Economic Development and Finance
Standing Committee Meeting
UPDATED AGENDA
Monday, April 3, 2023
5:00 PM

Location: HYBRID

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

Please click the link below to join the webinar:
https://us02web.zoom.us/j/82447837649
Or One tap mobile:
US: +12532158782,82447837649# or +13462487799,82447837649#
Or Telephone:
Dial (for higher quality, dial a number based on your current location):
US: +1 253 215 8782 or +1 346 248 7799 or +1 669 444 9171 or +1 669 900 9128 or +1 719 359 4580 or +1 253 205 0468 or +1 689 278 1000 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or 888 475 4499 (Toll-Free) or 877 853 5257 (Toll-Free)
Webinar ID: 824 4783 7649
International numbers available: https://us02web.zoom.us/u/kblxIC5asm:

Name	Absent
Commissioner Tom Burroughs, Chair	☐
Commissioner Brian McKiernan	☐
Commissioner Chuck Stites	☐
Commissioner Gayle Townsend	☐
Commissioner Andrew Davis	☐
David Haley, BPU Member	☐

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

II. **Revisions to April 3, 2023 Agenda**

Item No. 1 - BLUE SHEET ADDING NEW ITEM #3 DOWNTOWN CAMPUS PROJECT

III. **Approval of standing committee minutes from July 11, 2022.**

IV. **Committee Agenda**

Item No. 1 - RESOLUTION: AMENDING MASTER EQUIPMENT LEASE PURCHASE AGREEMENT WITH BANK OF AMERICA PUBLIC CAPITAL CORP

Synopsis: A resolution authorizing the Unified Government to amend its Master Equipment Lease Purchase Agreement with Bank of America Corp, submitted by Debbie Jonscher, Acting Chief Financial Officer.

Tracking #: 212322

Item No. 2 - PRESENTATION: POTENTIAL MIXED-USE DEVELOPMENT BY MT. CARMEL REDEVELOPMENT CORPORATION

Synopsis: Presentation on potential mixed-use development by Mt. Carmel Redevelopment Corporation, submitted by Patrick Waters, Deputy Chief Counsel.

For information only

Tracking #: 212339

Item No. 3 - PRESENTATION: DOWNTOWN CAMPUS PROJECT OPTIONS

Synopsis: Presentation of proposed options for a Downtown Campus Project proposed by Lanier United, LLC, submitted by Patrick Waters, Acting Chief Counsel.

- 3/31/23 Executive Summary of Proposed Amended and Restated Downtown Campus Development Agreement
- Amended and Restated Downtown Campus Development Agreement

Tracking #: 212207

V. **Public Agenda**

VI. **Adjourn**

AGENDA UPDATE
ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MEETING
MONDAY, APRIL 3, 2023

IV. COMMITTEE AGENDA

NEW ITEM

Item No. 3 – PRESENTATION: DOWNTOWN CAMPUS PROJECT

Synopsis: Presentation of proposed options for a Downtown Campus Project proposed by Lanier United, LLC, submitted by Patrick Waters, Acting Chief Counsel.

- 3/31/23 Executive Summary of Proposed Amended and Restated Downtown Campus Development Agreement
- Amended and Restated Downtown Campus Development Agreement

Tracking #: 212207

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, July 11, 2022

The meeting of the Economic Development and Finance Standing Committee was held on Monday, July 11, 2022, at 5:00 p.m., remotely via Zoon as well as on-site. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, Stites, McKiernan, and BPU Board Member Haley (arrived at 5:16 pm). The following officials were also in attendance: Patrick Waters, Deputy Chief Counsel; Debbie Jonscher, Acting Chief Financial Officer; Becky Berger, County Treasurer; Andrea Vinyard, Deputy Treasurer; Reginald Lindsey, Budget Manager; Monica Sparks, Acting UG Clerk; and Brittnie MacDonald, UG Clerk's Office.

Chairman Burroughs said I would like to call the Economic Development and Finance Standing Committee to order. I would like to welcome David Haley from the BPU, joining us remotely, as I believe Commissioner Townsend is too.

Before we get started, I want to announce that some committee members, staff, and the public are attending remotely via Zoom as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure that you announce yourself by name and title every time you speak so 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 their intent to provide remote public comments by contacting the Clerk's Office by 5:00 p.m. the Thursday before the meeting. The public also will have an opportunity to provide brief comments either by telephone, via Zoom, or from the 5th Floor Conference Room of the Municipal Building.

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

Chairman Burroughs said there were no revisions to tonight's agenda.

Chairman Burroughs said our first order of business is the approval of minutes from our June 28, 2021 meeting. If I may, I would like to ask Legal the purpose of the meeting being a year late to this committee.

Patrick Waters, Deputy Chief Counsel, said I'd ask the Clerk to clarify that. **Monica Sparks, Acting UG Clerk,** said, Commissioner, we did an audit of meetings from last year and found that these minutes had never been approved. **Chairman Burroughs** said thank you. I wanted to ensure that the public understood that we were running minutes that were a year old. So, I would entertain a motion for approval.

Commissioner Stites said myself, and I won't speak for Commissioner Davis, but we weren't here as commissioners during that period. Do we need to abstain from voting? **Mr. Waters** said no, otherwise we wouldn't have a quorum, so you can vote on this.

Chairman Burroughs said and it's fully understand, should you chose not to vote, but if you don't vote, they'll have to come back before us again and it's going to be the same situation as we're experiencing this evening.

Action: Commissioner Davis made a motion, seconded by Commissioner Stites, to approve the minutes.

Chairman Burroughs said we have a motion and a second. I would ask the Clerk to please call roll.

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

Chairman Burroughs said thank you, committee, especially to our two newest members on the committee. Appreciate that very much.

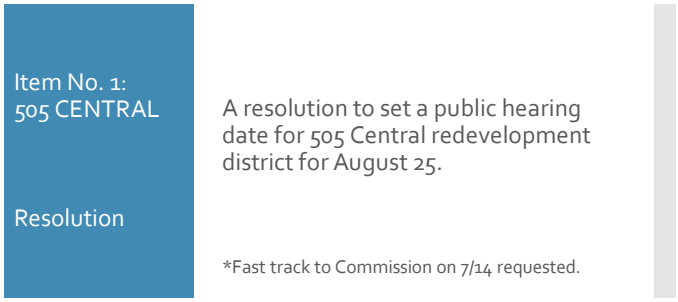
COMMITTEE AGENDA

Item No. 1 – 211795….RESOLUTION: SET A PUBLIC HEARING DATE FOR 505 CENTRAL

Synopsis: A resolution calling and providing for notice of a public hearing on the advisability of creating a redevelopment district at 505 Central Ave, submitted by Katherine Carttar, Director of Economic Development. It is requested that this item be fast-tracked to the July 14, 2022, full commission meeting.

Chairman Burroughs said at this time, I will recognize Katherine Carttar, Director of Economic Development, for the resolution.

Katherine Carttar, Director of Economic Development, said I would actually request that maybe we look at the first two items kind of in tandem and maybe I'll give a presentation overall, and then we can kind of go through since they are related.

