Resources Legally Restricted for Authorized Uses						
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements						
Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
Developmental Disability	$ 437,402	$ 408,033	93%	10% to 15%	$ 342,423	Resources from 0.3474 County mill levy rate (2021 rate for 2022 budget)
Elections	$ 1,483,881	$ 265,009	18%	10% to 15%	$ 42,427	Resources from 0.8805 County mill levy rate (2021 rate for 2022 budget)
Health Department	$ 3,225,253	$ 2,049,272	64%	10% to 15%	$ 1,565,484	Resources from 1.5727 County mill levy rate (2021 rate for 2022 budget)
Mental Health	$ 686,576	$ 78,304	11%	10% to 15%	$ (24,682)	Resources from 0.4286 County mill levy rate (2021 rate for 2022 budget)
Special Programs for Elderly	$ 1,791,734	$ 655,495	37%	10% to 15%	$ 386,735	Resources from 1.0355 County mill levy rate (2021 rate for 2022 budget)
Totals	**$ 7,624,846**	**$ 3,456,113**	**45%**		**$ 2,312,386**	

COUNTY LEVY FUNDS

Use of Fund Balance Options:

- Recommend an outlook forecast presentation for these funds, especially the Health Department Levy Fund
- Authorize one-time projects as part of 2022/2023 budget process
- Shift or reduce the mills in 2023
    - One County mill generates $1,573,000 for 2023

2021 Expenditure and Transfers & Fund Balances						
Special Revenue Funds' Resources Legally Restricted for Authorized Uses						
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements						
Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
City Bond & Interest Fund	$ 23,048,155	$ 4,676,001	20%	5% to 10%	$ 2,371,185	Resources from 17.0429 City property mill levy rate; 100% restricted for debt service payments
County Bond & Interest Fund	$ 5,678,073	$ 2,194,651	39%	5% to 10%	$ 1,626,843	Resources from 2.2200 County property mill levy rate; 100% restricted for debt service payments
TIF Debt Service Funds	$ 1,846,614	$ 5,504,627	298%	5% to 10%	$ 5,319,965	100% restricted for debt service payments
Totals	**$ 30,572,842**	**$ 12,375,278**	**40%**		**$ 9,317,994**	

DEBT SERVICE FUNDS

TIF Funds Balances projected to drop to $500,000 by 2027

Use of Fund Balance Options:

- Recommend Debt Forecast Presentation to review the outlook
- Shift or reduce the mills in 2023
  - One City mill generates $1,394,000 for 2023
  - One County mill generates $1,573,000 for 2023

TIF Fund Overview and Status

FUND BALANCES TO DROP TO $500K BY 2027 AS DISTRICTS RETIRE AND PAY OFF DEBT

Planned Future Actions for Commission Approvals

- **In 2022**:
  - 4 TIF districts have expired (Mt. Carmel, Mt. Zion, NE Armourdale & Freeway Corp)
  - Their $348,674 in 2021 fund balances will be distributed, approximately 46% to UG and 54% to other taxing entities
- **In 2023 -** expecting to propose early terminating these districts due to positive past performance:
  - Melrose - final debt repayment in 2027; est. $150K in property tax to UG beginning in 2024
  - Mission Cliff/Rainbow Park – final debt repayment in 2027; est. $22K in property tax to UG beginning in 2023
  - Metropolitan - pay off debt on 2013-B 10-yr call date; est. $50K in property tax to UG & $180K sales tax revenue to UG beginning in 2024
- **2024 - beyond**:
  - Due to bond issues being GO-backed, estimating that ($1.48 million) in deficit fund balances between 2024-2026 will be covered by the City Debt Service Fund
    - St. Peters Waterway, Peregrin Falcons, Mission Cliff's A
  - Remaining 8 districts in good standing

2021 Debt Service Expenditures & Fund Balances
Tax Increment Financing (TIF) Sub-Funds' Resources Legally Restricted for Authorized Uses
Source: Audited Financial Statements

TIF FUND DETAILS – 19 Sub-funds

TIF Sub-Fund	TIF Project Purpose	TIF Term Period	FY 2021 Debt Service Expenditures	FY 2021 Ending Total Fund Balance	Notes:
422-I-70 AND ARMSTRONG	Commercial	2010-2029	$ 89,702	$ 672,444	Est. to early terminate in 2026 with final debt repayment in 2027
423-MELROSE	Commercial	2010-2029	$ 135,285	$ 1,681,926	Est. to early terminate in 2023 with final debt repayment in 2027 (Est. $150K in property tax revenue to UG beginning in 2024)
424-STRAWBERRY HILL	Residential	2011-2030	$ 2,026	$ 80,971	Est. to early terminate in 2024 with final debt repayment in 2031
425-MISSION CLIFFS (B)	Residential	2010-2029	$ 145	$ 12,674	TIF expired. No revenues; In 2022 plan to shift FB to 445-Mission Cliff's (A)
426-MISSIONCLIFFS/RAINBOWPARK	Residential	2010-2029	$ 13,143	$ 376,975	Est. to early terminate in 2023 with final debt repayment in 2027 (Est. $22K in property tax revenue to UG beginning in 2023)
428-ST PETERS WATERWAY	Residential	2006-2025	$ 169,666	$ (681,782)	In 2025, move est. ($621,000) deficit FB to City Debt Service Fund
433-MT. CARMEL	Residential	1998-2017	$ 63,743	$ 72,699	Clock ended in 2017; Debt service ends in 2022. In 2022, distribute FB.
434-MT. ZION	Residential	2000-2019	$ -	$ 15,826	TIF terminated and debt paid-off in 2014. In 2022, distribute FB
435-NE ARMOURDALE	Commercial	2003-2022	$ -	$ 253,232	Debt paid off in 2018. In 2022, distribute FB.
436-FREEWAY CORP CNTR REDEV	Commercial	1995-2014	$ -	$ 6,917	No revenue. No debt issued. Terminated in 2014. In 2022, distribute FB
438-ALL AMERICA CITY TIF (Peregrin Falcons)	Residential	2005-2024	$ 5,833	$ (298,005)	In 2024, move est. ($389,000) deficit FB to City Debt Service Fund
444-ADAMS STREET/KANSAS AVE	Commercial	2006-2025	$ 39,000	$ 273,668	Early Terminated in 2016. Debt ends in 2025. In 2025, distribute FB.
445-MISSION CLIFF'S (A)	Residential	2006-2025	$ 159,900	$ (509,499)	In 2026, move est. ($471,000) deficit FB to City Debt Service Fund
446-PRESCOTT PLAZA	Commercial	2009-2028	$ 671,595	$ 2,103,185	Est. to early terminate in 2025 with final debt repayment in 2027
447-EAST PARALLEL	Commercial	2011-2030	$ -	$ 7,203	Leaving as is. Waiting on project plan.
448-METROPOLITAN AVENUE	Commercial	2013-2032	$ 117,775	$ 587,902	Est. to early terminate in 2023 and pay off debt on 10-yr call date (Est. $50K in property tax to UG & $180K sales tax revenue to UG beginning in 2024)
450-WALMART TIF(24TH/METRO)LAPLAZA	Commercial	2014-2033	$ 278,463	$ 865,354	Est. to early terminate in 2025. Final debt pay-off in 2027 and distribute FB.
451-DOWNTOWN GROCERY	Commercial	2020-2039	$ 100,339	$ (45,008)	Est. to early terminate in 2032 and pay off debt on 10-yr call date
452-57TH & STATE	Commercial	2017-2036	$ -	$ 27,947	Leaving as is. Waiting on project plan.
Totals			**$ 1,846,615**	**$ 5,504,629**	

2021 Expenditure and Transfers & Fund Balances						
Special Revenue Funds' Resources Legally Restricted for Authorized Uses						
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements						
Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
UG Clerk Technology	$ 75,403	$ 163,638	217%	5% to 10%	$ 156,098	Accumulating resources for future equipment/software acquiisitions
County Treasurer Technology	$ 76,645	$ 107,874	141%	5% to 10%	$ 100,210	Accumulating resources for future equipment/software acquiisitions
Register of Deeds Technology	$ 398,935	$ 166,468	42%	5% to 10%	$ 126,575	Accumulating resources for future equipment/software acquiisitions
Court Trustee	$ 467,781	$ 755,248	161%	8% to 12%	$ 699,114	Resources restricted for child support enforcement activities in future years
Special Wyandotte 911	$ 709,352	$ 443,270	62%	5% to 10%	$ 372,335	Resources from a statewide 911 fee on hardwire, wireless, VoIP phones
Special Alcohol Program	$ 546,173	$ 1,118,232	205%	5% to 10%	$ 1,063,615	Resources from a portion of UG's allocation of State liquor tax sales
Special Parks & Recreation	$ 545,006	$ 322,563	59%	3% to 5%	$ 295,313	Resources from a portion of UG's allocation of State liquor tax sales
Special Street & Highway	$ 5,640,906	$ 4,415,834	78%	3% to 5%	$ 4,133,789	Resources from UG's allocation of State motor fuel taxes
Totals	**$ 8,460,201**	**$ 7,493,127**	**89%**		**$ 6,947,047**	

FUNDS RESTRICTED BY KANSAS STATUTES

Of the total Special Street & Highway fund balance, $1.83 M is encumbered

Use of Fund Balance Options:

- Have reached out to these departments informing them of these resources and inquired as to their future plans.
- Will be incorporated as part of the 2022/23 budget process

2021 Expenditure and Transfers & Fund Balances						
Special Revenue Funds' Resources Legally Restricted for Authorized Uses						
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements						
Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
Jail Commissary	$ 26,531	$ 358,216	1350%	8% to 12%	$ 355,032	Restricted to inventory cost of sale to inmates for clothing, food, etc
Special Dedicated Sales Tax	$ 8,428,834	$ 11,401,369	135%	5% to 10%	$ 10,558,486	Resources committed for prior year capital projects & equipment acquisitions
Special Assets Fund	$ 301,637	$ 1,742,931	578%	5% to 10%	$ 1,712,767	100% assigned for future projects at CAO and Commission direction
Tourism & Convention	$ 5,269,275	$ 4,165,301	79%	3% to 5%	$ 3,901,837	100% assigned for future projects at CAO and Commission direction
Environmental Trust	$ 1,387,168	$ 628,428	45%	10% to 15%	$ 420,353	100% assigned for future dedicated projects / potential landfill risk mitigation
Totals	**$ 15,413,445**	**$ 18,296,245**	**119%**		**$ 16,948,475**	

CREATED BY UG COMMISSION WITH AUTHORITY OF STATE STATUTE

Of the total Dedicated Sales Tax fund balance, $4 M is encumbered

Use of Fund Balance Options:

- Have reached out to these departments informing them of these resources and inquired as to their future plans.
- Will be incorporated as part of the 2022/23 budget process

INTERNAL SERVICE FUNDS

[EMPLOYEE BENEFITS RELATED]

