



Economic Development and Finance
Standing Committee Meeting Agenda
Monday, October 10, 2022
5:00 PM

Location: HYBRID

We invite you to view the meeting in person in the 5th Floor Conference Room, Suite 515, Municipal Building, 701 N. 7th Street, Kansas City, Kansas, or virtually via a Zoom webinar.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/81807215665?pwd=dUFaM1p2YzFBNHhISVBhR1BCVkc5Zz09>

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<u>Name</u>	<u>Absent</u>
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 October 10, 2022 Agenda**
- III. Approval of standing committee minutes from August 8, 2022.**
- IV. Committee Agenda**

Item No. 1 - RESOLUTION: BPU KDHE LOAN AMENDMENT

Synopsis: A resolution authorizing BPU to obtain a loan from the Kansas Public Water Supply Fund administered by the KDHE, submitted by Debbie Jonscher, Acting Chief Finance Officer, & Angela Lawson, Deputy Chief Counsel.

Tracking #: 212007

Item No. 2 - RESOLUTION: AMENDING BROTHERHOOD BANK MULTI-PURPOSE COMMERCIAL PROJECT INDUSTRIAL REVENUE BONDS

Synopsis: A resolution amending Resolution No. R-30-22 previously adopted determining intent to issue Industrial Revenue Bonds in the amount not to exceed \$28,000,000 to provide sales tax exemption on the Brotherhood Bank (753 State Ave. & 736 Minnesota Ave.) multi-purpose commercial project, consisting of office uses, multi-family units and parking facilities for the benefit of KDG LLC, submitted by Katherine Carttar, Director of Economic Development.

Tracking #: 212010

V. Public Agenda

VI. Adjourn

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, August 8, 2022**

The meeting of the Economic Development and Finance Standing Committee was held on Monday, August 8, 2022, at 5:00 p.m., remotely via Zoom and on-site. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, Stites, McKiernan, and BPU Board Member Haley. The following officials were also in attendance: Patrick Waters, Deputy Chief Counsel; Daniel Kuhn, Assistant Counsel; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Rebecca Sandow, Grants Manager; Jeff Fisher, Executive Director of Public Works; Monica Sparks, Acting UG Clerk; and Adelina Masingill and Brittnie McDonald, UG Clerk's Office.

Chairman Burroughs said before I call the meeting to order I do want to announce that some committee members, staff, and public are attending remotely via Zoom as well as on-site.

All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants and is the current guidance from the Kansas Attorney General.

The public is allowed to participate by Zoom or submit comments by email prior to the meeting and those comments will be included in the record of this meeting. The public may also indicate your intent to provide remote, public comments by contacting the Clerk's Office by 5:00 the Thursday before the meeting. The public also will have an opportunity to provide brief comments by telephone or via Zoom from the 5th Floor Conference Room of the Municipal Office building.

Chairman Burroughs called the meeting to order. Roll call was taken and all members were present as shown above. There are no revisions to tonight's agenda.

Approval of standing committee minutes from January 25, 2022. **On motion of Commissioner Stites, seconded by BPU Board Member Haley, the minutes were approved as submitted.**

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

COMMITTEE AGENDA

Item No. 1 – 211863...ORDINANCE: CLARIFICATION OF BOUNDARIES OF STAR BONDS FOR VILLAGE EAST

Synopsis: Ordinance correcting an error in the legal description and map pertaining to the Village East STAR Bond District to properly reflect the original District boundaries previously approved, submitted by Patrick Waters, Deputy Chief Counsel.

Chairman Burroughs said this takes us to our first item of business this evening, and it’s an ordinance clarification, boundaries of STAR Bonds for the Village East area. My understanding it’s an ordinance correcting an error in the legal description and map pertaining to the Village East STAR Bond district boundaries. I will now at this time call upon Patrick Waters, Deputy Chief Counsel, for the presentation.

Patrick Waters, Deputy Chief Counsel, said I’m actually going to turn it over to our Bond Counsel, Lisa Russell with Gilmore and Bell.

Commissioner McKiernan said Commissioner Burroughs, this is Commissioner McKiernan. If I could interrupt for just a moment. I wonder if it would be better if we here in this room were all logged into Zoom because I don’t think any of us are. That way you’d have a better idea of whether not we wanted to ask questions or give comment on anything. I leave that up to you.

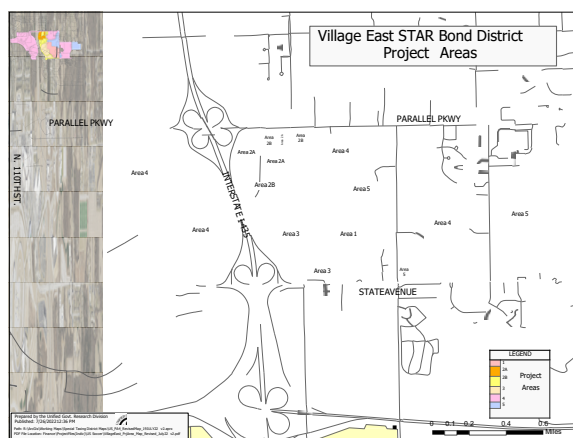
Chairman Burroughs said if Clerk, or would somebody, if you just speak up or if the Clerk will just let me know someone who wants to ask a question, raise your hand. She can tell me, and I’ll do my best to recognize you. I apologize for the inconvenience.

Commissioner McKiernan said thank you Commissioner, that’ll work fine.

Chairman Burroughs said Patrick, you said you were going to ask who to make the presentation?

Mr. Waters said yes, I'd like to recognize Lisa Russell from Gilmore and Bell, our Bond Counsel.

Lisa Russell, Bond Counsel, Gilmore and Bell, said just to give everybody a little bit of background on this. When Village East STAR Bond District was formed, that was in 2005. I don't know if we're going to get a map or not. It only included at that time, property east of I-435. The district was amended in 2014 to include the Village West STAR Bond area as part of the Village East District and Project Area 4. That was supposed to be effective when the Village West Bonds paid off. The reason that we did that is so we would be able to use incremental revenue from Village West to help finance a new, what was called at the time, U.S. Soccer bonds to finance the Compass Minerals Training Center and associated soccer complex. Unfortunately, there was an error in the legal description. It was basically a clerical error in the legal description in the map that was attached to the new district and project plans when that was done in 2014. It incorrectly included the land that Target and JC Penney now sit on.



Now that we have a map, you can see on the far west side, there is that block of Parallel and 110th Street that is not pink at that corner. It actually included that land, even though it was not supposed to. That land had been removed from the Village West STAR Bond area in 2006, so that the Unified Government and the State of Kansas would retain the tax revenues from those businesses located in that area. It was the intent of everyone to bring over the existing Village West District, but again, the error in those plans was later discovered, in fact, by Mike Grimm, and his folks that he works with on the mapping. He discovered it and brought it to our attention in connection with

some amendments that were made to the district last year in 2021 in connection with the Homefield bonds. It wasn't discovered in connection with that, but that's why those amendments were made.

Just so everyone understands, the 2015 U.S. Soccer Bonds that financed that soccer facility, they were issued and payable from Project Area 4, which would include, again, that Village West District after 2016 when the Village West STAR Bonds paid off. Everything that was disclosed to bondholders at that time was consistent with the intent of the parties, which would be that that Target property was not included. The official statements specifically stated that the property was not included. The revenue study that was done specifically stated that the property was not included. So, the bondholders never had any expectation of those tax revenues.

There were a couple of further changes to the district that were made, that unfortunately, in two additional ordinances picked up the clerical error from the first time in 2014. There are actually three ordinances that have that Target area included that it should not be.

There are other documents that don't. As I said the bond documents is the official statement. We just need to clean that up. Today, we're asking the Commission to consider this ordinance just to correct that error in the legal description and the map.

The STAR bond statute does permit, by ordinance, removal of property from a STAR bond district, and we don't have to do a new feasibility study or do a public hearing or anything of that sort, if the land removed is considered de minimis, which is less than 15% of the land in the district. In this case, the area being removed, technically removed, although it was always intended to not be included, again was 30.6 acres and the district is 990 acres, so obviously it's much less than 15% of the district.

I guess, just to wrap up, to be clear, this will not change how anything is done. The STAR bonds have been administered by the Unified Government and the State consistently without including that parcel of land. We're just trying to do a cleanup of the district land by ordinance, as permitted by statute. I think Mike is here, just because he is the one who did discover this when doing some mapping, in case there's any questions, for either one of us.

Chairman Burroughs said are there any questions from committee members?

BPU Board Member Haley, said we're looking at the map here. The area we're discussing again, is it the blue shaded, which of the shaded areas are we talking about?

Ms. Russell said it would be the southeast corner, yep that's it. That little block right there that has Target, JC Penney and I think a couple of other smaller businesses there as well.

Senator Haley said and that would be retained, who, I mean when it cedes from this, it goes then....

Ms. Russell said the tax revenues will be going to the Unified Government and the State. That is, in fact, where they have been going in accordance with intent. But this will clarify it to make sure that the revenues will continue to go to the Unified Government and the state.

Commissioner Townsend said Ms. Russell, my question is similar to Senator Haley's. As I'm looking at the map, based on what the requested change is, please tell me how differently this map will look. What will change on here? Will something be added or is the map that we're looking at now the version corrected as is being requested in this resolution?

Ms. Russell said the map you're looking at now is the corrected version. **Commissioner Townsend** said, okay, alright. That's all I needed to know.

Chairman Burroughs said any other comments? Clerk, if there's no hands, I will ask if there were any comments received from the public? **Monica Sparks, Acting UG Clerk**, said no comments were received.