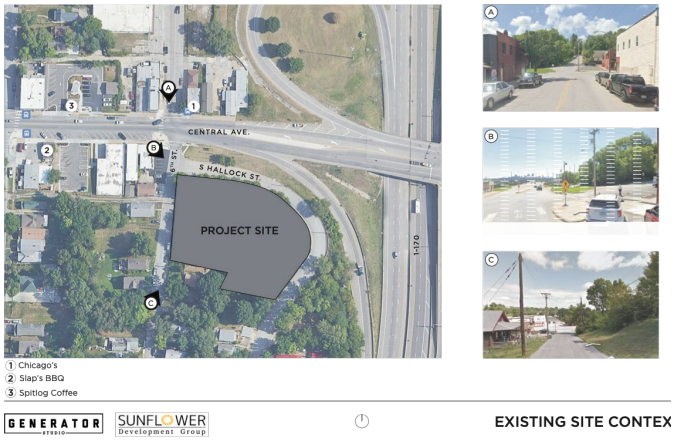


This is a project that has—I think everyone is very well aware of this project. This is an apartment complex at 505 Central that's just right at the southeast corner of 6th & Central. This is a project that has already gone through a lot of the Planning and they had to get their rezone and a master plan amendment, so it is no stranger to kind of the public forum. This, now, is kind of a separate, yet related, track that the project will go down, which is the incentive project they are requesting a TIF district be created for this location. I'm going to kind of let the developer give an overview. Then I'll get into the actual specifics of the deal points, and then we'd go through and do the two items if that works for everyone.

Mark Moberly, Sunflower Development Group, 1125 Grand Blvd., Suite 202, KCMO, said I'm here representing the development team that's made up of my firm as well as Skyline Property Development, who is Steve Simpson and Tom Proebstle, owners of the property, who you've met before. I do have Pete Heaven here, a partner with Spencer Fane Law Firm, in case we have any questions regarding the development agreement or any legal questions.

I believe all four of you gentlemen were in attendance at the commissioners' meeting, so you've seen these slides. I will go through them pretty quickly, but do stop me if you've got questions; happy to answer.

You know the site, directly across from Chicago's at the corner of 6th & Central as you enter into KCK.



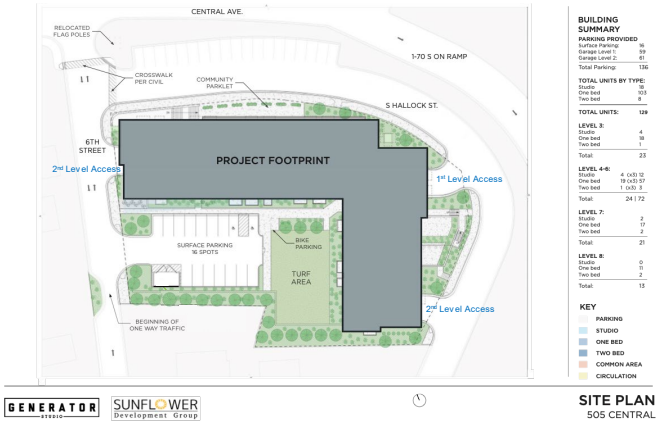
There's an overview of the project site. To get your bearings, we've shown three images to the right of the site of the project, and then we've labeled Chicago's, Slap's, and Splitlog on the map as well with 1, 2, 3 to familiarize those who are not.

Project facts, they have not changed since we presented to the Board of Commissioners. It remains a $40M project. Whatever savings we might have found over the last month in construction costs have been offset by an increase in interest rates, unfortunately. So, where I win one time, I lose the other. It just seems to be the state of what we're in today.

It's 129 market-rate rental apartments. You'll recall at one point, we're as high as 150 some. We were down to 140 and then ultimately we're at 129. When we requested the change in zoning and the master plan amendment, which allowed us to do a number of things, the chief of which was to not request a parking variance. This entire project is parked on-site with 120 parking garage spaces and 16 spaces in the surface lot, so no parking variance needed.

No residents or businesses are displaced outside of our property. The existing sight lines are maintained. I'm not going to go through those sight line studies, as you've seen them, but we do believe our existing sight lines are maintained.

We've got major investments surrounding utilities, particularly aging sewer lines. You've seen the third-party traffic study that says very little impact on daily traffic. We believe this will spur improvements for pedestrian and vehicle access. That's what we're going to talk about a little bit tonight. We think it fills a void in this area for market-rate multifamily housing. Just the increased number of residents, we believe, drives increased economic activity to the local businesses, particularly the small businesses that I mentioned in the surrounding area.

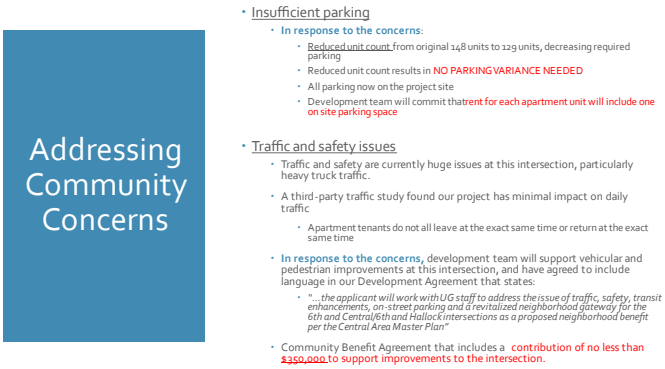


A look at the project footprint and you'll see that we're able to access the first level of the parking garage from the east at the lower level, and then we've got two points of access into the second level of the garage and then it goes up with six stories above that.

I don't have anything beyond this for the individual floor plates that show the unit layouts. We pulled those out for today. I'm happy to talk about those if you do have questions though.

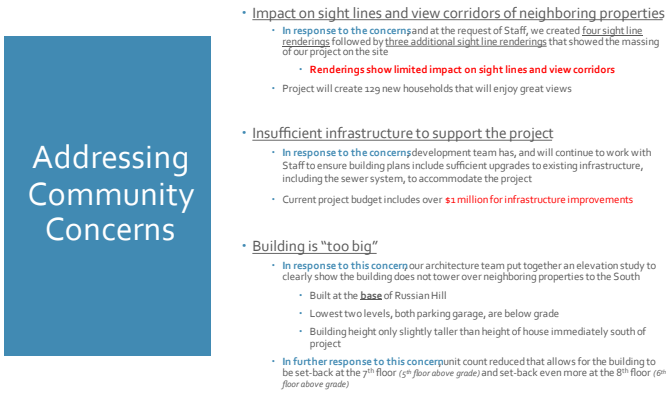
This is a preliminary rendering. When we spoke with the Board of Commissioners and got the approval a couple of months ago, we did talk about what the aesthetics of the building will look like, anything from the type and the color of materials being used to what the building—is it a box, is it a flat roof? We are the in middle of those discussions with neighborhood stakeholders. The Strawberry Hill Neighborhood Association is leading the efforts to provide us with feedback. There's a couple of folks who are very engaged in that, and very soon we'll be meeting with them to talk through what ultimately, we will present in our final development plan. But this is the same rendering as you've seen for the past few months.

Same, as well, from this angle.



I'll briefly go through these just as a reminder of the concerns that we've heard from the community and how we've responded to those. The parking has been one the biggest discussion items where we have reduced unit count to be able to park the project on-site. We've also agreed that rent for each apartment will include one parking space.