1) WORKERS’ COMPENSATION

2) SELF-INSURED HEALTHCARE

Internal Service Funds reserve policy

ADOPTED JUNE 2018

Reserve Targets

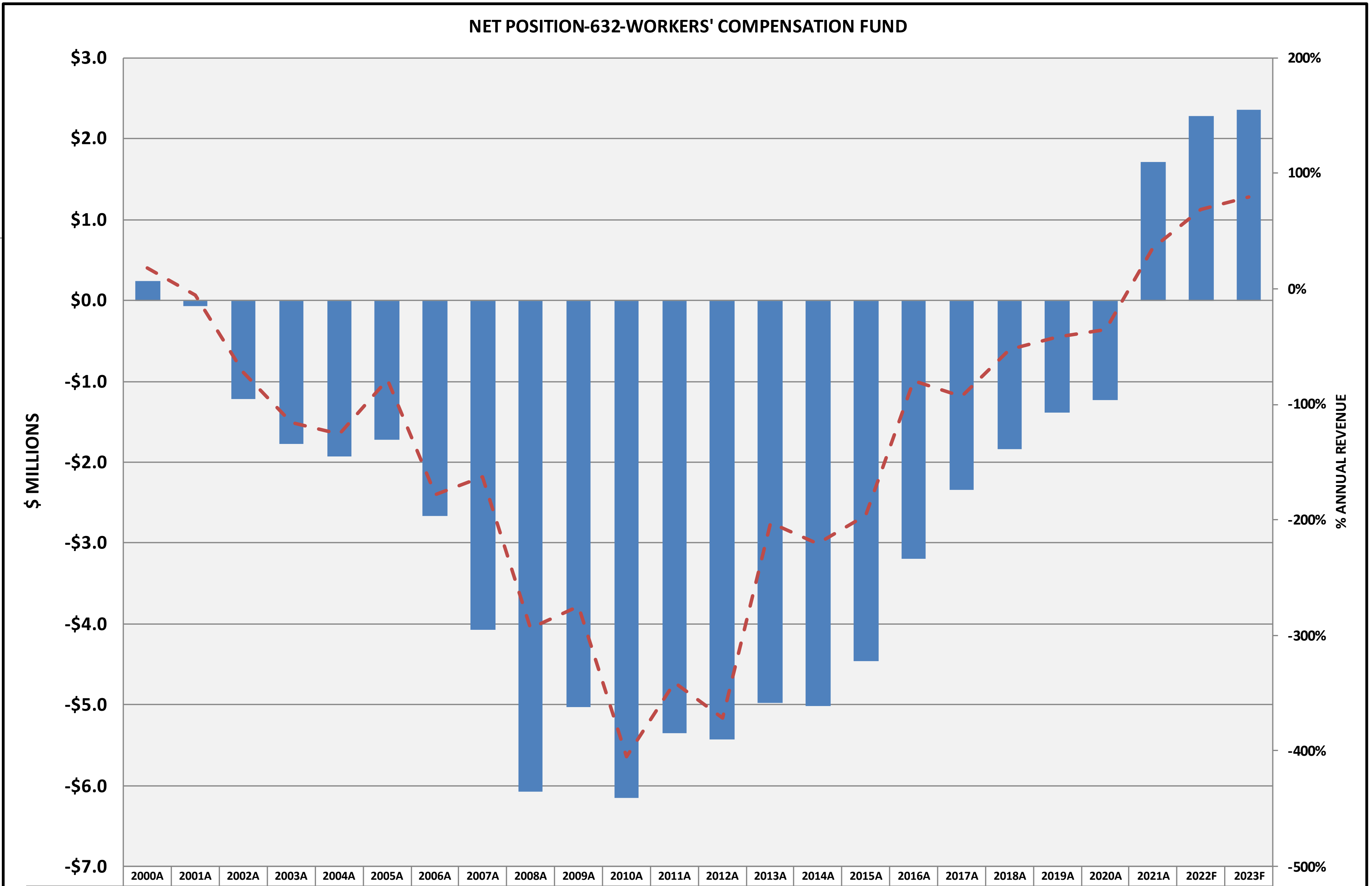
- Employee-related ISF services are to be funded at actuarially determined marginally acceptable levels.
- "Marginally acceptable levels" is an insurance actuarial term that connotes a funding reserve level which the insurance industry has 70 percent confidence that the reserve is adequate to meet funding needs.

Compliance

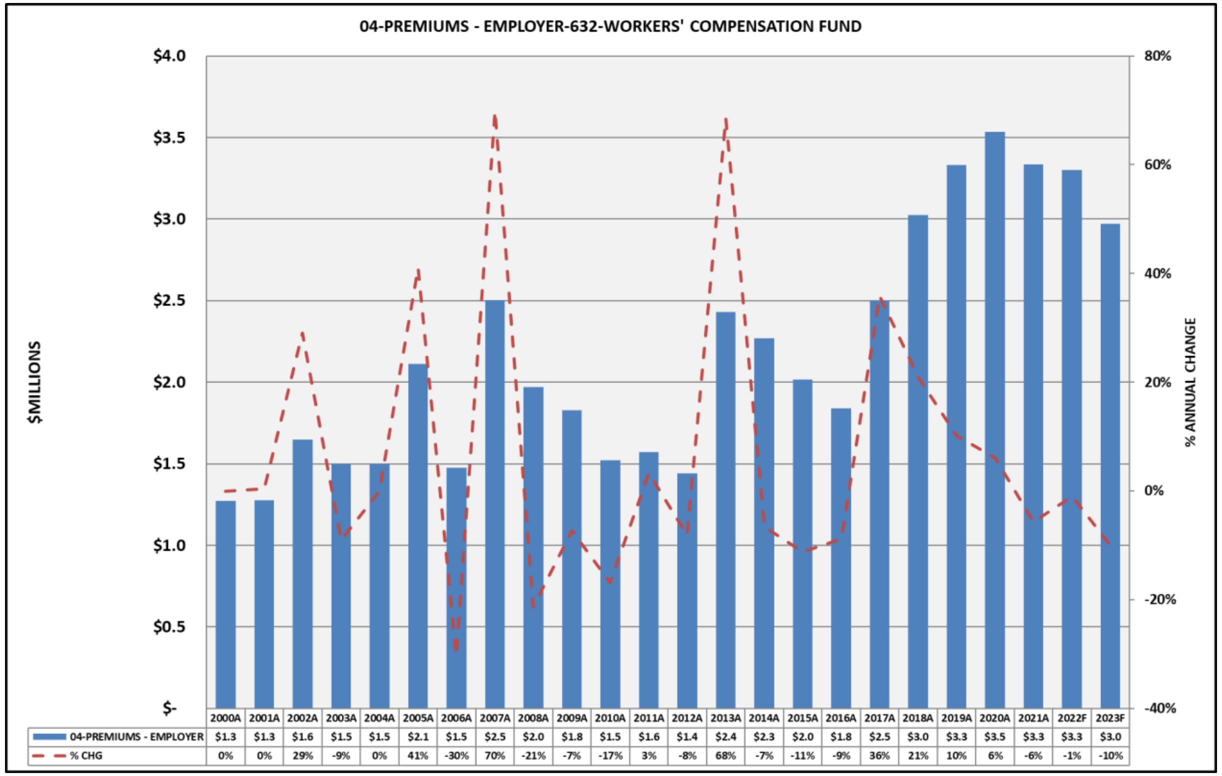
- Measurement at December 31st as part of annual financial audit
- If target level of reserves are not being met **or likely to not be met at some point within a five-year time horizon**, then during the annual budget process, fund balance levels will be provided to the Mayor and Board of Commissioners and a plan will be proposed to replenish reserves.

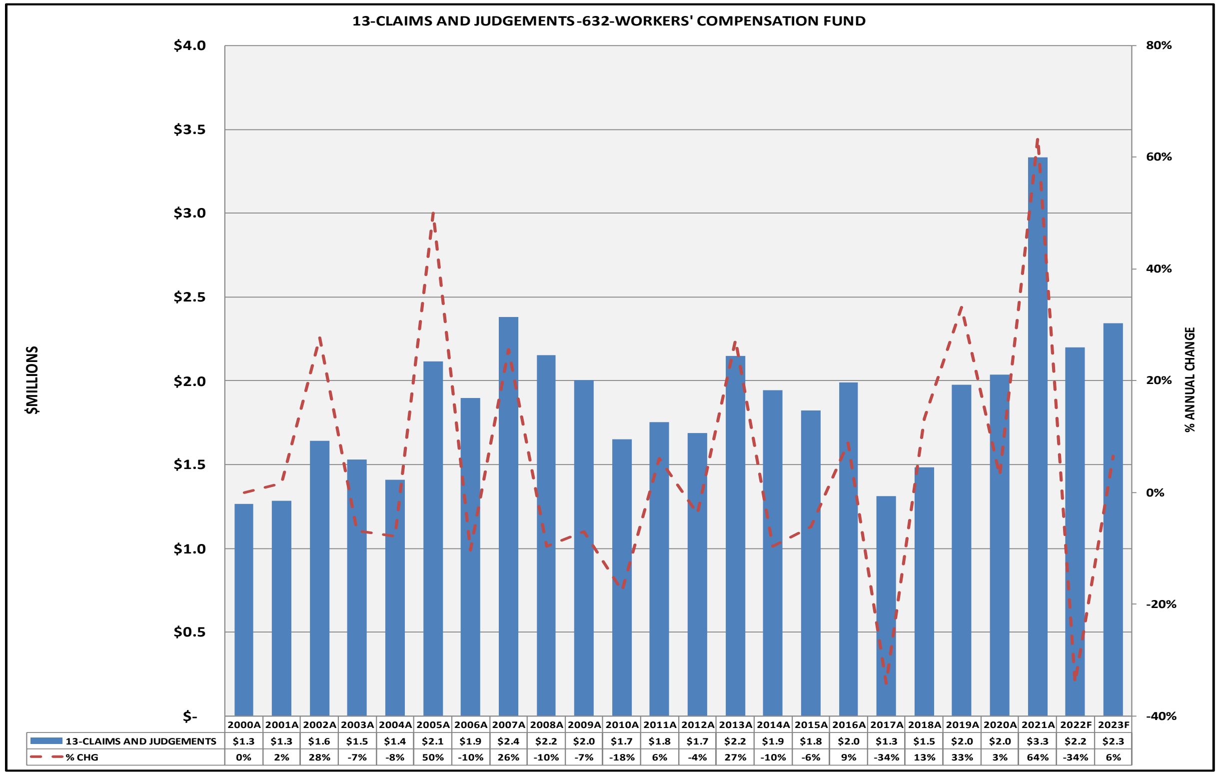
WORKERS' COMPENSATION INTERNAL SERVICE FUND

NET POSITION ACTUALS 2000-2021 FORECAST 2022-2023



	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022F	2023F
BALANCE	$0.2	$(0.1)	$(1.2)	$(1.8)	$(1.9)	$(1.7)	$(2.7)	$(4.1)	$(6.1)	$(5.0)	$(6.2)	$(5.4)	$(5.4)	$(5.0)	$(5.0)	$(4.5)	$(3.2)	$(2.3)	$(1.8)	$(1.4)	$(1.2)	$1.7	$2.3	$2.4
% OF REV	18.1%	-5.5%	-72.0%	-115.4%	-125.9%	-78.8%	-178.1%	-162.5%	-293.9%	-275.3%	-404.8%	-340.8%	-371.9%	-202.9%	-220.2%	-196.4%	-79.2%	-93.2%	-52.3%	-41.7%	-34.8%	34.9%	69.0%	79.3%