Chairman Burroughs said is there anyone in the audience who wished to speak? **Ms. Sparks** said no one is appearing.

Chairman Burroughs said again, one more time. Any commissioner have any other questions, final questions or comments?

Senator Haley said I will be supporting this motion. But I wanted to do a full disclosure as to terminology or the semantics, I guess. Named Village East, in this particular case, is also held in Wyandotte County by a business entity, ID number 6064661. The Kansas Secretary of State's Office, which has been in good standing since 2004. I have an ongoing concern, which will be

addressed, having conferred with legal, UG Legal and others, about the conflicts or potential conflicts of a dual use of the name as to what Village East means.

However, this is about the boundaries, speaking about the geography of that current designation, which says it's Village East, though it's really on the western part of our county, and for the sake of the continuity of moving the project forward, I will support it with the caveat that I hope to have the semantics cleared up with the name at some subsequent discussion.

Chairman Burroughs said any other comments? Seeing no other comments or hearing no other comments at this time. I would entertain a motion.

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

Item No. 2 – 211864...ORDINANCE: CREATING SOLID WASTE ENTERPRISE FUND

Synopsis: Ordinance creating a Solid Waste Enterprise Fund, submitted by Jeff Fisher, Executive Director of Public Works, and Debbie Jonscher, Deputy Chief Financial Officer.

(It is requested that this item be fast-tracked to the August 11, 2022, full commission meeting.)

Chairman Burroughs said that takes us to Item No. 2 and again, it is another ordinance, and it will be creating the Solid Waste Enterprise Fund. There is a request to fast-track this item to the August 11th full commission meeting. I believe that we have Jeff Fisher, Executive Director of Public Works, and Debbie Jonscher, our Deputy CFO, for comments.



Economic Development/Finance Standing Committee
August 8, 2022

Debbie Jonscher, Deputy, Chief Financial Officer, said I'll be starting out the presentation. I am here with Jeff Fisher, Executive Director of Public Works, and Daniel Kuhn from the Legal Department, as well as Patrick Waters.

Solid Waste Services Enterprise Fund

- Creation of a new Solid Waste Services Fund
 - Enterprise fund is a self-supporting fund that is supported by user fees.
 - ✓ The User fee is charged per residential unit and levied on all single-family residences and all residential units in buildings containing not more than four dwelling units.
 - ✓ The fee is billed and collected through the administrative departments of the Board of Public Utilities (BPU) of the Unified Government and the BPU may discontinue water services to premises for which the fee has not been paid.
 - Creating a separate fund allows for more transparency about fees and costs
 - Funds were previously split between the City General Fund and the Environmental Liability Trust Fund (created by Ordinance No. 65837)
 - All fees collected shall be paid into the new fund starting January 1, 2023

Tonight, we're here to talk about the creation of the new Solid Waste Services Fund. I did just want to note, our intent is to move all the activity for the Solid Waste Program into the new Solid Waste Services Enterprise Fund. The transactions were recorded both in the City General Fund as well as the Environmental Trust Fund.

An Enterprise Fund is a self-supporting fund that is supported by user fees. As you can see, we are charging a user fee on the residential units, and that fee is collected through the Board of Public Utilities. Creating a separate fund would allow more transparency about fees and costs. All the activity for the fund will be recorded in this one particular fund. We still will have the Environmental Trust Fund that will record any environmental issues.

Currently, the only one that we are monitoring right now is Garland Park. That will continue to be monitored, with any cost associated with that park will still be recorded in the Environmental Trust Fund. It's something that we'll be reviewing annually to ensure that we are covering all the costs within that fund, as well as any other environmental issue that could come up. All fees that are collected will be paid into the new Enterprise Fund starting January 1, 2023. Then, if we need additional funds moved into the Environmental Trust Fund, we would budget a transfer to that other fund.

Solid Waste Services Enterprise Fund

Amending the UG Code of Ordinances

- Amend Article 1, Section 31-17
 - Bring the code up to current practice
 - Fee was previously adjusted on bi-annual basis
 - Currently the fee is being adjusted on an annual basis
- Add Article 1, Section 31-18
 - Identify all uses of the solid waste services fund

So, setting up this new Enterprise Fund does require amending the UG Code of Ordinances. The ordinance was included with your packet, and I believe it was a redline version that showed the changes. I'll just make note that we did amend Section 31-17; I think within that section it did list the fee showing on a bi-annual basis, and that was previously the case. But, now over the past several years, the fee has been adjusted on an annual basis. I believe that contract may have changed when we added the recycling program to the contract. Then, we also added Section 31-118, which identifies all the uses of the Solid Waste Enterprise Fund.

Solid Waste Services Enterprise Fund

- Solid Waste fees collected by the Unified Government shall be used for the purpose of paying all costs relating to solid waste services including:
 - Contract for disposal of residential and municipal solid waste
 - Curbside recycling programs
 - Household hazardous waste
 - Community waste and clean-up programs
 - Street sweeping collection and disposal
 - All trash and debris collected by Unified Government Departments
 - Solid Waste Environmental Liability Fund

I've just got here on this slide just showing all the collection of fees and the purposes for the cost that we will be paying for out of the Solid Waste Fund. All of these are costs that we currently pay for in the City General Fund, which includes the contract for the disposal of residential and municipal solid waste, the curbside recycling, household hazardous waste, community waste and cleanup programs, street sweeping collection and disposal, all trash and debris collected by Unified Government departments, and also funding the Solid Waste Environmental Liability Fund.

Solid Waste Services Enterprise Fund

Action requested:

- Approve ordinance
- Fast track to the August 11, 2022 Full Commission meeting

With that, the action that we're requesting tonight, is to approve the ordinance, and also fast-track it to the August 11th Commission meeting, because we would like to have these changes in effect before the 2023 budget is approved.

Chairman Burroughs said thank you, Debbie. You went through that pretty well. I appreciate that. I'll ask members of the committee if there are any questions.

BPU Board Member Haley, said I'm a member from the BPU that's here and, as you know, we're the collection agency for the city, for the UG for many of these fees, be it PILOT, and wastewater, and a host of others. Was wondering, what is it anticipated that this particular fee, or user fee might cost? What would be the pass-through that the BPU would be required to collect were this to pass?

Ms. Jonscher said you mean the total amount of the fee that they would collect for the year?

Senator Haley said well, we could begin there, but then we're going to want to break it down so that our everyday ratepayer or user might understand how much.

Ms. Jonscher said the current fee is \$16.25 per resident.

Senator Haley said that's the recycling.

Ms. Jonscher said that's the residential trash and recycling.

Senator Haley said alright. So, would there be any additional fees beyond that that this seeks to bring the Solid Waste Services, other than the current one, approximately \$16.00 a month.

Ms. Jonscher said right, and that's the fee for 2022, yes.

Senator Haley said so, going to the outlying year, the next year, would that increase, or would it be held stagnant?

Ms. Jonscher said we did propose an increase for the solid waste fee for 2023. Each year we review the annual contract and set out in the contract our certain indexes that we have to look

at for CPI increase. We look at those and then we adjust the customer fee by the same amount that the contract increases.

Senator Haley said and finally, is this a uniform fee, be it residential or commercial for those commercial BPU members who do not have a private service, trash service. Because everyone pays the \$16.00 regardless of the type of...

Ms. Jonscher said the \$16.25 is what is paid for residential units, and the contract states here that it's per residential units and levied on all single-family residents and all residential units in buildings containing not more than four dwelling units.

Senator Haley said so, no commercial entities pay this at all. **Ms. Jonscher** said that's correct.

Commissioner Townsend said Ms. Jonscher, you did summarize I think all the questions I have, but I just need to hear them one more time. The fees that are being collected are not changing, they are just going to this new fund that's being established to collect them, is that correct?

Ms. Jonscher said that's correct. The fees are normally collected into the City General Fund and the Environmental Trust Fund, and now all the fees will be collected into this new Enterprise Fund.

Commissioner Townsend said okay, so let's say that you have to make an expenditure related to Garland Park. The money will come from what fund, though?

Ms. Jonscher said that would come from the Environmental Trust Fund. Currently, the monitoring for Garland Park is budgeted over in the Environmental Trust Fund.

Commissioner Townsend said okay. So, will there be a breakout then of the monies collected between the Environmental Trust Fund—no, I'm sorry. So, all of the monies now, coming in are going to go to this one fund that we are talking about tonight, this new Enterprise Fund.

Ms. Jonscher said that's correct. Previously, we'd split the revenue between the City General Fund and the Environmental Trust Fund. But now, all of the funds will be collected and deposited into the Enterprise Fund. Then we'll review the Environmental Trust Fund to determine if we need to increase the amount of revenue going to that and then we would build that in as a transfer each year.

Commissioner Townsend said got it, okay. And just so we're clear, the rates that our taxpayers are paying are not changing because of this request for the creation of this Service Enterprise Fund, Solid Waste Service Enterprise Fund, that's correct?

Ms. Jonscher said that's correct. They're not changing because we're switching to a different fund, we are proposing an increase in 2023, but that is due to the increase in the amount we will have to pay for the solid waste contract.

Commissioner Townsend said okay, thank you. You clarified it for me.

Chairman Burroughs said Madam Clerk, I don't see any other hands on my end. Is there anyone else has any comments, any other committee members?

Commissioner Stites said I want to get my mind around this. So, the residential versus commercial. I know that this only applies to residential. Are we saying that all commercial businesses in Kansas City, Kansas have their own trash pickup, every single one of them? Is that right?