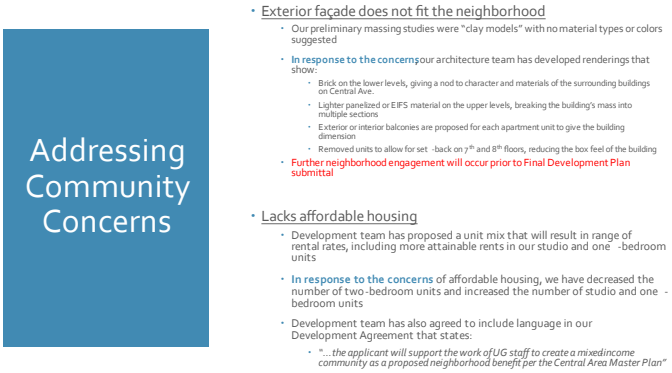
Traffic and safety issues. We're going to talk a lot about that tonight because we're going to be, hopefully, a catalyst for not only small change, but larger change. You'll see at the bottom of this slide, it has been updated, but our contribution is now no less than $350K. When I was in front of you two months ago, it was $250K. So, we have increased that to $350K, and that is what is currently in the draft development agreement.



Sight lines. We've talked about at the Commission meeting and the rendering shows that there's limited impact on the sight lines and the view corridors.

Insufficient infrastructure. We believe we're addressing just by having that scope and cost in our budget to increase that infrastructure.

We've heard concerns that the building is too big. We've tried to educate, with renderings, that it's at the base of the hill, not at the top. That the lowest two levels are in the grade, not above grade; and that once ultimately built, the building height will be no higher than the house immediately south of the project. I'll also remind that in further response to this concern, we've reduced the unit count and set back the building at the top floor on the west side for better views or maintaining the sight lines up 6th St. even further.



The exterior facade does not fit the neighborhood. We understand the concerns and so we're working with the neighbors now to get that feedback on what the building might ultimately look like. What the materials would include and what colors they might look like.

The lack of affordable housing. We understand that concern. This is a market-rate project, but in response to those concerns, we have done a few things, not for necessarily affordability, but attainability in the project. Then we've committed to language in the development agreement that supports creating a mixed-income community.

I'm going to turn it back over to Katherine to talk about the specifics of what we're here tonight.

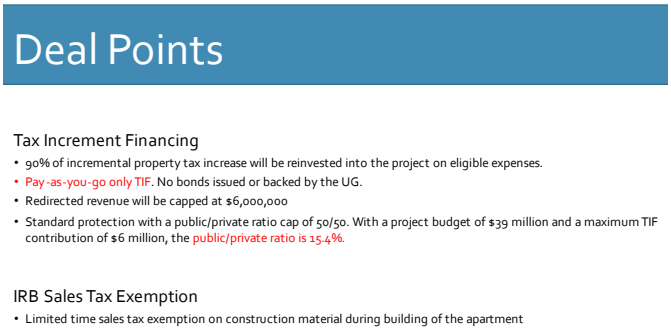
Ms. Carttar said in terms of what is in front of you tonight, there are two resolutions. One is an approval of the development agreement. Reminder, the development agreement really is just a laying out of all the deal points, what the Unified Government is going to do, what the developer is going to do, making sure that all those roles and responsibilities and expectations are laid out on the front end.

It also goes into kind of what we anticipate the different asks in terms of incentives to be. In this case, TIF and IRB sales tax exemption. Then, we will have to go through a process of creating a TIF district. If that is approved, then we'll come back again and go through the process of the actual project plan. The project plan is really what would provide this project, that Mr. Moberly just described to you, with the kind of go from our side that they would receive that incentive.

This is the first of still a many-step process. I want to be clear on that. I've got a list later that kind of delineates exactly what the next steps would be.

Additionally, there is a resolution setting a public hearing date. Part of the Kansas State Statutes for TIFs, requires that the setting of the public hearing date also go through and be approved by this committee and the full Commission. With that one, I would say, in terms of, and we'll get to it, but in terms of what you need to know today is setting a public hearing date for August 25th. Actually, at that public hearing on the 25th would be when you would look at the boundary and determine if it makes sense to put a TIF district in this location. No actual incentive is approved at that point. It is literally putting a boundary and saying that this meets the requirements and would make sense to have a district for a tax increment financing boundary.

Those are kind of the two things that we're talking about as we go through these deal points, but I'm going to really primarily focus, since one is solely talking about setting a date, I will focus more on the development agreement and kind of what those deal points are.



In terms of the tax increment financing request, as a primer to our public in particular, what tax increment financing is, it's a little different from, I think, the more commonly used tax abatement tools in that the developer, in this case, Mr. Moberly's group would—that project would be built and would be assessed by the Appraiser. Then the development group would pay the full property taxes to the Unified Government at the percentage that we're talking about. In this case, 90% of that incremental property tax. We're not touching what is currently being paid on the property today. This is only what is that incremental additional property tax that is generated due to what they are building.

Then, a certain percentage of that really gets reimbursed or kind of reverted back to the project. I really think of it as the Unified Government investing in this project.

There are very specific eligible expenses for a TIF. It cannot go to just everything and anything. It is very specific what it can go towards and what that money can be used to reimburse.

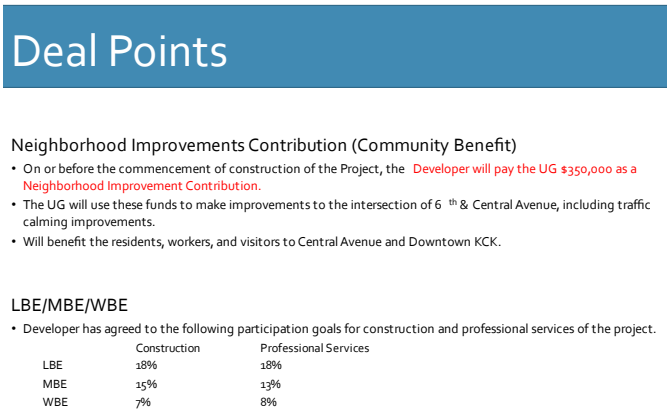
That's kind of at a high level how the TIF works. In this case, they are requesting a 90% TIF so that would be, again, 90% of that incremental value would go back into the project. In this case, the items that it can be used for are site work, so grading. There's a pretty severe change in grade, so trying—there's a number of things they'll have to do with the site work, as well as structured parking. The structured parking is allowable as an eligible expense.

This is a pay-as-you-go TIF. What that means is that the Unified Government is not issuing any bonds. We're not backing any bonds. We're not fronting any money of any kind. This is solely every single year, they pay their property taxes, we then kind of basically a rebate, kind of send it back to them for, again, for these specific expenses. Nothing we—the Unified Government is not at risk in that respect. It's not that we will, if something happens to the project, certainly which we do not anticipate, but we're not out those funds.

Additionally, we always make sure that there's a cap. In this case, we have negotiated a $6M cap. If you look at the development agreement, I did not put this in the presentation, but it's publicly available on the website and it's also in front of you; the development agreement, Exhibit G, shows the project budget. You can see that the TIF eligible expenses far exceed this $6M; I think it's $6.9M or so. We don't anticipate—we're not giving them everything that we could. This is still making sure that we have a cap to really—what we do is make sure that we get to a point where we know that the project can work, really focus on making, filling that gap and nothing more.

Additionally, we will make a very clear focus to look at what that private/public ratio is. Per the state, there is a 50/50 kind of ratio. That is kind of the goal. Here at the Unified Government, we put this in every single one of our whether it's an industrial revenue bond or a TIF or any other CID, we always make sure that there is a very specific ratio that we put in there because we want to make sure that the Unified Government is only putting in as much money into the entire project as we feel makes sense. Generally, our kind of policy goal is less than a third of the entire project budget. The Unified Government never wants to have more than a third of that budget to be public money. In this case, you can see that the public/private ratio is only at 15.4%. That $6M equates to only about 15% of the total project budget, which is pretty good. We feel good about that.