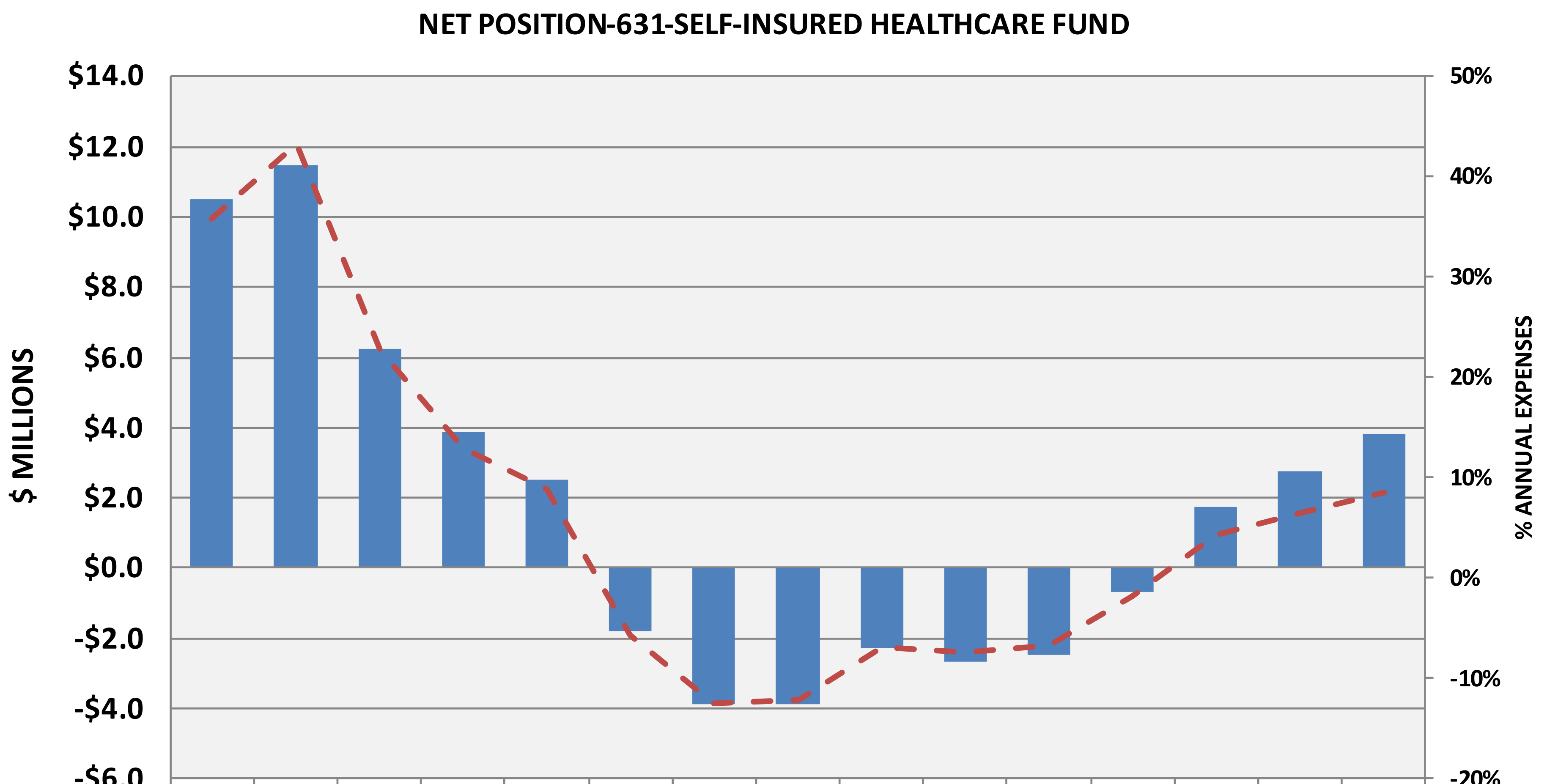




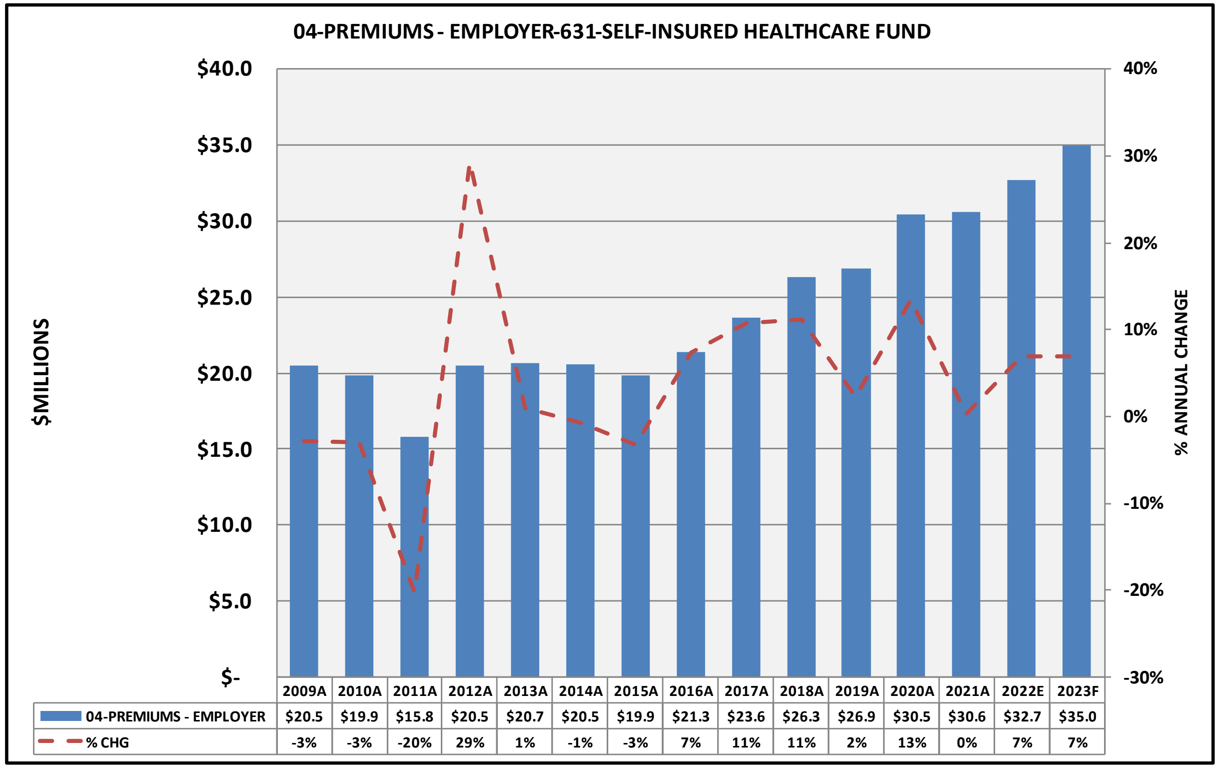
WORKERS' COMPENSATION INTERNAL SERVICE FUND

SELF-INSURED EMPLOYEE HEALTHCARE INTERNAL SERVICE FUND

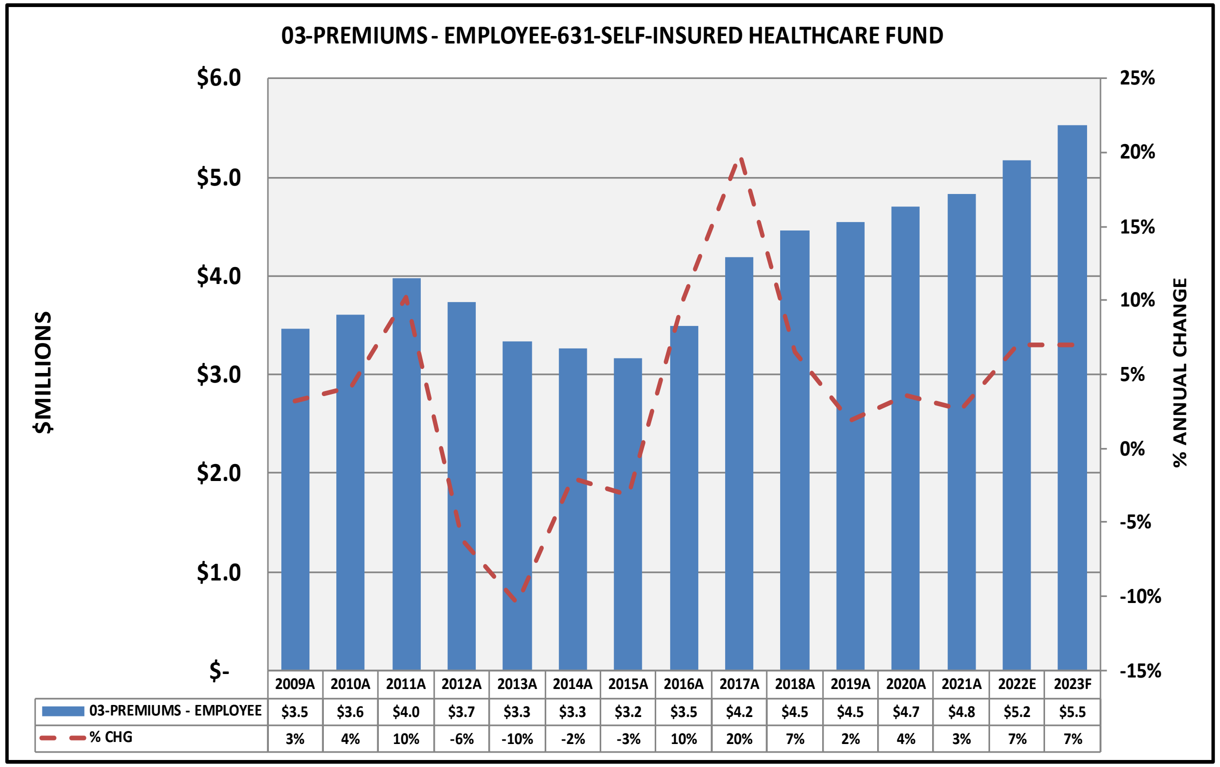
FUND BALANCES
ACTUALS 2000-2021
FORECAST 2022-2023



	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023F
BALANCE	$10.5	$11.5	$6.2	$3.9	$2.5	$(1.8)	$(3.9)	$(3.9)	$(2.3)	$(2.7)	$(2.5)	$(0.7)	$1.7	$2.8	$3.8
% OF EXP	35.7%	43.3%	22.8%	13.0%	8.9%	-5.7%	-12.5%	-12.1%	-7.0%	-7.4%	-6.8%	-1.7%	4.3%	6.5%	8.5%