Jeff Fisher, Executive Director of Public Works said yes.

Senator Haley said to follow-up. So, every commercial BPU bill does not have a line item for trash and recycling. That's bifurcated. So, if you're a commercial BPU customer then there's no recycling charge on any commercial account?

Mr. Fisher said the UG only contracts solid waste and recycling for residential units. That's all that BPU should be billing for.

Senator Haley said for commercial accounts.

Mr. Fisher said for residential only. Leaving the commercial community to have their own contracts with waste dollars.

Senator Haley said unrelated but related. Is there a separate entity that, or department that, where we have an FTE that administers this fund? Is there another department that will administer it, a separate department, or is it all still inhouse?

Mr. Fisher said that has always been with Public Works and will continue to be, unless structural changes are made...

Senator Haley said there's no need of additional personnel to implement it.

Mr. Fisher said not as a result of this directly, no.

Chairman Burroughs said any other questions, if not, I do have a question. I know it's been asked a number of times that this change in ordinance and this change of language will not change the fee. We will be looking collectively at the fee during the budget process, Debbie?

Ms. Jonscher said yes, that was part of the presentation of the 2023 budget last week.

Chairman Burroughs said okay. And this change in ordinance, it takes it from a bi-annual to annual every year. If I remember correctly, you said this was attached to the CPI of which we've had a tremendous growth in the CPI this year.

Ms. Jonscher said yes. I think the language in the ordinance was changed this year with what we're doing right now. However, we did change from a bi-annual to an annual review of the costs several years ago.

Mr. Fisher said strictly regarding the contract with Waste Management. **Ms. Jonscher** said that's correct, right.

Chairman Burroughs said I just see that it stated that the new ordinance, underlining heavy print, says the solid waste services fee may be adjusted by the Unified Government Commission on an annual basis, based upon changes to the program costs and inflationary costs related thereto, when it used to be bi-annually, right? I'm looking in Section B, reading the print.

Ms. Jonscher said yes, we used to previously adjust that bi-annually.

Chairman Burroughs said thank you, I have no other questions. We do know that this will not bring a fee increase, changing this language, but that the fee increase may be discussed during the budget hearing that is separate from this. I would ask the Clerk if there was any comments received from the public in reference to this issue? **Monica Sparks, Acting UG Clerk**, said no comments were received.

Chairman Burroughs said thank you. Is there anyone in the audience who wishes to speak this evening? **Ms. Sparks** said no one is appearing.

Chairman Burroughs said committee, it will be the determination of the Chair to call for a motion. This is an actionable item to fast-track forward to next Thursday's meeting. We do have a motion and a second. I'll ask Clerk to please call roll.

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

Item No. 3 – 211860...REPORT: UNIFIED GOVERNMENT GRANTS MANAGEMENT MANUAL

Synopsis: Unified Government Grants Management Manual Report submitted by Kathleen VonAchen, Chief Financial Officer, and Rebecca Sandow, Grants Manager.

For Information Only.

Chairman Burroughs said that takes us to our third and final item for this evening. I will give staff just a moment to get situated. It is the UG Grants Management Manual report. This item is for information only. It's not an action item. I will be recognizing Kathleen VonAchen, our Chief Financial Officer, who will make the presentation this evening.



Kathleen VonAchen, Chief Financial Officer, said I'm very excited to explain to you our next step in the development of our new Grants Management Division under the Finance Department. The middle of last year, thanks to the Commission's approval, and the County Administration, we were able to develop a new department or division under the Finance Department—that's Grants Management. We reassigned an FTE from the former Public Safety Business Office who had been managing grants for many years for Community Corrections, and for the Sheriff's Office, and she became our Grants Manager. She's with us tonight, it's Rebecca Sandow. We've only had this

position, kind of small, in its infancy department for about a year now, and one of our primary objectives in the first year was to develop a Grants Management Manual that all the other UG departments can rely upon and refer to, once they start to develop and write grants, and then administer grants, which are very complicated. There's a lot of laws and federal regulations and such. So tonight, we have developed a Grants Management Manual for your feedback. I'm going to pass it on to Rebecca Sandow.

The Grants Management Manual aims to achieve:

- Ensure grant related activities are consistent with the strategic priorities of the Board of Commissioners and administration.
- Ensure the integrity of the UG's reputation amongst grantmaking entities
- Serve as a primary resource to UG's Grant Specialists.
- Establish policies and procedures and provide grants compliance guidance.

Rebecca Sandow, Grants Manager, said briefly, we're just going to give you a very short presentation as to why we decided to do a Grants Manual. Kathleen gave you some of the reasons why, and just give you the background as to how it became, how it lives today.

Number 1, we want to ensure that the grant-related activities are consistent with the priorities of the Board of Commissioners and Administration. We want to ensure that the integrity of the UG's reputation amongst grant-making entities, that we do have a policy in place, and that we are encouraging our Grant Specialists to use it as a primary resource and refer to it in administering their grants. And, in the end, to establish policies and procedures and provide grants compliance guidance.

UG Grants
Management
Manual

- Collaborating Partners: Grants Management Office, iParametrics, Grants Management Work Group
- Heavily focused on federal grant management as we believe if you can make it there, you can make it anywhere!
- Future plans to further expand text re state & private grant funders.

We have a number of collaborating partners. Along with my office, we also sought the help of iParametrics, who is our grant writing consultant, and has been for a while, as well as our grant management work group, which we've established across the Unified Government, has roughly

68 people involved, including grant specialists and some County Administrators. So, it's a large group. The manual was presented to them for their feedback, which we did get some. We made some changes accordingly. It's heavily focused right now on the Federal Grant Management since that is the most stringent of grants to handle. We believe if you can make it there, you can make it anywhere. So, if we establish a good grant management process, the others, the states which we plan to expand into state and private grant funders, future plans to expand the text there. And that's all I have for you.

Ms. VonAchen said I did want to point out that this is strictly for information only and to get your feedback. Not only feedback tonight, but as you read the manual to send us an email and tell us what you think. One thing that we wanted to tell you, that right now it's written, assuming that the use of Cayenta, our current financial system, but in the coming months or early next year, after we go live, we will be making revisions so that it refers to Workday. The final approval of the Grants Management Manual will come back to you for your approval, I'm guessing next month, depending on how many comments I get from all you. We expect it next month with a resolution, so it's actually adopted by the full commission. That's our thoughts.

Chairman Burroughs said the only question I would have is in reviewing the information, there was, I'm going to call it a salmon color on the sides that has the words commented, KSS. And there's questions like are there any address, additional leadership positions that needed to be done. Are those the questions you want us to come forward with, as we look through this individually?

Ms. VonAchen said I believe those are actually review questions by the different people that we were collaborating with. Some of them may be answered already. Others, we'll keep reviewing and make sure that we're revising appropriately.

Chairman Burroughs said great, that's the only question that I have. Does any member of the committee have questions or comments?

Commissioner McKiernan said this really looks very impressive and I had the same question that Commissioner Burroughs had in terms of the comments that are out to the right-hand side. So, that's what you've collected so far. We could, then add additional comments or questions as we

go. I would assume that this manual would then apply to every department within the UG that seeks and receives grants. If that's the case, how many departments is that? How broad is our grant-seeking effort within the UG?

Ms. VonAchen said well, I think there is 47 departments, but not all of them do grants. Maybe half.

Ms. Sandow said I don't know the departments, but I do know that we have a large contingency of people on our Grants Management workgroup. So, that's really spreading it out pretty far.

Unidentified Speaker said our biggest departments are Public Works and Parks. Where they have a lot of activity there, a lot of smaller activity in the other departments, but with 68 people, in our Grants Management workgroup it's.....

Commissioner McKiernan said excellent, because that's one of the things that I know has come up in some of our commission meetings is for us just to remember that grants are, very typically, available for a large variety of the things that we would do as a local government, and that we would be diligent in looking for those and trying to compete for those grant dollars. I really appreciate the guidebook that you've put together here.

Ms. VonAchen said just for a few more statistics. Says every year, the Accounting Department and Legislative Auditors and our external, independent auditors put out a single audit. It's a report that's only about 20 or 10 pages or so. It summarizes all the federal expenditures. Since 2015, the Unified Government has been spending in federal grant money about \$9M a year. Previous to 2015, it was more in the \$15M to \$16M range. The goal of our new Grants Management Division is to facilitate more communication and collaboration among all the UG departments, so that they're focused on collecting more grant revenue than the \$9M we've been averaging over the past six years. So, certainly more than \$9M. We're hoping to double that number in the coming years. Certainly, we'll do that with the Joseph Biden's Infrastructure bill. There's a lot of opportunity, but more collaboration and more focused on grants management is what's the key.

Commissioner McKiernan said that is wonderful to hear. Mr. Chairman that's all the questions I have.

Commissioner Townsend said my questions, I'm focused similar to those raised by Commissioner McKiernan. This was very interesting to me, as I think our Chair has already made reference to discussions we've been having during budget about grant writing and to take better advantage of it. But Ms. VonAchen, I understand some of the numbers you mentioned earlier we've got what about 24 to 26 departments that are actively looking for grants or have staff that does that, is that correct? **Ms. Sandow** said that's correct.

Commissioner Townsend said okay. So, what is your relationship to those departments and your position, your full-time position related to the presentation tonight, and how you are planning all this, in terms of looking for grants or reviewing grants?

Ms. Sandow said currently, we will be searching for a grant search engine that will help me go out and look for grants based on what's been presented in perhaps the capital projects, what the different departments are interested in doing outside the capital projects. I will be visiting with them to learn what their needs and wants are, and the special projects that they may have that haven't made the capital projects list.