So, that's kind of the TIF. Then there is a sales tax exemption on construction materials. This is one we've seen frequently. This does not touch the property taxes in anyway. It is a very focused incentive just during the construction period just to allow that sales tax exemption.



Then, as Mr. Moberly mentioned, there is this community benefit. We call it the neighborhood improvement contribution. This is something that we've been talking about throughout the entire process we've been negotiating this agreement. Really, we're trying to find something that was very focused. I think its important when we're talking about a community benefit that it not just be—free money is always great—just having money put into an account that we can spend for different things. I think it's more impactful and better for the community if it's upfront and very clear where that money is going. So, we've been having a lot of discussions about that as well as how much money would make sense.

What we have agreed to is a contribution upfront, so this is at the start right when they commence the project, of $350K would come to the Unified Government. We have agreed that these funds would be used to make improvements to the intersection at 6th & Central. I think it is fair to say anyone who has driven through this intersection lately recognizes that it needs some improvement.

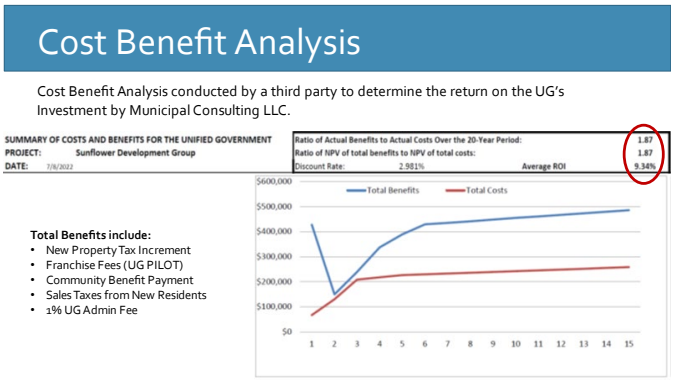
We have had a number of going through the planning process. The development team, they were required to have a traffic study done. That traffic study showed that it would provide minimal kind of impact to that intersection because people when you are at an apartment, you're coming and going at different times. It's not everyone coming in at the same time and leaving at the same time.

Because of that, it's interesting. We actually had—because we know that intersection is not great—we actually had another firm that we hired to look at it from our perspective, from the UG's perspective. They also agreed that there would be minimal impact from the apartment complex. However, because this is such an issue and something that we see when talking to the community, both Russian Hill, Strawberry Hill, up and down Central Avenue, that this intersection is a problem.

In speaking with the development team, that really made sense to be something that we could really focus on and this fund could show and actually have a very tangible impact on the community. Really focusing on that traffic calming. In working with our zoning engineer, that's how we got to what that cost would be. We wanted it to be enough that, again, there could be a real tangible impact.

Now, we are also working on the UG side in doing some larger improvements to that area, indeed, all up and down 6th St. At the very least, we have this $350K to make some improvements. At the most, we have this contribution that when we are applying for other grants and things, we can say, here's a private company who is developing, believes in this location, and is so passionate about this location that they're even putting up their funds for this location as well. So, it's kind of a match. Hopefully, we'll get some larger grant money out of this and that will pay for even larger improvements.

Then, as with all of our projects, we have L/M/W goals. You can see those laid out right there. Those are our normal goals for all of our projects.



One thing that was a little different with this one, unlike with the industrial revenue bond where we're required to do a cost benefit analysis, with a TIF, we are not required, but there has been so much discussion about this, the Mayor and others suggested it would be really nice if we could

actually quantify what the benefit would be. We contracted with a third-party group, Municipal Consulting, LLC, to do a cost benefit analysis. They looked at all of the cost going in and determined then what would that look like. What would those benefits and costs be for the Unified Government. This is specifically looking at the Unified Government, not all taxing entities. I want to be clear on that.

If you look up in that top right corner, you can see the ratio of actual benefits to actual costs. Our rule of thumb is 1.3. We'd like to see, at a minimum, a 1.3 ratio so that means for every $1 of costs from the Unified Government, we get at least $1.30 back. In this case, it's 1.87. That's really good. That means that we're getting $1.87 back for every $ 1 that we are investing into this project.

Then you can see this graph there that shows kind of the total cost year-over-year—not year-over-year, that's every year what those total costs and benefits are. That first kind of spike right at the beginning, that's including the $350K of benefit there that first year, then you can see how it just grows. So, every year we're receiving quite substantially more than we are giving away.

Those total benefits include new property tax increments, so we would be getting a 10% sale, which would be about $25K on average a year. Franchise fees, which is the UG PILOT, that community benefit came in. The sales tax from new residents. This is a really big one because that is one of the reasons that we are frequently talking about our need for additional density in the downtown area, among other locations in KCK and Wyandotte County. With more density and more people, now we have the ability to really benefit the retail and commercial in the area. Have more people working here, living here, spending their money here, that all will benefit and actually leads to additional amenities for our residents. Then there's a 1% UG admin fee.

This, in terms of the cost benefit analysis, I think this is a really positive look at kind of what that return on our investment would be. I'd be happy to answer any questions about that.

Commission Actions for TIF Formation

Action Items	Dates	
Resolutions: Approve Development Agreement Set public hearing date establishing TIF District	ED&F – July 11th Commission – July 14th (setting public hearing) August 25th (DA)	☑
Public Hearing & Ordinance: Approve formation of TIF District Resolution: Approve Development Agreement	Commission – August 25th	○
Resolution setting project plan public hearing date	ED&F – Commission –	○
Ordinance: Approve Project Plan	ED&F –	○
Public Hearing & Ordinance: Approve Project Plan	Commission –	○

Finally, just as I mentioned, this project's already gone through a number of steps with the planning side, now this kind of lays out all the different steps for the incentive side. It's quite a number of things to come. As you can see, we're just there at that first one, which is the development agreement and the public hearing date, just that ED&F. We are requesting that the public hearing date would be fast-tracked for July 14th. There needs to be a 30-day window there, by state statute, so that we can set the public hearing for August 25th for the full Commission. We need to see that on the 14th of July. Then at the August 25th date, that would be both the approval of the development agreement and a public hearing that would then be you all looking at establishment of the district.

With that, we can answer any questions.

Chairman Burroughs said thank you, Katherine. Thank you, Mr. Moberly. Committee, questions?

Commissioner Stites asked on the L/M/W, Local/Minority and Women-owned businesses, and the percentages are set out there, what is in place if they don't meet those percentages?

Patrick Waters, Deputy Chief Counsel, said we are able to reduce their TIF cap by 20%, in the scenario, where they would not reach those goals.

Commissioner Davis said thank you, Katherine. You're very, very thorough so I appreciate that. For this one, I just want to make sure I have this correctly. There are no PILOT payments for this particular project because we're talking about a TIF district; not just property abatement. Is that correct? **Ms. Carttar** said that is correct.

Commissioner Davis said, Mr. Moberly, I know when, it feels like ages ago at this point, when we had a discussion for full Commission about giving you all the change of zoning that you were asking for, there was a request for the building to be shorter, for it to be four or five stories. I know that we're still getting eight, can you just comment on the feasibility of that? Did you, at least, do your due diligence? I'm trying to see if that was possible.