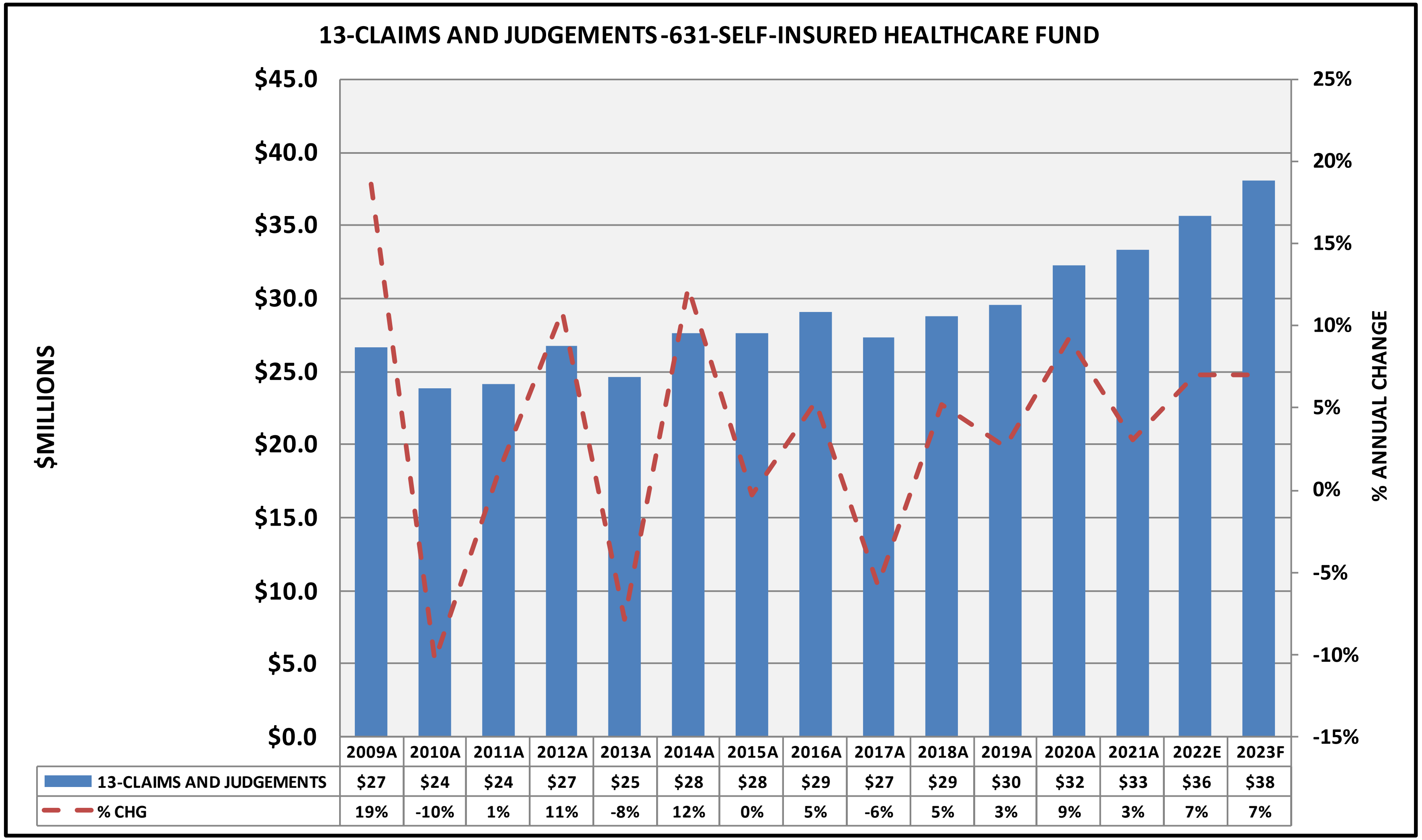


	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023F
04-PREMIUMS - EMPLOYER	$20.5	$19.9	$15.8	$20.5	$20.7	$20.5	$19.9	$21.3	$23.6	$26.3	$26.9	$30.5	$30.6	$32.7	$35.0
% CHG	-3%	-3%	-20%	29%	1%	-1%	-3%	7%	11%	11%	2%	13%	0%	7%	7%



	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023F
03-PREMIUMS - EMPLOYEE	$3.5	$3.6	$4.0	$3.7	$3.3	$3.3	$3.2	$3.5	$4.2	$4.5	$4.5	$4.7	$4.8	$5.2	$5.5
% CHG	3%	4%	10%	-6%	-10%	-2%	-3%	10%	20%	7%	2%	4%	3%	7%	7%

SELF-INSURED EMPLOYEE HEALTHCARE INTERNAL SERVICE FUND



	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023F
13-CLAIMS AND JUDGEMENTS	$27	$24	$24	$27	$25	$28	$28	$29	$27	$29	$30	$32	$33	$36	$38
% CHG	19%	-10%	1%	11%	-8%	12%	0%	5%	-6%	5%	3%	9%	3%	7%	7%

SELF-INSURED EMPLOYEE HEALTHCARE INTERNAL SERVICE FUND

ADDITIONAL INFORMATION SLIDES

OPERATING AND EMERGENCY RESERVES DEFINED

Per the Adopted General Fund Reserve Policy (IV.A) https://www.wycokck.org/Finance/FAPolicies.aspx*:*

- ***Operating Reserve*** – ***"two months*** (of expenditures and transfers-out) ***will be maintained to meet general operating needs and to allow for budgetary uncertainty ".*** The Operating Reserve was established to mitigate the loss of service delivery and budgetary/financial risks associated with unexpected revenue shortfalls during a single fiscal year. The purpose of the Operating Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls.
- ***Economic Uncertainty/Emergency Reserve*** – ***"one-month*** (of expenditures and transfers-out) ***may be targeted to be assigned to provide resources during economic downturns or to address vulnerabilities to extreme events, and emergencies impacting public safety concerns".*** The Economic Uncertainty/ Emergency Reserve was established to sustain the General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event, such as a tornado, fires, floods, civil unrest, terrorist attacks or a health pandemic.
- ***Policy section IV.J "Excess of Reserves"*** discusses the use of excess minimum reserves once the 3-months of operating expenditures and transfers-out has been accumulated. The General Fund has not reached the 3-month reserve level.

General Fund Reserves

General Fund Unassigned Fund Balances of Neighboring Local Governments
Percentage of Total General Fund Revenues

Entity	2020 Population	CAFR Report Date	Total General Fund Revenues	Total General Fund Revenues Per Capita	Unassigned Fund Balance (General Fund)	Unrestricted Fund Balance as a Percentage of Total General Fund Revenues
County of Jackson, MO	705,925	31-Dec-20	$ 119,456,390	$ 169	$ 47,313,324	40%
County of Johnson, KS	607,220	31-Dec-20	$ 479,468,962	$ 790	$ 129,620,730	27%
City of Kansas City, MO	499,059	30-Apr-20	$ 589,043,000	$ 1,180	$ 68,791,000	12%
City of Wichita, KS	391,731	31-Dec-20	$ 238,165,766	$ 608	$ 45,031,657	19%
City of Overland Park, KS	199,130	31-Dec-20	$ 159,296,352	$ 800	$ 52,328,611	33%
County/City of Unified Govt, KS	163,800	31-Dec-20	$ 203,208,668	$ 1,241	$ 40,977,190	20%
City of Olathe, KS	140,858	31-Dec-20	$ 100,291,543	$ 712	$ 30,336,965	30%
City of Topeka, KS	125,310	31-Dec-20	$ 94,039,214	$ 750	$ 21,915,115	23%

COUNTY LEVY FUNDS – LEGAL AUTHORITY

- *K.S.A. 19-101a et seq.* granted home rule powers to counties in 1974, and, like cities, counties may use home rule powers as a basis for a property tax levy as described in *K.S.A.19-117*. Authority of county commissioners to issue levies under *K.S.A. 70-1802*.
- **Developmental Disabilities Fund** – *K.S.A. 19-4004, 19-4007 and 19-4011* to provide services such as: job placement services for disabled and developmentally disabled clients; vocation services to help clients gain wage earning job skills; services to help individuals learn independent living skills; and a preschool designed to prepare disabled children for the school experience.
- **Election Fund** – *K.S.A. 19-3435a, 25-2201a, and 39-417* to provide necessary funding for the payment of the salaries and expenses of the office of the election commissioner and election expenses. K.S.A. 19-3424(c) states The board of county commissioners shall consider the request in the same manner as other departments and agencies of the county and shall approve and adopt a budget for the office of election commissioner within the county budget in an amount determined by the board of county commissioners to be sufficient and adequate for the performance of the duties of the office and the conduct of elections as required by law.
- **Health Department Fund** – *K.S.A. 65-204* for the purpose of providing funds to assist in carrying out health laws, rules and regulations of the county and to provide funds for capital expenditures for county health purposes.
- **Mental Health Fund** – *K.S.A. 19-4004, 19-4007 and 19-4011* purpose of contracting services with nonprofit corporations to provide either mental health services or services for clients with mental health needs.
- **Aging (Special Programs for Elderly) Fund** – *K.S.A. 12-1680* to provide funds for service programs for the elderly for three senior centers, providing two transportation systems, educating and monitoring clients with health needs.

DEBT SERVICE FUNDS

- *Statute Citations:*
  - *K.S.A. 12-1774* authorizes county commissions to levy a property tax and designate the specific purpose for repayment of general obligation debt.
  - K.S.A 10-113 requires cities to make tax levies sufficient to pay GO Bonds
  - *K.S.A. 10-117(a)* restricts the transfer of resources out of the bond and interest fund until all outstanding bond issues have been extinguished.
- Restricted Use of Revenues:
  - Outstanding bond documents have pledged these revenues for debt repayment.
  - "*Funds shall be used solely for the payment of principal and interest on the Bonds*".
  - *"Whenever all bond issues have been completely retired the governing body of the municipality, which issued such bonds, is hereby authorized to transfer any unexpended balance of money in such bond and interest fund to the general fund of the municipality".*
- County Bond & Interest Fund has extra in reserves due to the transfers from the County General Fund from savings on reduced outside inmate bed contracts ($1.5 M in 2017, $1.0 M in 2018). Debt service payments for Juvenile Center are approximately $1.7 M annually began in 2019, and the County General Fund contributed $1.0 M in 2019 and $1.2 M 2020, budgeted $1.2 M in 2021.
- City Bond & Interest Fund reserves due to temp note funding of the Workday ERP Solutions System.

COUNTY TECHNOLOGY FUNDS

- Statute Citation:
  - UG Clerk's Technology Fund – *K.S.A. 28-180*
  - Register of Deeds' Technology Fund – *K.S.A. 28-115a*
  - County Treasurer's Technology Fund – *K.S.A. 28-181*
- Restricted Use of Revenues
  - *"to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded, stored or generated in the office…"*
- Statutory Direction on Use of Excess Balances
  - *"At the end of the calendar year, if the balance in such fund exceeds $50,000 and the county [clerk, register of deeds or treasurer] indicates that such amount in excess of $50,000 shall not be needed and is not designated for technology, the county commission may* ***authorize the transfer and use of the excess moneys by other county offices for equipment or technological services relating to the land or property records filed or maintained by the county****."*
- Exempt from "Certified Funds" Kansas Budget Law (*K.S.A. 79-2925* through *79-2937*)
  - Budgets shown for the information of the taxpayers of the county.
  - Any budget actions taken shall be in accordance with County Clerk – *K.S.A. 19-302*, Register of Deeds – *K.S.A. 19-1202*, and County Treasurer – *K.S.A. 19-503*

COURT TRUSTEE FUND

- Statute Citation – *K.S.A. 20-380*
- Fee Revenue:
  - 1) Not to exceed 5% of (child) support payments, as determined by the chief judge
  - 2) Based on hourly cost of office operations for provision of service with written agreement of the payee, or
  - 3) From restitution, not to exceed authorized by the attorney general pursuant to *K.S.A. 75-719*
- Restricted Use of Revenues:
  - Fund operations to provide suitable quarters for the office of court trustee, furnish stationery and supplies, and such furniture and equipment as shall, in the discretion of the chief judge, be necessary for the use of the court trustee in accordance with *K.S.A. 20-375 et seq* to enforce the duties of child support administration.
  - All payments made by the secretary for children and families pursuant to *K.S.A. 23-3113,* and amendments thereto, or any grants or other monies received which are intended to further child support enforcement goals or restitution goals shall be deposited in the court trustee operations fund.