Ms. VonAchen said in addition, she's facilitating periodic meetings with that 86-member grant workgroup so that they are trained on grants writing and grants administration, and that they share information amongst each other, so that if there's a grant opportunity available, and it crosses between departments in terms of its focus, they can actually collaborate together. I think, for example, it's kind of hard to communicate among all the departments. Actually, about a month ago, there was an example of that where the people were wondering if the Fire Department had applied for a grant or if we knew about it, or what have you. I can't remember now exactly what that was, but the Fire Department is out doing something and what they're seeking is similar to something that some other department is also needing, so if there's better collaboration amongst all our departments, then we can have a better opportunity to fight for that grant because we'll be more competitive.

Commissioner Townsend said would it be accurate to say that if a department is looking for funds and is curious as to what grants may be available, one of the first places they should be visiting is Ms. Sandow's office?

Ms. VonAchen said that would be correct.

Commissioner Townsend said okay. And you mentioned that you're looking for, what is it, software, some type of program that would help you to identify grants that are available, kind of across the board for different needs. **Ms. Sandow** said that's correct.

Ms. VonAchen said we currently have \$140K allocated in ARPA funding for a future grant's discovery software package, but we're holding off on doing an assessment of the needs and proposals until we implement Workday and we can fully understand how any future software would work well or integrate with Workday, so we're kind of holding off on that at the moment.

Commissioner Townsend said okay, next question, because this is out of my bailiwick entirely, grants and in the nonprofit world, to that extent. The presentation made tonight, how would this be used in correlation with whatever the grant requirements are, or the application, for instance, the Casino Grants Fund. There are certain prerequisites that that program has, so how does this program dovetail into that or, if at all, what is the significance of this program to us that you presented tonight?

Ms. VonAchen said well, so the Casino Grants Program that you're talking about, those are grants that the UG administers outside to other agencies. This is all about grants of other agencies giving money to the UG. The Casino Grant is actually not part of this.

Commissioner Townsend said right, but they all have their own prerequisites and requirements. So, what is the purpose of this particular document, what is this to do?

Ms. VonAchen said the main focus of this document is compliance with grants that we've already been awarded, honestly. So then, it provides us a procedure for internally, so that departments are following the same protocol when they do apply for grants. So, protocol for when they're applying for grants, and then, once they've been awarded, a procedure as prescribed by the Federal Government for administering your grants thereafter.

Commissioner Davis said I am so excited because we're in budget time, and one of the things that I've said, and I know other colleagues, Mr. Ramirez, has said this, we don't talk enough about how to bring more money in. We talk about how to spend it. We talk about how to allocate it, but with the finite resources that we have and the infinite amount of requests that we have, this particular department is really, really important. How large is, because I know we have Gwen Thomas

working on ARPA-related stuff, is Gwen Thomas part of this? How large is this department? I know this workgroup, but this department or this division. Help me out with my verbiage here.

Ms. VonAchen said there is one person in the Grants Management Division and it's Rebecca. Gwendolyn Thomas is the ARPA Coordinator, and she's exclusively assigned to the ARPA subcommittee and does ARPA things which is not related to this. Her assignment is temporary, I think it's about two-three years out, and it's only ARPA-related. So, we're trying to keep those two things separate.

Commissioner Davis said well, the only thing I would say is grants and then economic development are two of the most accessible ways right now for us to get new revenue for the Unified Government. I would encourage you all to be aggressive with the one person trying to manage what, 40 departments, not going to work. You're going to probably need a much larger team, so that we can get more money in the door, and we can kind of defray some of those ongoing costs or those onetime costs that we'd make for the Unified Government. So, at least from this Commission, this is just permission to really be aggressive and be bold, because it takes one grant to pay for your salary, your personnel costs, I mean depending upon what it is, and there are very few departments where it's like that, where they bring in 10 times, 20 times where their salary is and you've more than paid for yourself, your benefits, and things of that sort. So, please, please, I look forward to looking through this document, but I would hope that we can give you more folks on your team, so that we can get more money in the door. Thank you, Chair.

Ms. VonAchen said the County Administrator's recommended budget presented on Thursday included one additional Grants Management personnel or management analyst. In addition, though, last year, I think last year's Health Department budget included a Development Officer, which is another fancy way of saying Grants Management person. And so, there is some grant dedicated FTE in various departments. The Health Department comes to mind. I think there may be another, but I'm not certain. We definitely can use more assistance, because the departments are really busy with managing their operations and grant writing, and then all the administration of grants afterwards is so cumbersome. So, it really inhibits they're wanting to do that. That's why we want to have this Grants Management Division so that we are here to assist them, and to help them, that's why.

Chairman Burroughs said committee any other questions, comments? I do want to echo the comments that have been made, that this is something that Commission has requested for a while, and I think many of us are somewhat anticipating a greater use of funds that are by grant, some that will be forgiven, some that are free, some that have a match, that some is better than none, and more is better than minimal. With that, I'll ask the Clerk are there any comments from the public?

Ms. Sparks said no comments were received.

Chairman Burroughs said any members present that would like to speak? **Ms. Sparks** said no members of the public.

Chairman Burroughs with that, as I stated, this was non-action item, it's for information only. Committee, I want to thank you for your questions. Staff, I want to thank you for sticking to this and again that brings us, we have no more business before us this evening in this committee and before I make the motion or entertain a motion to adjourn, I just want to state that there will be no Neighborhood and Community Development standing committee following this meeting this evening. And so, my good friend Commissioner McKiernan, I thought I'd throw that out there, so I didn't have to defer to you if there's anything you'd like to say, please do so.

Commissioner McKiernan said other than we get the night off from the second meeting. Commissioner Burroughs, if you would allow just one moment, Commissioner Davis is here and wanted to give just a very brief update on the Land Bank Review Committee.

Commissioner Davis said I know that in our last meeting I announced some dates that were coming up in August, for the Land Bank listening sessions. After having some conversations and just talking with staff and trying to get a good pace going, we've decided to move the listening sessions to October and so that information will be forthcoming. We'll have official communication, there will be a press release, but look for mid-October for there to be some listening sessions for the Land Bank Policy Review Committee.

Action: For information only.

PUBLIC AGENDA

No items.

Chairman Burroughs said any other comments before I entertain a motion to adjourn and ask the Clerk to please call role?

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis to adjourn.** Roll call was taken and there were five “Ayes,” Haley, Davis, Townsend, McKiernan, Burroughs. Commissioner Stites did not vote.

Chairman Burroughs said committee, that concludes our meeting for the evening. Thank you for your attendance, we are adjourned.

ADJOURN

Meeting was adjourned at 5:56 p.m.

am



Staff Request for Commission Action

Tracking No. 212007

Full Commission Meeting Date: 11/3/22

Committee: Economic Development & Finance

Date of Standing Committee Action: 10/10/22
(If none, please explain):

Publication Required: Yes 11/10/2022

<u>Date:</u> 09/27/2022	<u>Contact Name:</u> Debbie Jonscher, Angela Lawson	<u>Contact Phone:</u> x5847,	<u>Contact Email:</u> djonscher@wycokck.org, alawson@wycokck.org	<u>Department/Division:</u> Finance
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Item Description:

A resolution authorizing the Board of Public Utilities to obtain a loan from the Kansas Public Water Supply Fund administered by the Kansas Department of Health and Environment, submitted by Debbie Jonscher, Acting Chief Finance Officer, & Angela Lawson, Deputy Chief Counsel.

Action Requested:

Approval

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Proposed UG Resolution approving 2022 First Amendment to Water Loan - BPU Water Loan 2021, Reso No 5276 KDHE Loan Agreement, Unified Government Resolution R-29-21, BPU - KDHE Loan Execution of Loan Agreement - Resolution #5267 - Oct 2021, Board Meeting KDHE Loan Amendment 2nd mtg Sept 21 2022

RESOLUTION NO. R_____

A RESOLUTION AUTHORIZING THE BOARD OF PUBLIC
UTILITIES OF THE UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS TO
OBTAIN A LOAN FROM THE KANSAS PUBLIC WATER
SUPPLY FUND ADMINISTERED BY THE KANSAS
DEPARTMENT OF HEALTH AND ENVIRONMENT

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”) is a municipal corporation duly organized under the laws of the state of Kansas (the “State”) as a consolidated city-county; and

WHEREAS, the Unified Government owns and operates a public water supply and distribution system (the “System”), which is managed, operated, maintained and controlled on a day-to-day basis by an administrative agency of the Unified Government known as the Board of Public Utilities (the “BPU”); and

WHEREAS, the Board of Directors of the BPU (the “BPU Governing Body”) has heretofore determined it to be in the best needs of the customers of the System to undertake certain modifications and improvements to the System, including (i) 7 MG Argentine Reservoir at an estimated cost of \$14,500,000 (initially \$10,000,000) , (ii) replace aging distribution mains at an estimated cost of \$12,000,000 (initially \$9,000,000), (iii) transmission main from 90th and Parallel to I-435 and France Family Drive at an estimated cost of \$4,000,000 (initially \$2,000,000), (iv) electrical improvements at Nearman Water Treatment Plant and pumping stations at an estimated cost of \$2,500,000 (initially \$1,500,000) and (v) replace 24-inch main at 12th Street and Kansas River at an estimated cost of \$6,500,000 (initially \$2,500,000) (collectively, the “Projects”), and to pay Loan origination costs; and