Mr. Moberly said thank you, Commissioner. I should have addressed that. We did go through that process. We were able to spend some time with both Commissioner McKiernan and Commissioner Burroughs to talk through the steps we took to understand what that might look like. Ultimately, what it came down to, we still need to park a project on-site. We have to build at least one story of parking. That's a certain number of parking spaces. Now, I only have a certain number of units I can build. To get up to the maximum that R-5 would allow, we would need a second level of parking. By the time I build two levels of parking, I've got tons of expensive parking but without the ability to continue to build additional stories. We talked a little bit through that.

More units allow me to spread the fixed costs across more units. That's the cost of just to go into the side of the hill to own the property, to design the project. Those are necessarily on a dollar for dollar, unit by unit case.

One of the other biggest challenges was, we're not able to put some of the amenities in that smaller project that we have programmed in the current property, so a reduction in rent would be necessary, which, quite frankly, just killed any financial model.

I did come up with a number. There is a financial gap beyond what we're seeking today. It was in the neighborhood of $6-$7M of additional gap that would be needed. I made the comment to Commissioner McKiernan, if that money is sitting around, I don't think you want to just write the check into this project. We can do a lot of other good projects across the community with that. So, quite frankly, we just couldn't find a financial model that made sense at this particular site.

Commissioner Davis said gotcha. Thank you, thank you. Then, two more questions. One, I know it's 90% TIF. There's that 10%. Is that 10% going into the General Fund or is that also going somewhere else? **Ms. Carttar** said yes, that 10% would just go directly into the General Fund.

Commissioner Davis said okay. And the 1% UG admin fee, is that 1% of the total capital investment or what is that 1% of? **Ms. Carttar** said that would be 1% of what the redirection would be. It would be 1% of the 90%. **Commissioner Davis** said gotcha. Okay, gotcha, gotcha, gotcha of what they would have paid.

Chairman Burroughs said good questions.

Commissioner McKiernan said, Katherine, the nearest and closest project to this, in terms of geography, would probably be Yards II. Although it is a larger project, if we looked at the incentive given for Yards II, how does it compare in terms of percent of total budget costs and total incentive dollars?

Ms. Carttar said the Yards II project is about a $60M project. They are receiving—have been approved for a 100% TIF, so that means all of that incremental property tax would be completely redirected back into that project. While the Unified Government will be receiving the additional sales tax and all that from having additional residents; in terms of property tax, all of that would go back into the project. I should have looked at the exact number of what that cap is. I believe the cap is about $11M.

Commissioner McKiernan said thank you. One of the points I want to make is that I voted to approve that 100% incentive because I do believe that that project has the capacity to spur additional development in that geography, which is the east side of the Kansas River. It strikes me that this project could have a similar ability to spur additional development in this geography. So, I wanted to get a sense of how the comparable incentives are and that on the east side of the Kansas River got more incentives than is proposed for this one.

I also know that down on the riverfront, we have the Rock Island Bridge. That one also has 100% abatement for 20 years. We went the additional step of actually loaning $2M, which that TIF will just then allow us to recover what we loaned out. Again, I voted in favor of that because I believed that it had the capacity to spur additional development above and beyond which would then pay a higher percentage and would ultimately benefit us more. So, on the east side of the Kansas River, I voted twice for projects that are getting more incentives than is proposed for this one.

Chairman Burroughs asked, are there any other questions? Staff, I do not have access to the screen to see if any of our conferees from the committee are raising their hands. **Ms. Sparks** said there are no hands raised.

Chairman Burroughs said seeing no other hands, Katherine, I do have a couple of questions. I'm looking at the development agreement and, Legal, I'm going to call your attention to page 3, paragraph b. This must be an earlier version of the contract because it still has the 148 total units listed. I just want to—I think there's a typo in there, but I just wanted to ensure that it's 129 units and not 148 as clearly stated. Having reviewed this this afternoon at great length, this is a much better contract, as Commissioner McKiernan brought forward, than some of the other incentives that have come forward for projects. So, I do appreciate the work that's gone into this.

Chairman Burroughs asked, do we have a total amount of revenue calculated, the aggregated amount of what the IRBs might save them? How much money that aggregated amount of the sales tax on goods, labor, purchases, do we have a total on that, Mr. Moberly?

Mr. Moberly said we have an estimate. I'll see if I broke it out. It looks like it's about $860K in savings. That's a really rough estimate. **Chairman Burroughs** said thank you. I appreciate that. I estimated it anywhere between $650K and $1M, so you hit the sweet spot. That's pretty good. **Mr. Moberly** said I just take a simple formula; 40% of our budget's going to be materials and then apply a 6% sales tax rate to that number to get a ballpark.

Chairman Burroughs said wonderful. This is a two-year buildout. That's a pretty aggressive timeframe for the complicated build that it is. So, thank you for wanting to get on it and move it forward, should we advance it this evening.

Chairman Burroughs asked, Legal, Patrick, the only thing I have is one more question in reference to page 5 of the agreement. We have base year assessed evaluation. There's no total in there. That assessed valuation should be—we should have knowledge of that by now. **Ms. Carttar** said yes. It is $8,800, roughly. **Chairman Burroughs** said I'm sorry, Katherine. **Ms. Carttar** said it's about $8,800. I have the exact number…**Chairman Burroughs** said okay. I just wanted to make sure that we had a public comment as to what the amount of that base…**Ms. Carttar** said and we'll be—thank you for your attention to detail.

Patrick and I just discussed the fact that we needed to make sure that we had an updated version. I think the difference between that 148 and now the 129 units is actually an important thing to note. You are correct; it is 129 is what we're talking about. When this comes in front of the full Commission, we will, be sure, make that edit. I think it is important to note that the reason that number changed is due to the community input and having the development team hearing what the community was looking for as well as the parking issue. So, that is why that reduction in units is here.

Chairman Burroughs said thank you, Katherine, and thank you, Mr. Moberly, for meeting with the community as much as you have. I'm sure the other committee members have read through the contract too. I know this is an important issue to many of us. The $350K will go a long way towards addressing some of the concerns that have been raised.

To your timeframe/tough build, I commend you on your expediency in getting this project to move forward.

Commissioner Townsend said just a couple of comments. Thank you, Ms. Carttar, for your thorough primer on the different aspects of the contract. That was helpful for me, and taking copious notes is a primer for some others to come up.

I wanted to commend the developer and the neighborhood group who have come together to move this along. I remember the Thursday night when this came before the full Commission, I think, and it seemed like on both sides, it was going to be rough. But, to hear the reduction of the units, when probably on that Thursday night that didn't seem possible or financially beneficial, and the other changes that have been made, I just wanted to comment and commend both sides on this and hope this does go forward and in two years, you're looking at this new building completion.

Chairman Burroughs said I just want to draw the committee's attention that Exhibit G contains all the total budget for the project. If you have any questions of what can be included in the TIF and what can't, I think that spells it out straightforward right there on Exhibit G. Katherine, thank you for including that in the paperwork this evening.

Chairman Burroughs said I believe if there are no other questions or comments from the committee. Seeing none, I'll ask the Clerk if any comments were received from the public? **Ms. Sparks** said no comments were received.

Chairman Burroughs said thank you. I'll now recognize members of the public online who wish to address the committee. You will be given up to three minutes to make your comments. Please list your name and address. I'll ask the Clerk at this time—and when you're recognized, name and address. I'll ask the Clerk at this time if there's any hands raised for people who care to speak. **Ms. Sparks** said there are no hands raised.