SPECIAL WYANDOTTE 911 FUND

- Statute Citation – K.S.A. 12-5362 et seq (Kansas 911 Act)
- Fee Revenue: $0.53 per month per subscriber account (telephone number capable of accessing 911) applies to hardwire, wireless and VoIP telephones.
- State Allocation of Tax Revenues:
  - 82% of the money collected from service users whose place of primary use, as provided by the providers, is within the county shall be distributed to the PSAPs within the county based on place of primary use information
- Restricted Use of Revenues
  - (1) Implementation of 911 services;
  - (2) Purchase of 911 equipment and upgrades;
  - (3) Maintenance and license fees for 911 equipment;
  - (4) Training of personnel;
  - (5) Monthly recurring charges billed by service suppliers;
  - (6) Installation, service establishment and nonrecurring start-up charges billed by the service supplier;
  - (7) Charges for capital improvements and equipment or other physical enhancements to the 911 system; or
  - (8) The original acquisition and installation of road signs designed to aid in the delivery of emergency service. Such costs shall not include expenditures to lease, construct, expand, acquire, remodel, renovate, repair, furnish or make improvements to buildings or similar facilities. Such costs shall also not include expenditures to purchase subscriber radio equipment.

SPECIAL ALCOHOL FUND & SPECIAL PARKS & RECREATION FUND

- Statute Citation – *K.S.A. 79-41a04*
- Fee Revenue:
  - 10% of gross receipts derived from the sale of alcoholic liquor by any club, caterer, drinking establishment, public venue or temporary permit holder, and the acquisition costs of any alcoholic liquor served as samples by clubs and drinking establishments.
- State Allocation of Tax Revenues to City/County:
  - *"70% of the amount which is collected pursuant to this act"*
  - 1/3rd to City General Fund, 1/3rd to Special Alcohol and Drug Program Fund and 1/3rd to Special Parks and Recreation Fund
- Restricted Use of Revenues
  - **Special Alcohol Fund** – *"shall be expended only for the purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers."*
  - **Special Parks & Recreation Fund** – *"may be expended only for the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities."*

SPECIAL STREET & HIGHWAY FUND

- Statute Citation
  - K.S.A. 12-1,119 creation of street and highway fund by ordinance

- State Allocation of Tax Revenues:
  - Revenues are received from the State of Kansas from motor fuel tax collections. Allocations are based on population of the city and county

- Restricted Use of Revenues
  - Funds are to be used for the construction, reconstruction, alteration, repair and maintenance of city streets and highways.

JAIL COMMISSARY FUND

- Statute Citation – *K.S.A. 75-3728 (e) and (f)*
- Fee Revenue: Moneys of canteen funds and work therapy funds
- Restricted Use of Revenues
  - Record the sales of health care, hygiene, clothing, food and snack products to inmates at the Adult Detention Center. In addition to the expenses of purchasing items for resale, the profits, if any, are to be used to directly benefit the inmates.

DEDICATED SALES TAX FUND

- Fee Revenue:
  - 3/8 cent sales tax started on July 1, 2010 and was scheduled to terminate on June 30, 2020, but KCK voters approve in November 2018 a continuance of the tax for an additional 10 years thru 2030
  - The tax generates over $10 million annually.
- Restricted Use of Revenues
  - Funds are dedicated for the purposes of financing Public Safety operations and Neighborhood Infrastructure improvements, including the construction, repair and maintenance of roads, curbs and sidewalks.
  - $5 million of the 2020 fund balance is committed to be spent in 2021.

SPECIAL ASSET FUND

- Resolution No. 8-6-15
- Fee Revenue: record revenues associated with the sale of significant government assets, including land and buildings; no revenues have been recorded in this fund for several years
- Restricted Use of Revenues: Committed to the specific purposes
  - Debt payments related to the asset sale
  - Operating and/or capital expenditures associated with a UG-owned asset
  - Future land and building acquisition costs
  - Capital equipment purchases and infrastructure-related expenditures associated with a UG-owned asset

TOURISM AND CONVENTION FUND

- Charter Ordinance– 03-08 (original) and Revised in 2018 in Ordinance 01-18
- Fee Revenue: 8% of hotel and motel transactions.
- Restricted Use of Revenues
  - Promotion of conventions and tourism within Kansas City, Kansas

ENVIRONMENTAL TRUST FUND

- Ordinance No. 65837
- Fee Revenue:
  - *"authorizing the creation of the City of Kansas City, Kansas solid waste environmental liability fund for the purpose of setting aside moneys in trust to finance any environmental liability arising from the collection and disposal of residential and municipal solid waste".*
- Restricted Use of Revenues
  - Payment of any environmental cost or liability associated with solid waste collection and disposal
  - All moneys deposited in the fund shall be held in trust until expended for such purpose or until the fund shall terminate. Upon termination of the Fund moneys held may be applied to any lawful governmental purpose of the City.
  - Termination of the Fund: the Fund shall terminate ten years after the expiration of the term of the City solid waste contract.
  - Year-end 2020 landfill liability balance is $270,000

Staff Request for Commission Action

Tracking No. 211788

Full Commission Meeting Date:
Committee: Economic Development & Finance

Date of Standing Committee Action: (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
06/28/2022	Andrea Vinyard	x8226	avinyard@wycokck.org	Treasurer

Item Description: REPORT: 1st QUARTER 2022 CASH INVESTMENT REPORT, submitted by Andrea Vinyard, Deputy Treasurer. *For information only*
Action Requested: *For information only*
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: 2022 Invstmt Report - Q1

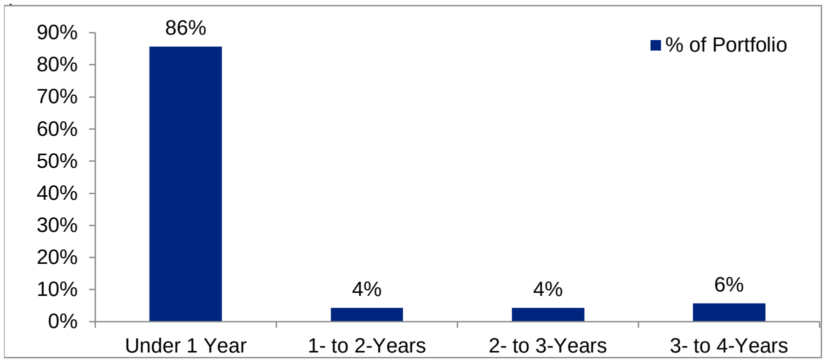
Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
March 31, 2022

Investment Summary - Aggregate Portfolio By Type of Investment

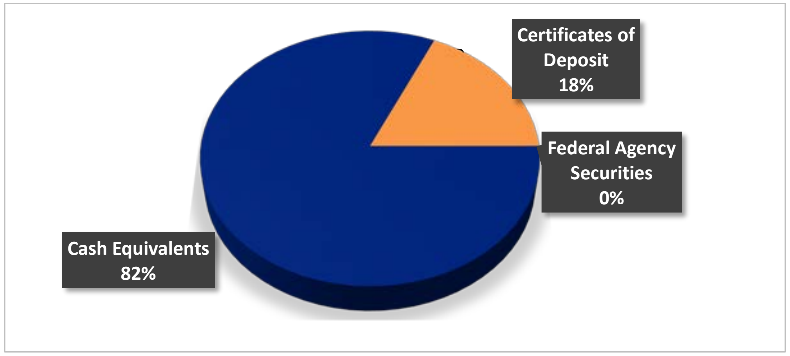
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	**$1,911,633**	**$1,911,633**	**$1,911,633**	**na**		✓	**-**	**0.25%**
Cash Equivalents	$285,781,367	$285,781,367	$285,781,367	82%	100%	✓	-	0.25%
Total Liquidity	**$285,781,367**	**$285,781,367**	**$285,781,367**	**82%**			**-**	**0.25%**
Certificates of Deposit	$63,705,000	$63,705,000	$63,705,000	18%	100%	✓	824	1.30%
Federal Agency Securities	$0	$0	$0	0%	50%	✓	-	0.00%
Total Securities	**$63,705,000**	**$63,705,000**	**$63,705,000**	**18%**			**824**	**1.30%**
Total Portfolio	**$349,486,367**	**$349,486,367**	**$349,486,367**	**100%**			**150**	**0.44%**

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.

Maturity Distribution



Sector Distribution



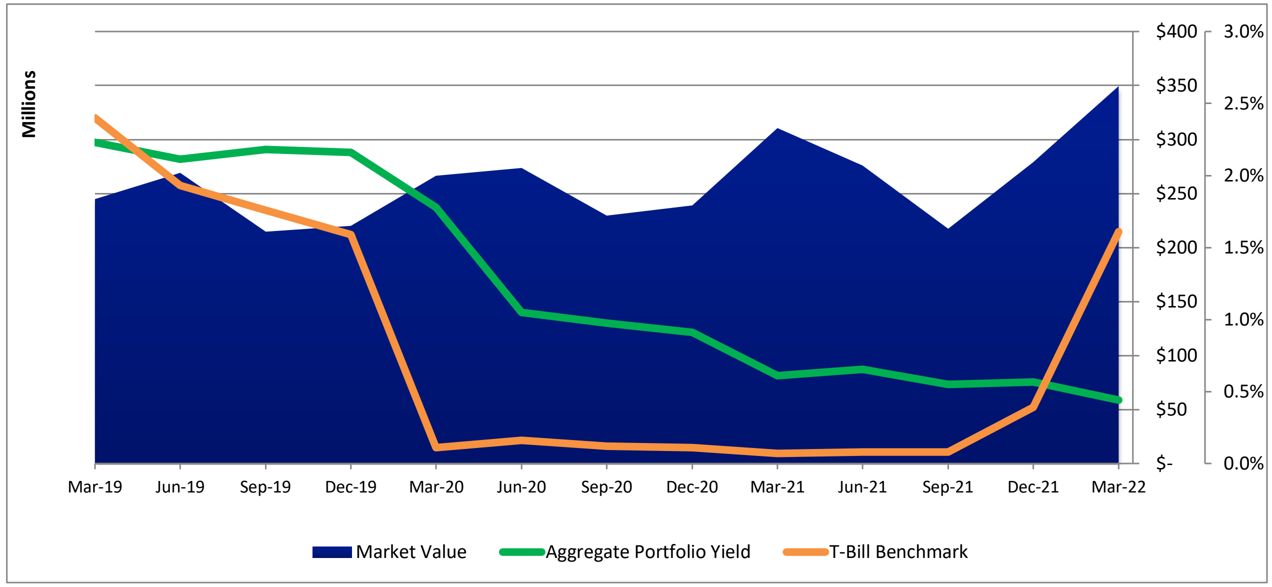
Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
March 31, 2022

Compliance

	Yes	No
Liquidity	✓	
Permitted types of investments	✓	
Limits within investment categories	✓	
Limits within single agency/institution	✓	
Limits relating to maturity	✓	
The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 6 months	✓	