WHEREAS, pursuant to K.S.A. 65-163c et seq. (the “KDHE Act”), the Kansas Department of Health and Environment (“KDHE”) administers the Kansas Public Water Supply Fund (the “Fund”) from which loans are made to certain qualified Municipalities (as said term is defined in the KDHE Act) to finance modification and improvements to public water supply systems; and

WHEREAS, the BPU has heretofore made an application to KDHE for a loan in an initial aggregate amount not to exceed \$25,000,000, subsequently increased to an aggregate amount not to exceed \$39,500,000 (the “Loan”) to finance the Improvements; and

WHEREAS, pursuant to Resolution No. R-29-21 approved April 8, 2021, the Unified Government authorized the BPU to obtain a loan in the initial amount of \$25,000,000, and the BPU obtained a loan in such amount from KDHE; and

WHEREAS, the estimated costs of the Project subsequently increased from \$25,000,000 to \$39,500,000 and KDHE approved the increased loan amount of not to exceed \$39,500,000; and

WHEREAS, the Board of Commissioners of the Unified Government wishes to authorize the BPU to obtain the Loan in the amount of \$39,500,000 to finance the Improvements; and

WHEREAS, in order to maintain flexibility for a future refinancing of the Loan with utility system revenue bonds, the Board of Commissioners of the Unified Government also wishes to authorize the issuance of utility system revenue bonds as an alternative financing source for the Improvements, and accordingly, pursuant to the provisions of Charter Ordinance No. CO-5-01, as amended, Article 12, Section 5 of the Kansas Constitution and K.S.A. 10-1201 *et seq.* (collectively, the “Act”), the governing body of the Unified Government has determined that it is advisable to publish in the official newspaper of the Unified Government a notice of the Improvements to the System at an estimated cost of \$39,500,000 and that utility system revenue bonds of the Unified Government may be issued in an estimated amount of \$39,500,000 plus the cost of any required reserves, costs of issuance and related expenses; and

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

Section 1. Approval of Improvements. The governing body of the Unified Government hereby approves the Improvements at a total estimated cost of \$39,500,000.

Section 2. Approval of Loan. The BPU is hereby authorized to obtain the Loan in order to provide financing for the Improvements.

Section 3. Approval of Issuance of Bonds as an Alternative Financing Source for the Improvements; Necessary Action. In order to maintain flexibility for a future refinancing of the Loan with utility system revenue bonds, the Unified Government also authorizes the issuance of utility system revenue bonds in the principal amount not to exceed \$39,500,000 plus the cost of any required reserves, costs of issuance and related expenses as an alternative financing source for the Improvements, provided that any such issuance of utility system revenue bonds shall require further approval by the Unified Government of the sale of any such bonds prior to any such issuance. The governing body of the Unified Government hereby directs that notice of the Improvements to the System and the possible issuance of such bonds be given as provided by the Act, in substantially the form attached hereto as **Exhibit A**.

Section 4. Further Proceedings. The Mayor, Unified Government Clerk and other officers and representatives of the Unified Government are hereby authorized and directed to take such action as may be necessary to implement this Resolution.

Section 5. Effective Date. This Resolution shall be in full force and effect following its adoption by the governing body of the Unified Government.

ADOPTED by the Governing Body of the Unified Government of Wyandotte County/Kansas City, Kansas on _____, 2022.

**UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS**

By: _____
Mayor/Chief Executive

(SEAL)

ATTEST:

Unified Government Clerk

Exhibit A

(Published in *The Wyandotte County Echo* on _____, 2022)

NOTICE

Notice is hereby given that pursuant to a resolution of the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”), adopted _____, 2022, the governing body of the Unified Government has approved making improvements to the Unified Government’s water utility system including a water reservoir replacement project at the Argentine Pump Station, transmission main and distribution main construction and replacement projects, and electrical improvements at the Nearman Water Treatment Plant and pumping stations (the “Improvements”) at a total estimated cost of not to exceed \$39,500,000 and the financing of the Improvements with a loan from the Kansas Department of Health and Environment, and has authorized the issuance of utility system revenue bonds as an alternative financing source for the Improvements under the authority of Charter Ordinance No. CO-5-01 of the Unified Government, as amended, Article 12, Section 5 of the Kansas Constitution and K.S.A. 10-1201 *et seq.* (the “Act”), in a principal amount not exceeding \$39,500,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the costs of the Improvements.

Notice is further given that the governing body of the Unified Government may issue its utility system revenue bonds (the “Bonds”) pursuant to the Act in an aggregate principal amount not exceeding \$39,500,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the cost of the Improvements. The Bonds, if and when issued, will be payable solely from the net revenues derived by the Unified Government from the operation of its utility system.

If within fifteen (15) days after the date of publication of this notice, written protest against the Improvements and/or issuance of the Bonds for the payment of the Improvements is filed with the Unified Government Clerk and signed by not less than twenty percent (20%) of the qualified electors of the City of Kansas City, Kansas, the governing body shall submit the question of the proposed Improvements and the proposed issuance of the Bonds for the payment of the Improvements to the electors of the City of Kansas City, Kansas at an election for such purpose as provided by law. If sufficient protest is not filed, then the governing body of the Unified Government will proceed in accordance with the intentions hereinbefore declared and make the Improvements, and may issue the Bonds in an aggregate principal amount not in excess of \$39,500,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the costs of the Improvements.

DATED: _____, 2022.

**UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS**

By: _____
Unified Government Clerk

RESOLUTION NO. 5276

RESOLUTION AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO A LOAN AGREEMENT BETWEEN THE BOARD OF PUBLIC UTILITIES OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT, FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY FUND FOR THE PURPOSE OF FINANCING A PUBLIC WATER SUPPLY PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

WHEREAS, the Safe Drinking Water Act Amendments of 1996 [PL 104-182] to the Safe Drinking Water Act (the "Federal Act") established the Drinking Water Loan Fund to assist public water supply systems in financing the costs of infrastructure needed to achieve or maintain compliance with the Federal Act and to protect the public health, and authorized the Environmental Protection Agency (the "EPA") to administer a revolving loan program operated by the individual states; and

WHEREAS, to fund the state revolving fund program, the EPA will make annual capitalization grants to the states, on the condition that each state provide a state match for such state's revolving fund; and

WHEREAS, by passage of the Kansas Public Water Supply Loan Act, K.S.A. 65-163d *et seq.*, as amended (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Public Water Supply Loan Fund (the "Revolving Fund") for purposes of the Federal Act; and

WHEREAS, under the Loan Act, the Secretary of the Kansas Department of Health and Environment ("KDHE") is given the responsibility for administration and management of the Revolving Fund; and

WHEREAS, the Kansas Development Finance Authority (the "Authority") and KDHE have entered into a Master Indenture (the "Master Indenture") pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities for public water supply system projects (the "Projects") and to pledge the Loan Repayments (as defined in the Master Indenture) received pursuant to such Loan Agreements to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905(a) and the Loan Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA capitalization grants, to Municipalities within the State for the payment of Project Costs (as said terms are defined in the Loan Act) and

WHEREAS, the Board of Public Utilities (the "BPU") of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), an administrative agency of the Unified Government, operates the Unified Government's public water supply and distribution system (the "System"); and

WHEREAS, the BPU is a municipality as said term is defined in the Loan Act, and the System is a Public Water Supply System, as said term is defined in the Loan Act; and

WHEREAS, the Board of Directors of the BPU (the “BPU Governing Body”) has heretofore determined it to be in the best needs of the customers of the System to undertake certain modifications and improvements to the System, including (i) 7 MG Argentine Reservoir at an estimated cost of \$14,500,000 (initially \$10,000,000) , (ii) replace aging distribution mains at an estimated cost of \$12,000,000 (initially \$9,000,000), (iii) transmission main from 90th and Parallel to I-435 and France Family Drive at an estimated cost of \$4,000,000 (initially \$2,000,000), (iv) electrical improvements at Nearman Water Treatment Plant and pumping stations at an estimated cost of \$2,500,000 (initially \$1,500,000) and (v) replace 24-inch main at 12th Street and Kansas River at an estimated cost of \$6,500,000 (initially \$2,500,000) (collectively, the “Projects”), and to pay Loan origination costs; and

WHEREAS, the BPU has, pursuant to the Loan Act and as authorized by Resolution No. 5260, submitted an Application to KDHE to obtain a loan from the Revolving Fund in an initial aggregate amount not to exceed \$25,000,000.00, subsequently increased to an aggregate amount not to exceed \$39,500,000.00, to finance the costs of the Project; and

WHEREAS, pursuant to Resolution No. R-29-21 approved April 8, 2021, the Unified Government authorized the BPU to obtain a Loan in the initial amount of \$25,000,000.00; and

WHEREAS, as authorized by Resolution No. 5267 of the BPU Governing Body, the BPU accepted a loan in the initial amount of \$25,000,000.00 and entered into a certain Loan Agreement with an effective date of August 23, 2021, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the “Original Loan Agreement”), to finance the costs of the Project as initially estimated; and

WHEREAS, subsequent to the effective date of the Original Loan Agreement, the estimated costs of the Project increased from \$25,000,000.00 to \$39,500,000.00, and the BPU applied to KDHE for an increase in the amount of the loan, to be effected by the hereinafter described First Amendment to Loan Agreement, amending the Original Loan Agreement to increase the amount of the hereinafter described Loan to \$39,500,000.00; and

WHEREAS, the BPU has taken all steps necessary and complied with all requirements of the Loan Act and the provisions of K.A.R. 28-15-50 through 28-15-65 (the “Regulations”) applicable thereto necessary to qualify for the hereinafter described Loan; and