Chairman Burroughs asked, is there anyone in the audience who wishes to speak? You will be given the same three minutes to make your comments. Please, if you'll approach the podium one at a time. Again, your name and address. You'll be held to your three minutes.

Lester Lawson, 201 S. Tremont, said I have one question. Why wasn't the developer's agreement put on the internet when you place the agenda of this meeting so that the public would have a chance to read it over and ask good questions about it tonight? This is the first the public has seen it. Thank you.

Rose Eilts, 506 N. 4th St., said I've been involved with a group of people who live on Russian Hill who are against this project. I'm speaking for myself but I'm reflecting a lot of what they've said to me in the past and what we've talked about recently.

I do know the contribution for the community has gone up from $250K to $350K, but that still doesn't seem like enough when you consider the intersection at 6th & Central, I've been told by the Planning Department, the changes to that intersection will probably cost $1M. So, I'd like to know where the additional money for that upgrade would come from. It'd be great if we knew that.

I'd like to reiterate what Mr. Lawson said. I've been reaching out to the Economic Development Department through email asking to be kept abreast of what was going on with these negotiations and couldn't get any traction. So, I'm very, very much against any kind of fast-track of this project because we do have a consultant that we're working with on this and an attorney, and I'd like to get that information to them so we can get some feedback and ask some educated questions and make some educated comments.

I did want to repudiate a couple of things that Mr. Moberly said. There were very few, very short and non-interactive meetings with the Russian Hill neighborhood. **Ms. Sparks** said one minute remaining.

Ms. Eilts said they would do presentations, via Zoom, in English. There was no—the only way you could ask questions was in the chat. There was no way to talk back and forth, and we were cut off after 30 minutes. They made absolutely no effort to reach out to the Spanish-speaking community, which is a fair percentage of the folks that live up there. So, we went door-to-door with a translator and explained to them what was going on. They'll all against it. They understand that it's going to ruin the fabric of the neighborhood and put a lot of stress on their neighborhood.

Also, I did read the traffic study. My understanding of it, even though I'm not a traffic engineer, was that it's not minimal impact. It's big impact on that intersection. **Ms. Sparks** said your time has expired. **Ms. Eilts** said thank you for your time.

Pat Lawson, 207 S. Tremont, said we did live at 201. My presentation is scattered because we haven't received anything to make our questions intelligent, so this is sort of scattered questions. But I do want to repeat our opposition. I'm speaking of the St. Joseph Watchdogs, who really is the neighborhood group in that area; not the Strawberry Hill group. We haven't really had good communication, I don't think, on this issue. A letter or two with just numbers and so on. It was hard to understand what was going on until recently. I also think the traffic is going to be a major problem. The main thing that we remain opposed to is the change to the Central Avenue plan, which neighbors participated in and that reflected what people wanted: lower key, lower scale buildings. I, for one, think that this huge building is going to look way out of proportion. Thank you.

Greg Kindle, President of Wyandotte Economic Development Council, and a resident of KCK, said I'm here in support of the development for 505 Central and the use of TIF and a sales tax IRB for the development. We believe the structure protects the Unified Government and the citizens. We also believe the proposed multifamily development is appropriate and needed in this commercial corridor. It adds residential support for the existing businesses nearby, particularly in the evenings and the weekends, and it brings investment to the eastern part of the community that's been discussed as being desired for a long time.

The proposed development provides quality housing and amenities that do not exist presently in this area. There is market demand. The project has adequate parking for the development. It seeks to enhance the entrance to the community. And they've been open to input to make this work both the community and/or financially.

Sunflower Development has worked in the community before. I know them to be thoughtful and respectful of our heritage and diversity. I ask you to approve this development agreement to the full Commission. Thank you.

Chairman Burroughs said thank you, Mr. Kindle. Any other conferees? Seeing none, I will once again go back to staff. Is there anybody present online? **Ms. Sparks** said there are no hands raised. **Chairman Burroughs** said thank you.

Chairman Burroughs said well, committee, we've had this before us now a couple of times. I'm going to ask one question of Legal. I know we have Item 2 is the resolution. These will be two separate issues even though they are combined into the overall presentation. Is that correct? **Mr. Waters** said that is correct, Mr. Chairman. Two separate votes.

Chairman Burroughs said with that, committee, there's no more questions or comments, I'd entertain a motion.

Commissioner McKiernan said before I make the motion, I want to—I'll just tell you, I do believe that this project is worthy of moving forward to a full public hearing regarding the TIF district boundaries and a full consideration by the full Commission of a potential development agreement.

Mr. Moberly, tonight, has already said that there were a couple of things that they are still working on, especially in terms of the aesthetics of the project. I'd like those to be cleared up before we come to consider the development agreement. Mr. Lawson said that the development agreement, and I will agree, did not go online with enough time for us to fully consider it, but if we were to move this forward to full Commission, that would not occur.

To Ms. Eilts, I'll say, fast-tracking is only fast-tracking the decision to set the date for the public hearing for August 25th. So we fast-track to the 14th for the purpose of then just setting the

date to August 25th. Then we all have about five weeks that we can look through the materials that were posted online and we can ask some additional questions in advance of the public hearing and the development agreement.

Then we, as a community, can come together one more time. I mean I know we all enjoy each other's company, and we like to get together and talk about this project, but we can all come together one more time and consider an updated proposal from Mr. Moberly.

We can ask Public Works to comment on the impact of the traffic study or impact of that because Ms. Eilts has brought up a concern that she isn't sure that there will be minimal impact by this, so we can ask for additional clarification of that. We can ask the question of Public Works about the fact that $350K may not be sufficient for the entirety of an intersection upgrade, so where will the additional money come from. If it will require more, what's going to be our capacity to take on that additional dollar amount. So, we can ask that on the 25th as well.

With all of that said, and I have many more concerns. I have a whole list of concerns that I have heard, and I have just my perspective on those concerns. I would choose to share that on August 25th rather than in this committee. I would ask that the entire Commission consider this TIF district boundary and this potential development agreement rather than just this.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis, to move the public hearing forward, approve setting the public hearing date for August 25th, and further approve fast-tracking that decision to the July 14th full commission meeting.**

Chairman Burroughs said we have a motion and a second. Any discussion?

Commissioner Stites said I don't want this to change anything in the motion, but what I would like to say is before this is brought back before us, I'm not sure what efforts have been made or have not been made to reach out to the Spanish-speaking residents of that area, but I would sure like to be able to hear that before this comes back to us that there was some sort of an effort made and positive results out of that, not just well, we tried and we didn't speak to anybody; that you all actually engaged and had meaningful conversation.

Commissioner Davis said before I wanted to second that so that we could get going here, but I echo what my colleagues are saying here. I would like to see some effort there. I do think we've put together, and staff has really put together, a really, really good project and pretty good financing. I do think that there's still other questions that we probably need to consider. Maybe we look at some other revenue sources within the particular—the 10% that's being generated from the project that's not TIF related, the 1% of the UG admin fee; maybe we add that together for the traffic calming so that we can get more of a funding in there. But I do think that we are somewhere very, very close to having a fantastic project. I stand by my second.

Chairman Burroughs said we do have a motion and a second.

BPU Board Member Haley said I appreciate the presentation that has come forth and what seems to have been a very well-vetted discussion that has ensued. I'm very appreciative too of the concerns that have been expressed by the neighborhood groups, certainly St. Joseph and the surrounding areas. On balance, if this were the only opportunity to weigh-in by those who continue to have lingering concerns, I would not support the motion, but I do.