Historic Portfolio Size

Aggregate Yield vs. US T-Bill Benchmark



Kathleen VonAchen

Kathleen VonAchen
Chief Financial Officer

March 31, 2022

Date

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
March 31, 2022

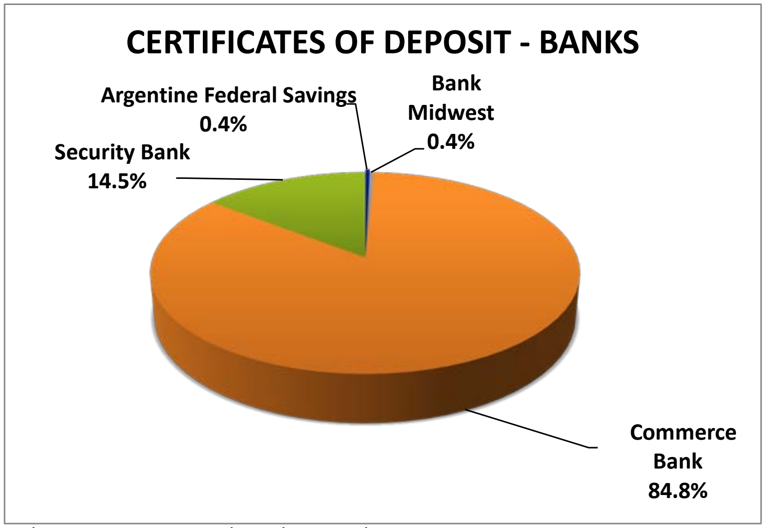
Issuer Detail - Aggregate Portfolio by Issuer

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]	**1,911,633**	**1,911,633**	**na**	**See note 3**	✓	**0**	**0.25%**
UMB, Wyandotte Operating	282,759,367	282,759,367	81%	25%	✓	0	0.25%
UMB, Wyandotte Health	3,022,000	3,022,000	1%	25%	✓	0	0.00%
Cash Equivalents	**285,781,367**	**285,781,367**	**82%**		✓	**0**	**0.25%**
Argentine Federal Savings	235,000	235,000	0%	25%	✓	0	0.00%
Bank Midwest	235,000	235,000	0%	25%	✓	0	0.00%
Commerce Bank	54,000,000	54,000,000	15%	25%	✓	785	0.91%
Security Bank of KC	9,235,000	9,235,000	3%	25%	✓	22	0.22%
Certificates of Deposit	**63,705,000**	**63,705,000**	**18%**		✓	**824**	**1.30%**
NA	-	-	0%	*50% of total*	✓	0	0.00%
NA	-	-	0.0%	*portfolio*	✓	0	0.00%
Federal Agency Securities	**-**	**-**	**0%**		✓	**0**	**0.00%**
Grand Total	**349,486,367**	**349,486,367**	**100%**			**150**	**0.44%**

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.



Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
1st Quarter 202 - January 1, 2022 - March 31, 2022

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q1	NA	UMB, Wyandotte Operating	0.250%	3/31/2022	77,432,604	77,432,604
Thru Q1	NA	UMB, Wyandotte Health Reserve	0.250%	3/31/2022	2,884,000	2,884,000
Cash Equivalents					**80,316,604**	**80,316,604**
Purchases					**-**	**-**
2/16/2018	1150009571	Security Bank of KC	2.250%	2/15/2022	(5,000,000)	(5,000,000)
3/26/2018	70166256	Capitol Federal Bank	2.650%	3/18/2022	(5,000,000)	(5,000,000)
Calls/Maturities					**(10,000,000)**	**(10,000,000)**
Total					**70,316,604**	**70,316,604**

Staff Request for Commission Action

Tracking No. 211792

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

Date of Standing Committee Action: 07/11/2022 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
06/29/2022	Reginald Lindsey	x5292	rlindsey@wycokck.org	Finance

Item Description:
2022 First Quarter Budget Revision Greater Than $10K Report, submitted by Reginald Lindsey, Budget Manager.

For Information Only.

Action Requested:
For information only

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

Attachments List:
1ST Quarter 2022 Summary of Budget Revisions

BUDGET REVISIONS $10,000 OR GREATER - 1ST QUARTER 2022*(For information only)*

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	City/County General	Various	Operating	Software Maintenance	Inside Department	$47,600	February 22, 2022
2	County General	Sheriff	Operating	Camera System Replacement	Inside Department	$110,000	March 22, 2022
				GRAND TOTAL		**$157,600**	

Staff Request for Commission Action

Tracking No. 211793

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

Date of Standing Committee Action: 7/11/2022 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
06/29/2022	Debbie Jonscher, Reginald Lindsey	x5847, x5292	djonscher@wycokck.org, rlindsey@wycokck.org	Finance

Item Description:
2022 First Quarter Budget to Actuals Report, submitted by Debbie Jonscher, Deputy Chief Financial Officer, and Reginald Lindsey, Budget Director.

For information only.

Action Requested:
For information only

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

Attachments List:
UG Quarterly Financial Report FY 2022 Q1

QUARTERLY FINANCIAL REPORT

First Quarter 2022 Budget to Actuals Trend Analysis

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

Contributing Staff

Kathleen VonAchen	CFO
Deborah Jonscher	Deputy CFO
Reginald Lindsey	Budget Director
Michael Peterson	Assistant Budget Manager
Judi Her	Budget Analyst
Richard Rocha	Budget Analyst
Alyse Villarreal	Debt Coordinator

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Quarterly Financial Report

First Quarter of 2022

The Unified Government has completed the first quarter of the 2022 fiscal year which began in January 2022. This report summarizes the activities of the General Funds, and is not meant to be inclusive of all financial transactions. We hope this report provides our residents with an overview of the Unified Government's financial performance.

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

The total 2022 Approved Budget is $420.2M which consists of $247.4M for the General Funds, $54.8M for Other Tax Levy Supported Funds and $107.5M for Non-Tax Levy Supported Funds. The General Fund Budget does not include the annual appropriation for debt service contingency of $10.5M.

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

CONSOLIDATED GENERAL FUND BALANCE

In measuring financial performance, it is recommended to review the collections and spending of resources through the current period and compare this information with the prior fiscal year for the same period. The following table is the financial overview of the Consolidated General Fund for the first quarter period of 2022 in comparision to the same prior year period in 2021. This data includes all three general funds.

CONSOLIDATED GENERAL FUND	FY 2021			FY 2022		
numbers in 000's	Budget	1st Qtr YTD Actual	% of budget	Budget	1st Qtr YTD Actual	% of budget
Revenues	$ 246,322	$ 79,098	32.1%	$ 241,598	$ 81,649	33.8%
Expenditures	$ 235,669	$ 56,821	24.1%	$ 244,656	$ 61,838	25.3%
Net Alloc & Transfers	$ (212)	$ 82	-38.6%	$ (462)	$ (112)	24.3%
Net Change	$ 10,440	$ 22,359		$ (3,521)	$ 19,698	
Balance, Start of Year	$ 27,963	$ 27,963		$ 31,006	$ 31,006	
Balance Year-to -Date	$ 38,403	$ 50,322		$ 27,485	$ 50,704	

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

- Revenue collections are 1.7% higher than prior year as a percent of the budget.
- Year to date collections are up 3.2% or $2.5M from the 2021 1st quarter. Revenue includes $13.9M of revenue loss reimbursement to the general funds through the American Recovery Plan Act (ARPA).
- First quarter expenditures are 1.2% higher than prior year expenditures as a percent of budget. Year to date expenditures are up $5M from the prior year for the same period.
- The beginning fund balances are on a cash basis and the actual beginning balances are updated based on the comprehensive annual financial report for the prior year.
- The General Fund's Revenues and Expenditures do not include the annual appropriation for debt service contingency of $10.5M.

CITY GENERAL FUND REVENUES

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

City General Fund Revenues *numbers in 000s*	2022 Amended Budget		2022 1st Qtr YTD Actual		% Rev Collected
Property Tax	$	26,609	$	14,492	54.5%
Sales Tax	$	50,624	$	13,740	27.1%
Other Tax	$	51,442	$	14,245	27.7%
Permits/Licenses	$	1,286	$	116	9.0%
Intergovernmental Revenues	$	10,597	$	466	4.4%
Charges for Service	$	12,435	$	3,049	24.5%
Fines, Forfeits, Fees	$	2,445	$	549	22.4%
Misc. & Transfers-In	$	6,101	$	947	15.5%
Total	**$**	**161,538**	**$**	**47,604**	**29.5%**

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

City General Fund revenue collected through the fourth quarter are 4.5% higher than budget targets. *Table 2* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 3* shows that collected revenues are 5.1% above revenues collected for the same period last year. One time ARPA revenue replacement funding of $9.7M make up 6% of budgeted 2022 City General Fund revenues.

Tax Revenue collections exceeded projections by 8%. 54.5% of projected property tax revenues are collected with the first tax payment. Sales and use tax revenues total $13.7M and are 2.1% above target. Other taxes ended the quarter 2.7% under targeted collections.

Permits & Licenses collections include landlord rental licenses and right-of-way permits. Collections are 16% below target for the quarter, 7.4% above prior year collections for the same quarter.

City General Fund Revenues *numbers in 000s*	2021 1st Qtr YTD Actual		2022 1st Qtr YTD Actual		Increase/ Decrease	
Property Tax	$	14,813	$	14,492	$	(320)
Sales Tax	$	11,643	$	13,740	$	2,097
Other Tax	$	14,048	$	14,245	$	197
Permits/Licenses	$	108	$	116	$	8
Intergovernmental Revenues	$	451	$	466	$	15
Charges for Service	$	2,548	$	3,049	$	501
Fines, Forfeits, Fees	$	536	$	549	$	13
Misc. & Transfers-In	$	1,163	$	947	$	(216)
Total	**$**	**45,309**	**$**	**47,604**	**$**	**2,295**

Table 3: City General Fund Revenues Year to Year Comparison

Intergovernmental Revenues includes $9.7M in ARPA revenue replacement not yet collected in the first quarter.

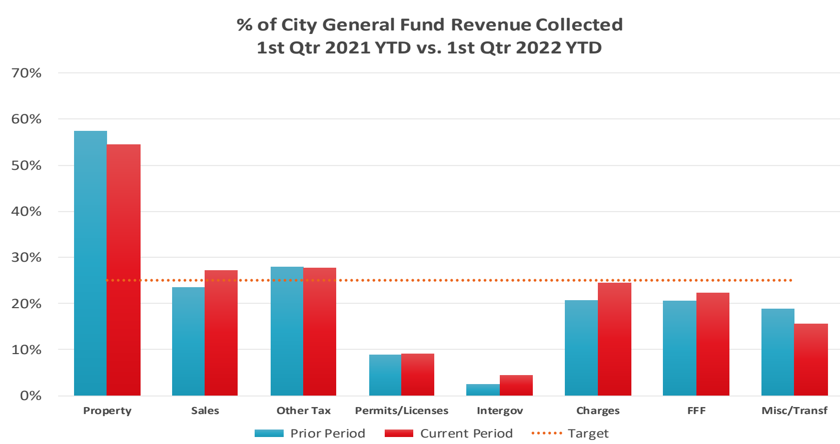


Figure 1: City General Fund Prior Year vs. Current Year

Charges for Service including residential trash fees and building inspection fees ended the quarter in line with the target and 19.7% above prior year levels. Building inspection charges make up 12.1% of revenues and are 160.2% above prior year levels.

Fines, Forfeits, Fees include Municipal Court revenue and are 2.5% below the projections for the quarter. Penalties for Development Agreements make up 15.3% of this category and are 50.5% above target.

Misc. & Transfers-In ended the quarter 9.5% below projected revenues. Anticipated levels of transfers and indirect revenues are being collected.

CITY GENERAL FUND EXPENDITURES

City General Fund Expenditures *numbers in 000s*		2022 Amended Budget		2022 1st Qtr YTD Actual	% of Budget
Personnel	$	119,854	$	28,605	23.9%
Services	$	27,232	$	6,751	24.8%
Supplies	$	3,503	$	1,018	29.0%
Grants, Claims	$	6,032	$	1,170	19.4%
Misc. & Transfers-Out	$	1,811	$	170	9.4%
Capital Outlay	$	3,474	$	751	21.6%
Total	**$**	**161,908**	**$**	**38,464**	**23.8%**

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

Personnel expenditures ended the first quarter 1.1% below target. Higher than anticipated vacancy rates for the quarter were offset by higher employee payouts, and overtime expenses exceeding the prior year quarter expenses by 63%.