WHEREAS, KDHE has informed the BPU that it has been approved for a loan in an amount of not to exceed \$39,500,000.00 (the “Loan”) in order to finance the Project; and

WHEREAS, the BPU will request the Unified Government to authorize the increase in the amount of the Loan; and

WHEREAS, the governing body of the BPU hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into a First Amendment to Loan Agreement to be considered effective as of August 8, 2022 (the “First Amendment to Loan Agreement” and with the Original Loan Agreement, the “Loan Agreement”) and certain other documents relating thereto, and to take certain actions required in order to implement the Loan Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC UTILITIES OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Authorization and Approval of Loan Agreement. The BPU is hereby authorized to accept the Loan and to enter into a certain First Amendment to Loan Agreement to be considered effective as of August 8, 2022, with the State of Kansas acting by and through the Kansas Department of Health and Environment, amending the Original Loan Agreement, to finance the Project Costs (as defined in the Loan Agreement). The General Manager of the BPU is hereby authorized to enter into the First Amendment to Loan Agreement in substantially the form presented to the Board of Directors this date, with such changes therein as shall be approved by the General Manager of the BPU and the BPU's legal counsel, such General Manager's execution of the First Amendment to Loan Agreement being conclusive evidence of their approval thereof.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. Pursuant to the Act, the BPU hereby establishes the System Revenues (as defined in the Loan Agreement) as the dedicated source of revenue for repayment of the Loan. The Loan constitutes Subordinate Debt as defined in the Second Amended and Restated Indenture of Trust dated as of June 1, 2014 by and between the Unified Government and Security Bank of Kansas City, as Trustee (as heretofore and hereafter amended and supplemented, the "Indenture"). In accordance therewith, the BPU shall fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the BPU, as will provide revenues sufficient to (a) pay the cost of the operation and maintenance of the System, (b) pay the principal of and interest on the Loan, any Existing Revenue Obligations and Additional Revenue Obligations (as said terms are defined in the Loan Agreement) as and when the same become due, and (c) pay all other amounts due at any time under the Loan Agreement. Such dedicated source of revenue is hereby pledged as security for repayment of the Loan, provided that such pledge shall be subordinate and junior in all respects to the pledge of the Trust Estate by the Indenture as security for the Bonds, as such terms are defined in the Indenture.

Section 3. Further Authority. The President, Secretary, General Manager and other officers, agents and employees of the BPU are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4. Governing Law. The Resolution and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

Section 5. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Board of Directors of the BPU.

ADOPTED by the Board of Directors of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas, this 21st day of September, 2022.

BOARD OF PUBLIC UTILITIES

By:  _____
President

ATTEST:

 _____
Secretary

CERTIFICATE OF RECORDING OFFICER

The undersigned, duly qualified and acting Secretary of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas, does hereby certify:

That the attached resolution is a true and correct copy of the resolution adopted at a legally convened meeting of the Board of Directors of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas held on the 21st day of September, 2022; and, further, that such resolution has been fully recorded in the journal of proceedings and records in the official BPU records.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of September, 2022.


Secretary

RESOLUTION NO. R-21-21

A RESOLUTION AUTHORIZING THE BOARD OF PUBLIC UTILITIES OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS TO OBTAIN A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY FUND ADMINISTERED BY THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”) is a municipal corporation duly organized under the laws of the state of Kansas (the “State”) as a consolidated city-county; and

WHEREAS, the Unified Government owns and operates a public water supply and distribution system (the “System”), which is managed, operated, maintained and controlled on a day-to-day basis by an administrative agency of the Unified Government known as the Board of Public Utilities (the “BPU”); and

WHEREAS, the Board of Directors of the BPU (the “BPU Governing Body”) has heretofore determined it to be in the best needs of the customers of the System to undertake certain modifications and improvements to the System, including (i) 7 MG Argentine Reservoir at an estimated cost of \$10,000,000, (ii) replace aging distribution mains at an estimated cost of \$9,000,000, (iii) transmission main from 90th and Parallel to I-435 and France Family Drive at an estimated cost of \$2,000,000, (iv) electrical improvements at Nearman Water Treatment Plant and pumping stations at an estimated cost of \$1,500,000 and (v) replace 24-inch main at 12th Street and Kansas River at an estimated cost of \$2,500,000 (collectively, the “Projects”), and to pay Loan origination costs; and

WHEREAS, pursuant to K.S.A. 65-163c et seq. (the “KDHE Act”), the Kansas Department of Health and Environment (“KDHE”) administers the Kansas Public Water Supply Fund (the “Fund”) from which loans are made to certain qualified Municipalities (as said term is defined in the KDHE Act) to finance modification and improvements to public water supply systems; and

WHEREAS, the BPU has heretofore made an application to KDHE for a loan in an aggregate amount not to exceed \$25,000,000 (the “Loan”) to finance the Improvements; and

WHEREAS, the BPU Governing Body has heretofore conducted a public hearing on the advisability of proceeding with the completion of the application for the Loan and has authorized the appropriate officials of the BPU to accomplish the completion process; and

WHEREAS, the Board of Commissioners of the Unified Government wishes to authorize the BPU to enter into the Loan to finance the Improvements; and

WHEREAS, in order to maintain flexibility for a future refinancing of the Loan with utility system revenue bonds, the Board of Commissioners of the Unified Government also wishes to authorize the issuance of utility system revenue bonds as an alternative financing source for the Improvements, and accordingly, pursuant to the provisions of Charter Ordinance No. CO-5-01, as

amended, Article 12, Section 5 of the Kansas Constitution and K.S.A. 10-1201 *et seq.* (collectively, the “Act”), the governing body of the Unified Government has determined that it is advisable to publish in the official newspaper of the Unified Government a notice of the Improvements to the System at an estimated cost of \$25,000,000 and that utility system revenue bonds of the Unified Government may be issued in an estimated amount of \$25,000,000 plus the cost of any required reserves, costs of issuance and related expenses; and

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

Section 1. Approval of Improvements. The governing body of the Unified Government hereby approves the Improvements at a total estimated cost of \$25,000,000.

Section 2. Approval of Loan. The BPU is hereby authorized to obtain the Loan in order to provide financing for the Improvements.

Section 3. Approval of Issuance of Bonds as an Alternative Financing Source for the Improvements; Necessary Action. In order to maintain flexibility for a future refinancing of the Loan with utility system revenue bonds, the Unified Government also authorizes the issuance of utility system revenue bonds in the principal amount not to exceed \$25,000,000 plus the cost of any required reserves, costs of issuance and related expenses as an alternative financing source for the Improvements, provided that any such issuance of utility system revenue bonds shall require further approval by the Unified Government of the sale of any such bonds prior to any such issuance. The governing body of the Unified Government hereby directs that notice of the Improvements to the System and the possible issuance of such bonds be given as provided by the Act, in substantially the form attached hereto as **Exhibit A**.

Section 4. Further Proceedings. The Mayor, Unified Government Clerk and other officers and representatives of the Unified Government are hereby authorized and directed to take such action as may be necessary to implement this Resolution.

Section 5. Effective Date. This Resolution shall be in full force and effect following its adoption by the governing body of the Unified Government.

Exhibit A

(Published in *The Wyandotte County Echo* on April 15, 2021)

NOTICE

Notice is hereby given that pursuant to a resolution of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), adopted April 8, 2021, the governing body of the Unified Government has approved making improvements to the Unified Government's water utility system including a water reservoir replacement project at the Argentine Pump Station, transmission main and distribution main construction and replacement projects, and electrical improvements at the Nearman Water Treatment Plant and pumping stations (the "Improvements") at a total estimated cost of not to exceed \$25,000,000 and the financing of the Improvements with a loan from the Kansas Department of Health and Environment, and has authorized the issuance of utility system revenue bonds as an alternative financing source for the Improvements under the authority of Charter Ordinance No. CO-5-01 of the Unified Government, as amended, Article 12, Section 5 of the Kansas Constitution and K.S.A. 10-1201 *et seq.* (the "Act"), in a principal amount not exceeding \$25,000,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the costs of the Improvements.

Notice is further given that the governing body of the Unified Government may issue its utility system revenue bonds (the "Bonds") pursuant to the Act in an aggregate principal amount not exceeding \$25,000,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the cost of the Improvements. The Bonds, if and when issued, will be payable solely from the net revenues derived by the Unified Government from the operation of its utility system.

If within fifteen (15) days after the date of publication of this notice, written protest against the Improvements and/or issuance of the Bonds for the payment of the Improvements is filed with the Unified Government Clerk and signed by not less than twenty percent (20%) of the qualified electors of the City of Kansas City, Kansas, the governing body shall submit the question of the proposed Improvements and the proposed issuance of the Bonds for the payment of the Improvements to the electors of the City of Kansas City, Kansas at an election for such purpose as provided by law. If sufficient protest is not filed, then the governing body of the Unified Government will proceed in accordance with the intentions hereinbefore declared and make the Improvements, and may issue the Bonds in an aggregate principal amount not in excess of \$25,000,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the costs of the Improvements.

DATED: April 8, 2021.

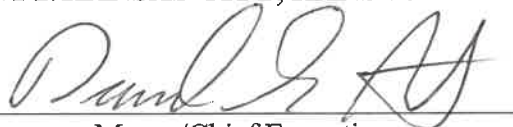
**UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS**

By: _____
Unified Government Clerk

ADOPTED by the Governing Body of the Unified Government of Wyandotte County/Kansas City, Kansas on April 8, 2021.

**UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS**

By: _____


Mayor/Chief Executive

(SEAL)

ATTEST:



Unified Government Clerk

RESOLUTION NO. 5267

RESOLUTION AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE BOARD OF PUBLIC UTILITIES OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT, FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY FUND FOR THE PURPOSE OF FINANCING A PUBLIC WATER SUPPLY PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

WHEREAS, the Safe Drinking Water Act Amendments of 1996 [PL 104-182] to the Safe Drinking Water Act (the "Federal Act") established the Drinking Water Loan Fund to assist public water supply systems in financing the costs of infrastructure needed to achieve or maintain compliance with the Federal Act and to protect the public health, and authorized the Environmental Protection Agency (the "EPA") to administer a revolving loan program operated by the individual states; and

WHEREAS, to fund the state revolving fund program, the EPA will make annual capitalization grants to the states, on the condition that each state provide a state match for such state's revolving fund; and

WHEREAS, by passage of the Kansas Public Water Supply Loan Act, K.S.A. 65-163d *et seq.*, as amended (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Public Water Supply Loan Fund (the "Revolving Fund") for purposes of the Federal Act; and

WHEREAS, under the Loan Act, the Secretary of the Kansas Department of Health and Environment ("KDHE") is given the responsibility for administration and management of the Revolving Fund; and

WHEREAS, the Kansas Development Finance Authority (the "Authority") and KDHE have entered into a Master Indenture (the "Master Indenture") pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities for public water supply system projects (the "Projects") and to pledge the Loan Repayments (as defined in the Master Indenture) received pursuant to such Loan Agreements to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905(a) and the Loan Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA capitalization grants, to Municipalities within the State for the payment of Project Costs (as said terms are defined in the Loan Act) and

WHEREAS, the Board of Public Utilities (the "BPU") of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), an administrative agency of the Unified Government, operates the Unified Government's public water supply and distribution system (the "System"); and

WHEREAS, the BPU is a municipality as said term is defined in the Loan Act, and the System is a Public Water Supply System, as said term is defined in the Loan Act; and

WHEREAS, the Board of Directors of the BPU (the "BPU Governing Body") has heretofore determined it to be in the best needs of the customers of the System to undertake certain modifications and improvements to the System, including (i) 7 MG Argentine Reservoir at an estimated cost of \$10,000,000, (ii) replace aging distribution mains at an estimated cost of \$9,000,000, (iii) transmission main from 90th and Parallel to I-435 and France Family Drive at an estimated cost of \$2,000,000, (iv) electrical improvements at Nearman Water Treatment Plant and pumping stations at an estimated cost of \$1,500,000 and (v) replace 24-inch main at 12th Street and Kansas River at an estimated cost of \$2,500,000 (collectively, the "Projects"), and to pay Loan origination costs; and

WHEREAS, the BPU has, pursuant to the Loan Act and as authorized by Resolution No. 5260, submitted an Application to KDHE to obtain a loan from the Revolving Fund in an amount not to exceed \$25,000,000.00 to finance the costs of the Project; and

WHEREAS, pursuant to Resolution No. R-29-21 approved April 8, 2021, the Unified Government authorized the BPU to obtain the hereinafter described Loan; and

WHEREAS, the BPU has taken all steps necessary and complied with all requirements of the Loan Act and the provisions of K.A.R. 28-15-50 through 28-15-65 (the "Regulations") applicable thereto necessary to qualify for the hereinafter described Loan; and

WHEREAS, KDHE has informed the BPU that it has been approved for a loan in an amount of not to exceed \$25,000,000.00 (the "Loan") in order to finance the Project; and

WHEREAS, the governing body of the BPU hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into a Loan Agreement and certain other documents relating thereto, and to take certain actions required in order to implement the Loan Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC UTILITIES OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Authorization and Approval of Loan Agreement. The BPU is hereby authorized to accept the Loan and to enter into a certain Loan Agreement with an effective date of August 23, 2021, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the "Loan Agreement"), to finance the Project Costs (as defined in the Loan Agreement). The General Manager of the BPU is hereby authorized to enter into the Loan Agreement in substantially the form presented to the Board of Directors this date, with such changes therein as shall be approved by the General Manager of the BPU and the BPU's legal counsel, such General Manager's execution of the Loan Agreement being conclusive evidence of their approval thereof.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. Pursuant to the Act, the BPU hereby establishes the System Revenues (as defined in the Loan Agreement) as the dedicated source of revenue for repayment of the Loan. The Loan constitutes Subordinate Debt as defined in the Second Amended and Restated Indenture of Trust dated as of June 1, 2014 by and between the Unified Government and Security Bank of Kansas City, as Trustee (as heretofore and hereafter amended and supplemented, the "Indenture"). In accordance therewith, the BPU shall fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the BPU, as will provide revenues sufficient to (a) pay the cost of

the operation and maintenance of the System, (b) pay the principal of and interest on the Loan, any Existing Revenue Obligations and Additional Revenue Obligations (as said terms are defined in the Loan Agreement) as and when the same become due, and (c) pay all other amounts due at any time under the Loan Agreement. Such dedicated source of revenue is hereby pledged as security for repayment of the Loan, provided that such pledge shall be subordinate and junior in all respects to the pledge of the Trust Estate by the Indenture as security for the Bonds, as such terms are defined in the Indenture.

Section 3. Further Authority. The President, Secretary, General Manager and other officers, agents and employees of the BPU are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4. Governing Law. The Resolution and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

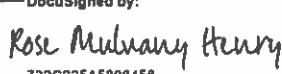
Section 5. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Board of Directors of the BPU.

ADOPTED by the Board of Directors of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas, this 6th day of October, 2021.

BOARD OF PUBLIC UTILITIES

By: 
President

ATTEST:

DocuSigned by:

732C225A5808458

Secretary

CERTIFICATE OF RECORDING OFFICER

The undersigned, duly qualified and acting Secretary of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas, does hereby certify:

That the attached resolution is a true and correct copy of the resolution adopted at a legally convened meeting of the Board of Directors of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas held on the 6th day of October, 2021; and, further, that such resolution has been fully recorded in the journal of proceedings and records in the official BPU records.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of October, 2021.

DocuSigned by:

Rose Mulvaney Henry

732C225A5806456

Secretary

KDHE REVOLVING LOAN

September 21, 2022



Update Project Cost & Amended Loan Amount

<u>Projects to Complete under Original \$25,000,000</u>	<u>Original Cost Estimate</u>	<u>Current Estimate</u>	<u>Difference</u>
•7 MG Argentine Reservoir - \$10,000,000	\$10,000,000	\$14,500,000	\$4,500,000
•Replace 24 inch Main at 12 th Street & Kansas River - \$2,500,000	\$2,500,000	\$6,500,000	\$4,000,000
•Electrical Improvements at NWTP & Pumping Stations - \$1,500,000	\$1,500,000	\$2,500,000	\$1,000,000
	subtotal	\$23,500,000	
<u>Projects with Amendment</u>			
•T-Main 90 th and Parallel to I 435 & France Family Drive - \$2,000,000	\$2,000,000	\$4,000,000	\$2,000,000
•Replace Aging Distribution Mains - \$ 9,000,000 - 15 miles	\$9,000,000	\$12,000,000	\$3,000,000
Total Project Cost Summary	\$25,000,000	\$39,500,000	\$14,500,000

Construction Cost Index

ENR Building Cost Index Increase

Jan 2021 to Jan 2022 - 14 %

Jan 2022- Sept 2022- 8 %

22% increase in 21 months; 1 % per month on average

12 inch Ductile Iron Pipe Cost

April 2021 - \$28.75 per foot

June 2022- \$69.00 per foot

Pipe Prices have increased 2.5 times since the estimate

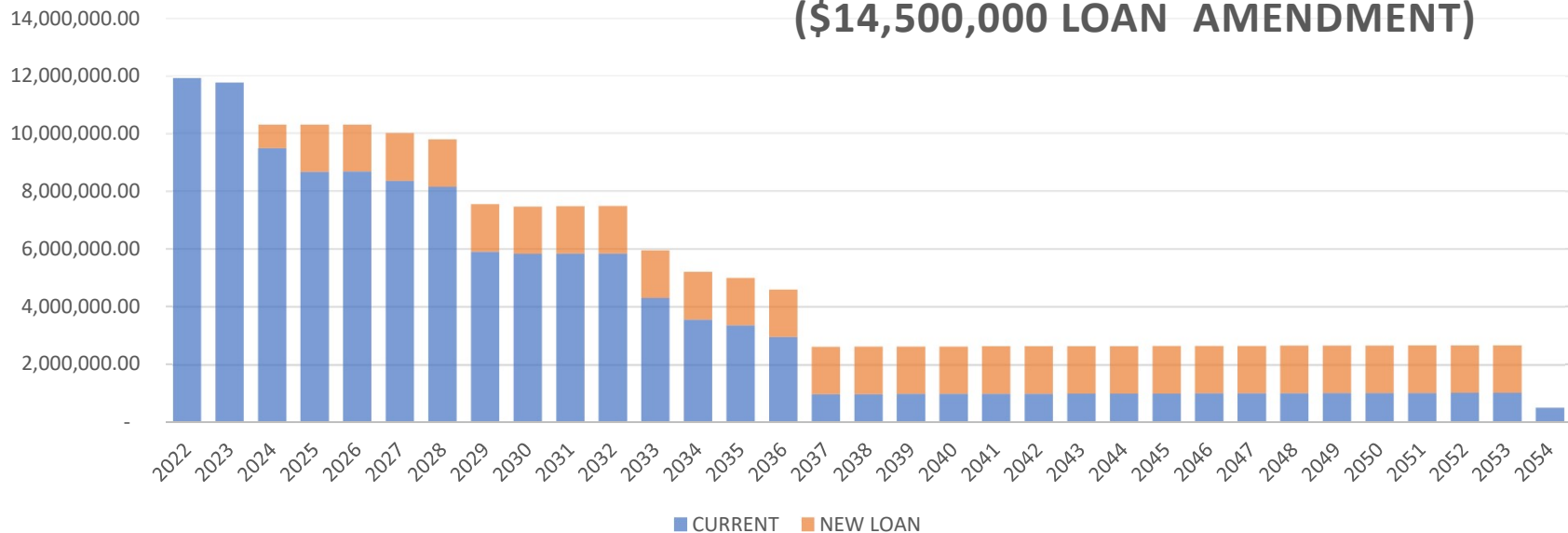


Revised KDHE Loan Parameters

- \$39,500,000 Principal
- 30 Year Loan
- Projected Interest rate - 1.50 %
- Projected First Payment - 8/1/2024
- Number of Payments - 60 (twice per year)
- Update \$39.5 Million Loan - Annual Payment - \$1,639,910
- Original \$25 Million Loan - Annual Payment - \$1,037,917.76