I've heard some of what Mr. Kindle and others have said, the mesh for the growth of the area, for residential that augments much of the commercial development in this area is going to have to come at some point in time.

I appreciate the limited role or the enhancement the BPU will play to offset some of the existing expenses and how we will share those costs across the board.

Per the recommendations that have been made and Ms. Carttar has put forward and those that have with the developer, I will support it, mindful that there will be another opportunity to be heard if this motion should pass and go before the full Commission.

Chairman Burroughs said thank you, Mr. Haley. Seeing no other comments, we do have a motion and a second. I'd ask the Clerk to please call roll.

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

Item No. 2 – 211796…RESOLUTION: 505 CENTRAL DEVELOPMENT AGREEMENT

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

(A formal presentation was given with Item No. 1)

Chairman Burroughs asked, Ms. Carttar, do you have any additional comments?

Katherine Carttar, Director of Economic Development, said the only thing I'd say is this development agreement is inclusive of the entirety of the project. **Chairman Burroughs** said great. Thank you.

Chairman Burroughs said if I may, if reference to the comment that was made about the development agreement, as I stated, I went through the development agreement. I don't know if it was a typo or just exclusion, if this is an older agreement, but I'm sure the newer, updated one will be the one to be posted. **Ms. Carttar** said correct. **Chairman Burroughs** said thank you.

Commissioner McKiernan said as I said before, given the potential for benefit of this project, given some of the concerns and questions, even those that have been brought forward to us tonight, I think it's appropriate that we come together as a larger group, as a full Commission, to consider the development agreement and any additions that may or revisions that may be made between now and August 25th . I would move that we approve consideration of the development agreement on August 25th. Basically, my motion is that we fast-track to July 14th setting the date for the public hearing because that's what—I'm sorry. We do not need to fast-track this. I'm trying to read my agenda here and it does not say fast-track on this item. So, I would move that we set the

August 25th date, the same date as the public hearing for the TIF boundaries, as the date that we, as a full Commission, will consider the development agreement.

Chairman Burroughs said, Commissioner McKiernan, would you hold that motion. We do have to have public input on this or offer the opportunity for that. It's two separate items and I want to ensure that we follow procedure to do so.

Chairman Burroughs said I'll ask the Clerk if there's any comments received from the public. **Ms. Sparks** said no comments were received. **Chairman Burroughs** asked, any members of the public online who would like to address the committee? Seeing none. Is there anyone here in person who wishes to speak? Seeing none.

Chairman Burroughs said, Commissioner McKiernan, I'll recognize you again on your motion.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis, to move consideration of the development agreement, forward to full Commission for the meeting of August 25, 2022.**

Commissioner Davis said I do have a question. Do we know or have an estimate of how much the new property taxes will be for this development? **Ms. Carttar** said we do. I would say the incremental so, currently, the property is paying about $9K in property tax. The cost benefit showed that the proposed incremental or estimated incremental property tax, of course, the Appraiser will look at this a number of different ways. We'll never get a hard and fast rule by the Appraiser, but what we estimate is about $250K would be the incremental portion. **Commissioner Davis** asked, per year? **Ms. Carttar** said per year.

Chairman Burroughs asked, Commissioner Davis, you did second that, correct? **Commissioner Davis** said yes, I did second.

Chairman Burroughs said we do have a motion and a second. Any other comments, concerns?

Commissioner McKiernan said if I could just please add one more thing. Given what we've heard tonight about time lag between publication of documents and the meeting at which we are all supposed to be conversing with those documents, I would ask that we make every effort to have any documents that will be considered at the meeting of the 25th, published online, available for public consumption at least one week prior to that meeting so that we can fully immerse ourselves and educate ourselves and have an informed discussion on that night.

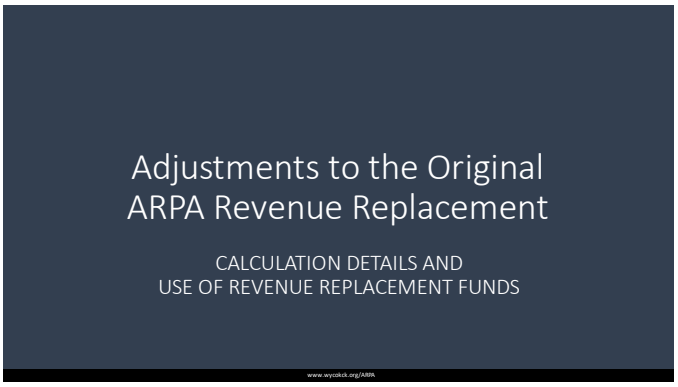
Chairman Burroughs said thank you. Clerk, we do have a motion and a second. Please call roll.

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

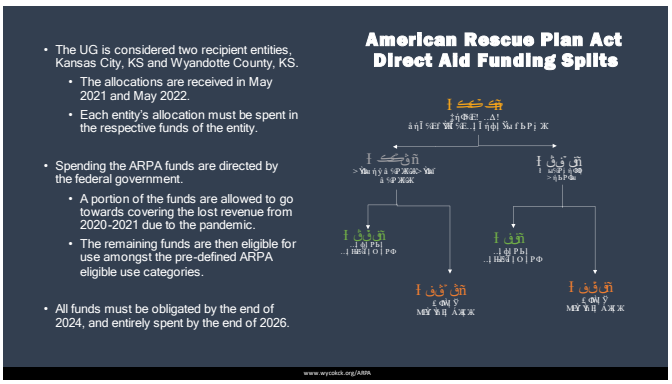
Item No. 3 – 211785…ORDINANCE: AMERICAN RESCUE PLAN ACT (ARPA) REALLOCATION OF REVENUE REPLACEMENT FUNDS

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

Chairman Burroughs said tonight, we have the privilege of having Ms. Debbie Jonscher. She's our Deputy Chief Financial Officer giving us the review of the ordinance this evening.

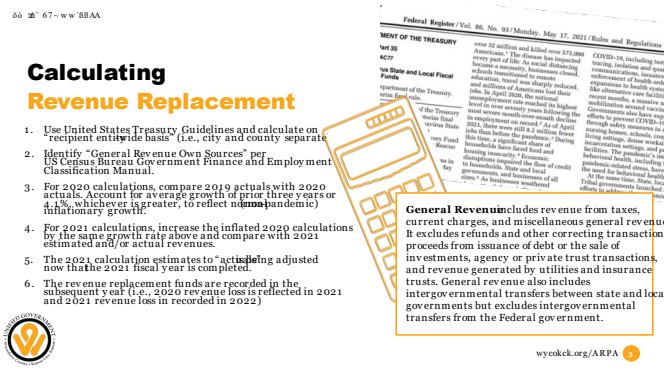


Debbie Jonscher, Deputy Chief Financial Officer, said this first item is going to be for the approval of an ordinance and a resolution to reallocate the ARPA funds to reflect the revised revenue replacement calculation. I do have a presentation.



We'll just start with kind of just a recap of where we are. The UG is considered two recipient entities: Kansas City, KS, and Wyandotte County. Allocations were received in May 2021 and May 2022. This just shows the total funding that we have. I'll just also note that each entity's allocation must be spent in the respective funds of those entities. Spending the ARPA funds is directed by the federal government. A portion of the funds are allowed to go toward recovering lost revenue from 2020 and 2021, during the pandemic. Then the remaining funds are used—based on the eligible requirements for ARPA funding.