Services expenses ended in line with quarterly targets. Significant expenses in this category include residential solid waste charges, 30.5%, transit route contract, 12.3% and software contracts at 7.5% of the budget.

Supplies ended the quarter 4% above target, with fuel and auto parts costs exceeding targets. The first quarter costs for in Natural Gas are higher than summer months and are at 52.5% of budget for the year.

Grants, Claims ended the quarter 5.6% below projections. The largest item in this category is the parks 2022 allocation of $4.15M, 68.8% of the budget allocation.

City General Fund Expenditures *numbers in 000s*		2021 1st Qtr YTD Actual		2022 1st Qtr YTD Actual		Increase/ Decrease
Personnel	$	27,359	$	28,605	$	1,246
Services	$	5,933	$	6,751	$	818
Supplies	$	836	$	1,018	$	182
Grants, Claims	$	949	$	1,170	$	220
Misc. & Transfers-Out	$	63	$	170	$	108
Capital Outlay	$	346	$	751	$	406
Total	**$**	**35,486**	**$**	**38,464**	**$**	**2,978**

Table 5: City General Fund Expenditures Year to Year Comparison

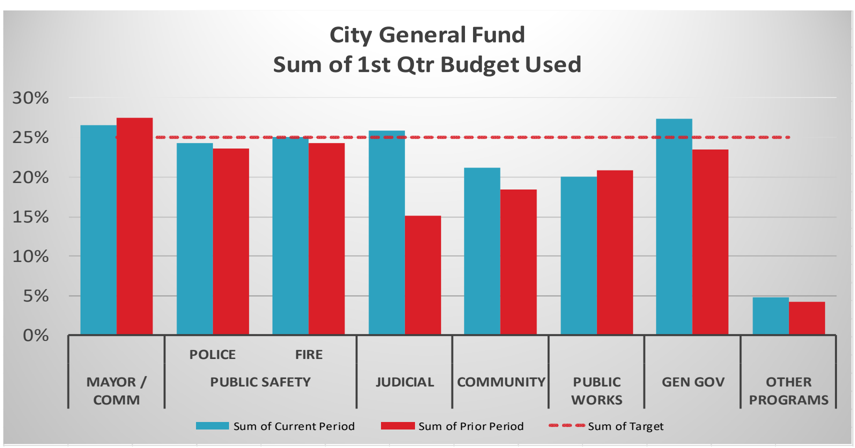


Figure 2: City General Fund Dept. Expenditures as a % of Budget

Misc & Transfers-Out ended the quarter at 15.6% below budgeted expenditures. 33.8% of this budget is contingencies and reserves that would be transfered to other categories if needed.

Capital Outlay spend rate ended the quarter below target by 3.4%. Of the CMIP budget 87% is made up of Capital Equipment, currently in line with quarterly expenditures targets. The remaining 13% is Capital Projects that have not yet had expenses for 2022.

City departments are overall in line with budgeted expenditures with annual contracts being encumbered at the start of the year. The Other Programs category includes Reserves and Personnel Adjustments Departments that are budgeted at the fund level and make up 33% of the budget for this grouping. These budgets include anticipated employee payouts amounts and reserves and contingencies funding that would be expended out of department budgets if needed during the year. General Government is exceeding budget targets due to higher than anticipated one time personnel costs in the first quarter of the year.

COUNTY GENERAL FUND REVENUES

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

County General Fund Revenues *numbers in 000s*		2022 Amended Budget		2022 1st Qtr YTD Actual	% Rev Collected
Property Tax	$	44,158	$	24,308	55.0%
Sales Tax	$	8,079	$	2,191	27.1%
Other Tax	$	9,182	$	3,458	37.7%
Permits/Licenses	$	1,166	$	185	15.9%
Intergovernmental Revenues	$	4,192	$	13	0.3%
Charges for Service	$	1,887	$	421	22.3%
Fines, Forfeits, Fees	$	3,010	$	719	23.9%
Misc. & Transfers-In	$	3,328	$	792	23.8%
Total	**$**	**75,002**	**$**	**32,086**	**42.8%**

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

County General Fund revenue ended the first quarter of 2022 17.8% above budgeted revenue targets and in line with prior year collections for the same quarter. *Table 6* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 7* shows where revenues are trending in comparison to the same period last year.

Tax Revenue collections are 23.7% above the first quarter target budget, in line with revenue received in the same quarter of the prior year due with the first property tax payment due. Sales Tax ended the quarter 2.1% above target. Other Tax revenue, including motor vehicle and delinquent tax, ended the quarter 12.7% above projections.

County General Fund Revenues *numbers in 000s*		2021 1st Qtr YTD Actual		2022 1st Qtr YTD Actual		Increase/ Decrease
Property Tax	$	24,672	$	24,308	$	(364)
Sales Tax	$	1,877	$	2,191	$	314
Other Tax	$	3,194	$	3,458	$	264
Permits/Licenses	$	192	$	185	$	(6)
Intergovernmental Revenues	$	13	$	13	$	()
Charges for Service	$	261	$	421	$	160
Fines, Forfeits, Fees	$	808	$	719	$	(89)
Misc. & Transfers-In	$	1,059	$	792	$	(268)
Total	**$**	**32,075**	**$**	**32,086**	**$**	**11**

Table 7: County General Fund Revenues Year to Year Comparison

Permits & Licenses ended 9.1% below target for the quarter. This category consists of Auto Licenses, Auto License Fees and Antique Vehicle Licensing.

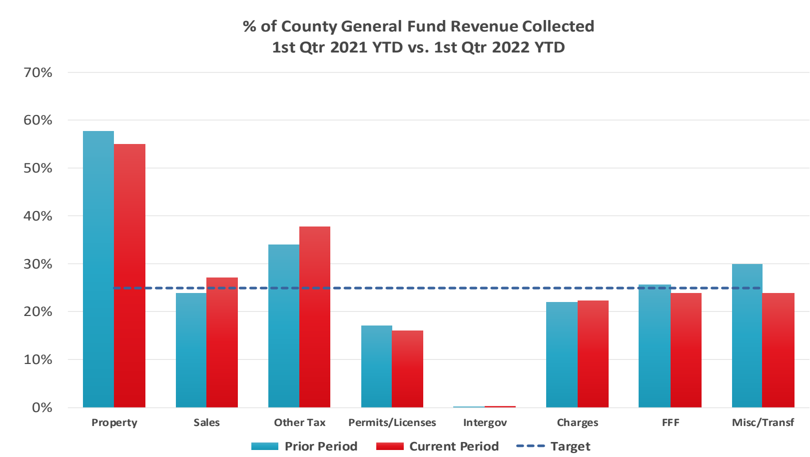


Figure 3: County General Fund Prior Year vs. Current Year

Charges for Service collections ended 2.2% below target for the quarter. Inmate housing fees represent 73% of the budget and are 5.4% below revenue projections for the quarter.

Fines, Forfeits, Fees include officer fees, treasurer fees, and development agreement penalties; collections ended the quarter 1.1% below targets.

Intergovernmental Revenues consist primarily of $4.1M in ARPA revenue replacement due to COVID shortfalls, not coded in the 1st quarter.

Miscellaneous Revenue ended the first quarter 1.2% below target with interest revenue on delinquent taxes exceeding target by 11.2% offsetting unbooked interest revenues at the time of this report.

COUNTY GENERAL FUND EXPENDITURES

County General Fund Expenditures *numbers in 000s*	2022 Amended Budget	2022 1st Qtr YTD Actual	% of Budget
Personnel	$ 52,859	$ 13,925	26.3%
Services	$ 17,007	$ 7,001	41.2%
Supplies	$ 1,970	$ 386	19.6%
Grants, Claims	$ 1,177	$ 512	43.5%
Misc. & Transfers-Out	$ 2,283	$ 479	21.0%
Capital Outlay	$ 1,800	$ 294	16.3%
Total	**$ 77,094**	**$ 22,596**	**29.3%**

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

Personnel expenditures ended the first quarter 1.3% above target. Overtime is trending 21% higher than the same period of 2021.

Services are 16.2% above target for the quarter. External prisoner housing and prisoner medical contracts make up 32% of the contractual budget for the county general fund. The inmate medical contract is encumbered each year at the start of the year, causing a jump in first quarter expenses.

Supplies are 5.4% below budget targets for the quarter. Major expenses paid in this category are natural gas, fuel and office supplies/equipment. Natural gas ended the quarter using 53% of its annual allocation.

Grants, Claims ended the quarter 18.5% above target. Significant items in this category include Legal Claims and Judgements, Grants and Tax Rebates, paid out at the end of the year. Legal claims are higher than prior year levels for the quarter.

County General Fund Expenditures *numbers in 000s*	2021 1st Qtr YTD Actual	2022 1st Qtr YTD Actual	Increase/ Decrease
Personnel	$ 12,296	$ 13,925	$ 1,629
Services	$ 6,510	$ 7,001	$ 491
Supplies	$ 327	$ 386	$ 59
Grants, Claims	$ 311	$ 512	$ 200
Misc. & Transfers-Out	$ 420	$ 479	$ 60
Capital Outlay	$ 154	$ 294	$ 140
Total	**$ 20,017**	**$ 22,596**	**$ 2,579**

Table 10: County General Fund Expenditures Year to Year Comparison

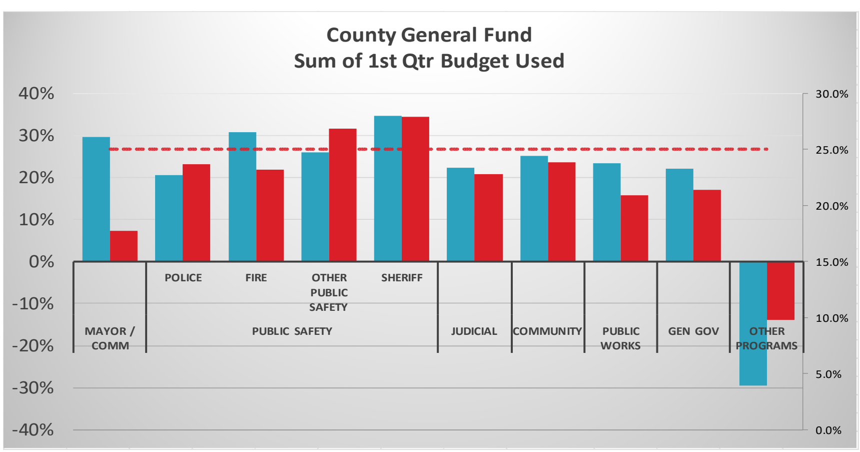


Figure 4: County General Fund Dept. Expenditures as a % of Budget

Misc. & Transfers-Out ended the quarter 4% below target. Scheduled fund transfers are processed for the quarter. Reserves and contingencies, 16% of this budget, are transferred if needed to other categories for use.

Capital Outlay has expended 16.3% of budgeted expenditures for the year. Capital equipment makes up 81% of the 2022 capital outlay budget and expended 16.7% of budget. Projects have expended 14.5% of the project budgets for 2022.