Debt Schedule Comparison

**CURRENT DEBT SCHEDULE VS PROPOSED DEBT
(\$14,500,000 LOAN AMENDMENT)**





Questions

- Thank You





Staff Request for Commission Action

Tracking No. 212010

Full Commission Meeting Date:

Committee: Economic Development & Finance

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

Publication Required: No

<u>Date:</u> 09/28/2022	<u>Contact Name:</u> Katherine Carttar	<u>Contact Phone:</u> x5176	<u>Contact Email:</u> kcarttar@wycokck.org	<u>Department/Division:</u> Economic Development
<u>Item Description:</u> A resolution amending Resolution No. R-30-22 previously adopted determining intent to issue Industrial Revenue Bonds in the amount not to exceed \$28,000,000 to provide sales tax exemption on the Brotherhood Bank (753 State Ave. & 736 Minnesota Ave.) multi-purpose commercial project, consisting of office uses, multi-family units and parking facilities for the benefit of KDG LLC, submitted by Katherine Carttar, Director of Economic Development.				
<u>Action Requested:</u>				
<u>Budget Impact: (if applicable)</u> Amount: Source: Included In Budget: Other (explain):				
<u>Attachments List:</u> Amended Resolution of Intent - KDG Project (UG), R-30-22				

RESOLUTION NO. R-__-22

**RESOLUTION AMENDING RESOLUTION NO. R-30-22 PREVIOUSLY
ADOPTED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS, DETERMINING ITS
INTENT TO ISSUE INDUSTRIAL REVENUE BONDS TO FINANCE THE COSTS
OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A MULTI-
PURPOSE COMMERCIAL PROJECT FOR THE BENEFIT OF KDG, L.L.C.,
AND ITS SUCCESSORS AND ASSIGNS (SALES EXEMPTION ONLY)**

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

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

WHEREAS, the Unified Government adopted Resolution No. R-30-22 on June 30, 2022 (the “Original Resolution of Intent”) determining the intent of the governing body to issue its industrial revenue bonds (the “Bonds”) in the aggregate amount not to exceed \$12,000,000, to finance the costs of acquiring, constructing, reconstructing, improving and equipping a multi-purpose commercial project consisting of office uses, approximately 29 multifamily units, and parking facilities located at 745 State Avenue, Kansas City, Kansas 66101 and 736 Minnesota Avenue, Kansas City, Kansas 66101 (the “Project”) for the benefit of KDG, L.L.C., a Missouri limited liability company (the “Company”); and

WHEREAS, the governing body, at the request of the Company, desires to amend the Original Resolution of Intent to increase the aggregate amount of the Bonds.

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

Section 1. Intent to Increase the Authorized Amount of Bonds. The governing body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct and equip the Project out of the proceeds of the Bonds of the Unified Government in the principal amount of not to exceed \$28,000,000, to be issued pursuant to the Act. All references to the authorized amount of Bonds in the Original Resolution of Intent are hereby amended to refer to \$28,000,000.

Section 2. Effectiveness of Original Resolution of Intent. Except as amended herein, all other provisions of the Original Resolution of Intent are hereby ratified and shall remain in full force and effect.

Section 3. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

Section 4. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Unified Government.

ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON OCTOBER __, 2022.

By: _____

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

[SEAL]

ATTEST:

By: _____
Unified Government Clerk

Approved as to Form:

By: _____
Chief Counsel

RESOLUTION NO. R-30-22

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT OF NOT TO EXCEED \$12,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A MULTI-PURPOSE COMMERCIAL PROJECT FOR THE BENEFIT OF KDG, L.L.C., AND ITS SUCCESSORS AND ASSIGNS (SALES EXEMPTION ONLY)

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

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

WHEREAS, KDG, L.L.C., a Missouri limited liability company (the "Company"), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the Unified Government finance the cost of acquiring, constructing and equipping a multi-purpose commercial project consisting of office uses, approximately 29 multifamily units, and parking facilities located at 745 State Avenue, Kansas City, Kansas 66101 and 736 Minnesota Avenue, Kansas City, Kansas 66101, as more fully described in the Application (collectively, the "Project") through the issuance of its industrial revenue bonds in one or more series in the amount of not to exceed \$12,000,000 (the "Bonds"), and to lease the Project to the Company, or its successors and assigns, in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and, in the interest, and for the welfare of the Unified Government and its inhabitants that the Unified Government finance the costs of the Project by the issuance of the Bonds under the Act in a principal amount of not to exceed \$12,000,000, said Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company.

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

Section 1. Approval of Project. The governing body of the Unified Government hereby finds and determines that the acquiring, constructing, improving and equipping of the Project will promote the general welfare and economic prosperity of the Unified Government, and the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be generally located at 745 State Avenue, Kansas City, Kansas 66101 and 736 Minnesota Avenue Kansas City, Kansas 66101, located in the corporate boundaries of the Unified Government, as further described in the Application.

1

Section 2. Intent to Issue Bonds. The governing body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct and equip the Project out of the proceeds of the Bonds of the Unified Government in the principal amount of not to exceed \$12,000,000, to be issued pursuant to the Act.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the Unified Government expresses its intent to (i) issue the Bonds to pay the costs of acquiring, constructing, improving and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the Unified Government; (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the Unified Government and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. Conditions to Issuance. The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the Unified Government, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the Unified Government's policy relating to the issuance of industrial revenue bonds; (iv) the passage and publication of an Ordinance authorizing the issuance of the Bonds; and (v) Company's payment of all of the costs of issuance related to the issuance of the Bonds.

Section 5. Sale of the Bonds. The sale of the Bonds shall be the sole responsibility of the Company; provided, however, arrangements for the sale of the Bonds shall be acceptable to the Unified Government.

Section 6. Limited Obligations of the Unified Government. The Bonds and the interest thereon shall be special, limited obligations of the Unified Government payable solely out of the amounts derived by the Unified Government under a Lease Agreement with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the trust estate to the trustee for the Bonds and in favor of the owners of the Bonds, all as provided in the Indenture. The Bonds shall not constitute a general obligation of the Unified Government, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Unified Government, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 7. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law and upon compliance with the other requirements of this Resolution, the Unified Government will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 8. No Reliance on Resolution. Kansas law provides that the Unified Government may only issue the Bonds by passage of an Ordinance and compliance with other state law requirements. The Unified Government has not yet passed an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of

this Resolution as a promise or guarantee that the Ordinance for the Bonds will be passed or that the Project will be approved.

Section 9. Termination of Resolution. This Resolution shall terminate three (3) years from the date of the adoption of this Resolution unless (i) the Bonds have been issued for the Project or (ii) a building permit has been issued by the Unified Government for the Project. The Unified Government, upon the written request of the Company, may extend this time period.

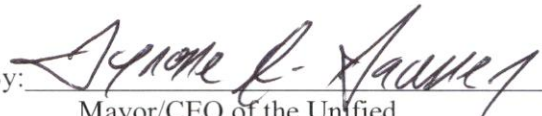
Section 10. Benefit of Resolution. This Resolution will inure to the benefit of the Unified Government and the Company. The Unified Government may, at the prior written request of the Company, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 11. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

Section 12. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Unified Government.

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ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON JUNE 30, 2022.

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

[SEAL]

ATTEST:

By: 
Unified Government Clerk (Acting)

Approved as to Form:

By: 
Chief Counsel



Staff Request for Commission Action

Tracking No. 211717

Full Commission Meeting Date: 6/30

Committee: Economic Development & Finance

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

Publication Required: No

<u>Date:</u> 06/22/2022	<u>Contact Name:</u> Katherine Carttar	<u>Contact Phone:</u> x5176	<u>Contact Email:</u> kcarttar@wycokck.org	<u>Department/Division:</u> Economic Development
<u>Item Description:</u> Resolution of Intent to issue bonds in the amount not to exceed \$12,000,000 to finance the costs of acquiring, constructing, improving and equipping a multi-purpose commercial project for the benefit of KDG, LLC. The benefit would be for sales tax exemption on construction materials only.				
<u>Action Requested:</u> Approve and move to FC 6/30				
<u>Budget Impact: (if applicable)</u> Amount: Source: Included In Budget: Other (explain):				
<u>Attachments List:</u> Resolution of Intent (UG - KDG, LLC)				