County departments are overall in line with spending targets for the year. Notable exceptions are the Sheriff that has higher first quarter expenses and Fire dispatch, currently trending 6% above budgeted personnel levels for the fund. The Other Programs category includes Personnel Adjustments that are budgeted at the fund level and Reserves and that would be expended out of department budgets if needed during the year. The county general fund has $3.5M of vacancy savings anticipated offsetting the fully funded personnel budget for 2022.

CONSOLIDATED PARKS GENERAL FUND REVENUES

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

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

Parks General Fund Revenues *numbers in 000s*	2022 Amended Budget	2022 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 1,970	$ 1,084	55.0%
Other Tax	$ 304	$ 130	42.6%
Intergovernmental Revenues	$ 4,150	$ 1,038	25.0%
Charges for Service	$ 789	$ 170	21.5%
Misc. & Transfers-In	$ 101	$ 102	100.9%
Total	**$ 7,313**	**$ 2,523**	**34.5%**

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

Consolidated Parks General Fund revenue ended the first quarter 9.5% above the budgeted target. *Table 10* shows the actual collections for the major revenue sources and the percent collected compared to the budget. *Table 11* shows that revenues are up 10.8% from the prior year.

Tax Revenue collections are at 53.4% of the 2022 budget. Property tax collections are due for the first half of the tax bill with 55% of collections for the year. Delinquent and motor vehicle taxes also exceeding first quarter targets and are 87% of Other Tax revenue.

Intergovernmental Revenues are at the target for the first quarter with the quarterly annual city appropriation being processed.

Parks General Fund Revenues *numbers in 000s*	2021 1st Qtr YTD Actual	2022 1st Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 1,101	$ 1,084	$ (17)
Other Tax	$ 123	$ 130	$ 6
Intergovernmental Revenues	$ 818	$ 1,038	$ 220
Charges for Service	$ 135	$ 170	$ 35
Misc. & Transfers-In	$ 101	$ 102	$ 1
Total	**$ 2,278**	**$ 2,523**	**$ 245**

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

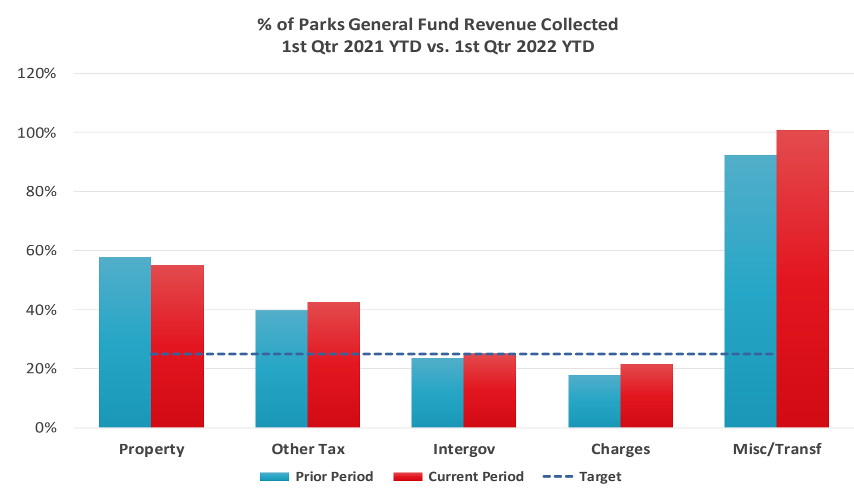


Figure 5: Consolidated Parks General Fund Prior Year vs. Current Year

Charges for Service ended the quarter 3.5% under target and 25.9% above prior year collections. These revenues include shelter and center rental charges and rec programming charges.

Miscellaneous Revenue ended the quarter collecting 100.9% of its revenue with the annual casino payment of 100k having been received and additional collections coming in for convenience fees on new electronic payments through civicrec.

CONS. PARKS GENERAL FUND EXPENDITURES

Parks General Fund Expenditures *numbers in 000s*	2022 Amended Budget	2022 1st Qtr YTD Actual	% of Budget
Personnel	$ 5,155	$ 1,022	19.8%
Services	$ 1,474	$ 154	10.5%
Supplies	$ 570	$ 204	35.7%
Grants, Claims	$ 10	$ -	0.0%
Misc. & Transfers-Out	$ 128	$ 27	21.1%
Capital Outlay	$ 1,035	$ 48	4.6%
Total	**$ 8,373**	**$ 1,455**	**17.4%**

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

Personnel expenditures for the first quarter of 2022 ended 7.2% below target for the year, with seasonal expenses occurring heavier in the summer and unanticipated vacancy rates on full time staffing.

Services ended the quarter 14.5% below target. Major categories in this budget include mowing and spraying, contract positions and maintenance of parks and facilities. Seasonal expenses occur heavier in mid-year.

Supplies are 10.7% above target for the quarter. Larger items in this category include fuel, fish stocking, landscaping, maintenance and custodial supplies. Fish stocking is done in the first quarter. Natural Gas expenditures are at 50.6% of budget.

Misc. & Transfers-Out ended the quarter 3.9% below target. These expenses are transfers that are being made to assist with ERP funding and Sunflower Hills operations.

Parks General Fund Expenditures *numbers in 000s*	2021 1st Qtr YTD Actual	2022 1st Qtr YTD Actual	Increase/ Decrease
Personnel	$ 1,166	$ 1,022	$ (145)
Services	$ 451	$ 154	$ (297)
Supplies	$ 183	$ 204	$ 21
Grants, Claims	$ -	$ -	$ -
Misc. & Transfers-Out	$ -	$ 27	$ 27
Capital Outlay	$ -	$ 48	$ 48
Total	**$ 1,800**	**$ 1,455**	**$ (346)**

Table 13: Consolidated Parks Expenditures Year to Year Comparison

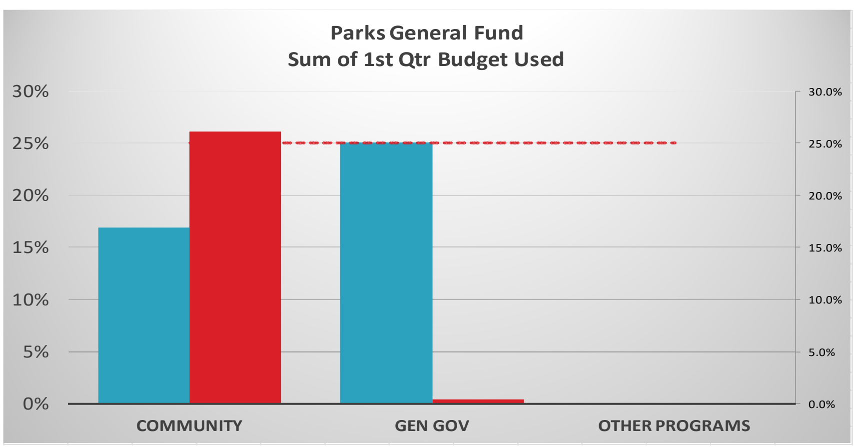


Figure 6: Parks General Fund Dept. Expenditures as a % of Budget

Capital Outlay for the Parks & Recreation Department was increased using fund balance reserves to a higher funding level for 2022. Capital equipment makes up 9.7% of the budget and is currently unspent. Capital projects are budgeted for the remaining 90.3% of the CMIP budget and have spent 5% of budgets. Due to supply chain issues scheduling and completion of projects is taking longer than typical. Timing of larger projects are scheduled to take place in the fall.

Parks and Recreation, or Community Services, is a majority of the Consolidated Parks Fund making up 98.7% of the fund. Spending for Parks and Recreation is under spending targets for the quarter.

Budget to Actual through March 31st 2022
First Quarter

	REVENUES *numbers in 000's*			EXPENDITURES *numbers in 000's*		
Tax Levy Funds	2022 Amended Budget	2022 YTD Actual	% of Budget	2022 Amended Budget	2022 YTD Actual	% of Budget
City General Fund	$ 161,538	$ 47,604	29.5%	$ 161,908	$ 38,464	23.8%
City Bond & Interest	$ 38,230	$ 16,396	42.9%	$ 39,775	$ 8,722	21.9%
County General Fund	$ 75,002	$ 32,086	42.8%	$ 77,094	$ 22,596	29.3%
Cons. Parks General Fund	$ 7,313	$ 2,523	34.5%	$ 8,373	$ 1,455	17.4%
County Bond & Interest	$ 5,649	$ 2,296	40.6%	$ 6,107	$ 975	16.0%
Aging	$ 2,172	$ 1,000	46.1%	$ 2,231	$ 534	23.9%
Developmental Disabilities	$ 615	$ 302	49.1%	$ 598	$ 92	15.4%
Elections	$ 1,486	$ 780	52.5%	$ 1,641	$ 332	20.2%
Health	$ 3,489	$ 1,550	44.4%	$ 3,767	$ 926	24.6%
Mental Health	$ 718	$ 371	51.6%	$ 718	$ 177	24.7%
Total UG Tax Levy Funds	**$ 296,214**	**$ 104,910**	**35.4%**	**$ 302,213**	**$ 74,273**	**24.6%**
Other Funds	2022 Amended Budget	2022 YTD Actual	% of Budget	2022 Amended Budget	2022 YTD Actual	% of Budget
Alcohol	$ 696	$ 156	22.4%	$ 946	$ 136	14.4%
Clerk Technology	$ 60	$ 13	21.9%	$ 83	$ 13	15.9%
Court Trustee	$ 478	$ 107	22.4%	$ 678	$ 134	19.7%
Dedicated Sales Tax	$ 12,108	$ 3,091	25.5%	$ 15,998	$ 1,356	8.5%
Emergency Medical Services	$ 12,928	$ 3,145	24.3%	$ 14,376	$ 3,054	21.2%
Environmental Trust	$ 1,212	$ 289	23.8%	$ 1,245	$ 252	20.2%
Jail Commissary	$ 62	$ 13	20.7%	$ 100	$ 7	6.9%
Parks & Recreation	$ 696	$ 156	22.4%	$ 822	$ 63	7.7%
Public Levee	$ 376	$ 76	20.1%	$ 394	$ 82	20.8%
Register of Deeds Technology	$ 220	$ 53	23.9%	$ 160	$ 4	2.7%
Sewer System	$ 47,202	$ 11,381	24.1%	$ 48,216	$ 12,955	26.9%
Special Assets	$ -	$ -		$ 850	$ -	0.0%
Stadium	$ 695	$ 22	3.1%	$ 860	$ 31	3.6%
Stormwater	$ 5,764	$ 1,029	17.9%	$ 6,100	$ 1,279	21.0%
Street & Highway	$ 8,148	$ 1,738	21.3%	$ 9,606	$ 1,553	16.2%
Sunflower Hills Golf Course	$ 897	$ 84	9.3%	$ 932	$ 386	41.5%
Travel & Tourism	$ 3,854	$ 957	24.8%	$ 5,081	$ 429	8.4%
Treasury Technology	$ 60	$ 13	21.9%	$ 85	$ 21	24.6%
Wyandotte County 911	$ 955	$ 235	24.6%	$ 959	$ 113	11.8%
Total Other Funds	**$ 96,412**	**$ 22,557**	**23.4%**	**$ 107,490**	**$ 21,868**	**20.3%**
Total Funds	**$ 392,625**	**$ 127,467**	**32.5%**	**$ 409,702**	**$ 96,141**	**23.5%**
County Library	$ 3,572	$ 1,964	55.0%	$ 3,926	$ 1,964	50.0%
Total ALL Funds	**$ 396,198**	**$ 129,431**	**32.7%**	**$ 413,628**	**$ 98,106**	**23.7%**