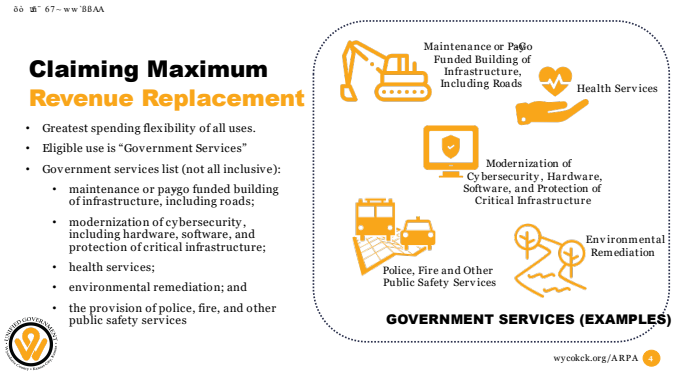
Just to recap. The total that we received was $87.5M. $55.4M went to the city of Kansas City, KS, and $32.1M to Wyandotte County. Our previous estimates were that revenue replacement on the city side was $31.1M and on the county, $11M; with the other eligible funds for the city at $24.3M and $21.1M for the county.



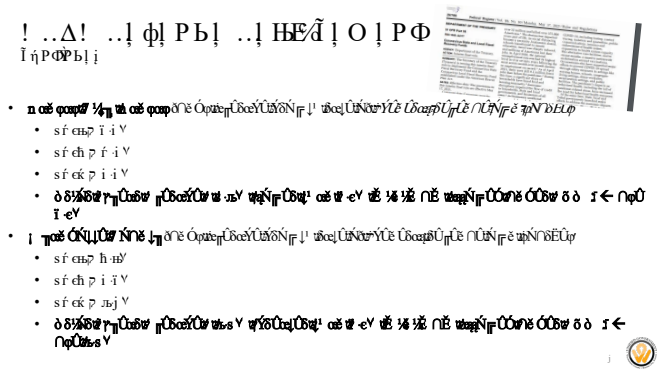
I'm just going to try to go here and just kind of show what we did in calculating the revenue replacement. We're using the United States Treasury guidelines to calculate. I just wanted to note that we have to identify general revenues own sources. So, for the 2020 calculations, we compared 2019 actuals with 2020 actuals. Then, what we could do in calculating that revenue, we could compare the difference and then account for an average growth of the prior three years, or 4.1%;

whichever is greater. We did that for both the city and the county. For 2021 calculations, we increased the inflated 2020 calculations by the same growth rate to estimate 2021.

The reason we're doing this adjustment now is when we made the adjustments for the 2021 revenues last year, it was an estimate. We didn't have final 2021 totals, so now that we do have that, we are recalculating the 2021 estimates, which are included in the 2022 budget.

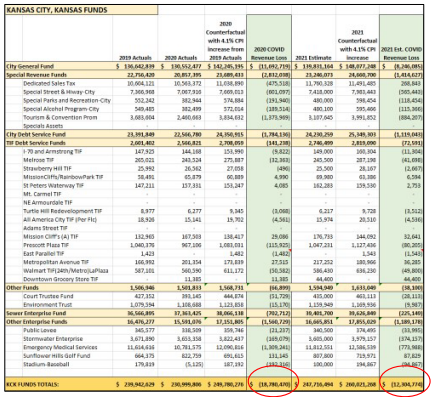


This next slide just shows how we—claiming the maximum revenue replacement. Eligible uses are identified as government services so we listed here the government services. This is not an all inclusive list, but some of the main categories: maintenance of infrastructure; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; and the provision of police, fire, and other public safety services.



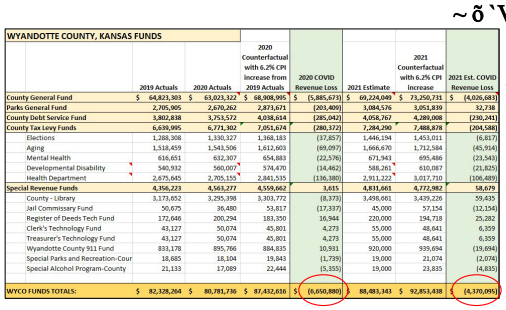
This just shows how we calculated those sources. As we said, we could use the average of the prior three years or the minimum 4.1% allowed under the ARPA guidelines, whichever was greater. You can see for Kansas City, KS, the prior three-year average was only 2.6%, so we were

able to use the minimum 4.1%. For Wyandotte County, the average was 6.2%, which was greater than the 4.1 minimum that was allowed, so we were able to use 6.2% for the county.



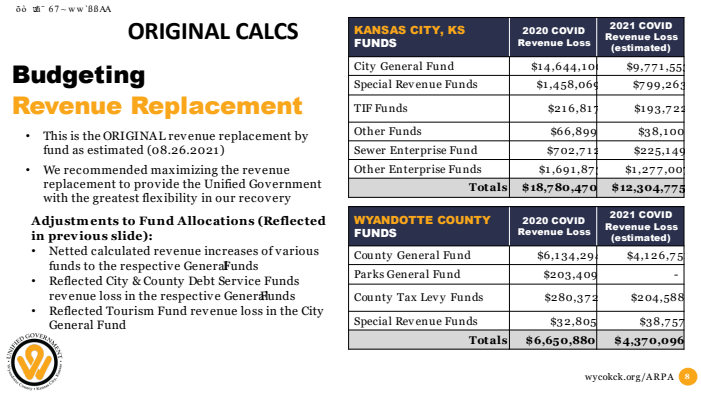
KANSAS CITY, KANSAS FUNDS	2019 Actuals	2020 Actuals	2020 Counterfactual with 4.1% CPI Increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Estimate	2021 Counterfactual with 4.1% CPI Increase	2021 Est. COVID Revenue Loss
City General Fund	$ 136,642,839	$ 130,552,477	$ 142,245,195	$ (11,692,719)	$ 139,811,164	$ 148,077,288	$ (8,266,085)
Special Revenue Funds	22,756,429	20,857,395	23,689,433	(2,832,038)	23,240,073	24,660,790	(1,414,617)
Dedicated Sales Tax	10,904,121	10,563,172	11,038,690	(475,518)	11,790,328	11,491,485	298,843
Special Street & Hiway-City	7,346,948	7,067,916	7,669,013	(601,097)	7,418,000	7,983,443	(565,443)
Special Parks and Recreation-City	552,242	382,944	574,884	(191,940)	480,000	598,454	(118,454)
Special Alcohol Program-City	549,485	382,499	572,014	(189,514)	480,100	595,466	(115,366)
Tourism & Convention Prom	3,663,604	2,460,663	3,834,632	(1,373,969)	3,107,645	3,991,852	(884,207)
Specials Assets							
City Debt Service Fund	23,391,849	22,566,780	24,350,915	(1,784,136)	24,230,259	25,349,303	(1,119,043)
TIF Debt Service Funds	2,681,402	2,566,821	2,788,059	(141,238)	2,786,409	2,859,090	(72,591)
I-70 and Armstrong TIF	147,925	144,168	153,990	(9,822)	149,000	160,304	(11,304)
Melrose TIF	265,021	243,524	275,887	(32,363)	245,500	287,190	(41,690)
Strawberry Hill TIF	25,952	26,562	27,058	(496)	25,500	28,107	(2,607)
MissionCliffs/RainbowPark TIF	58,491	65,879	66,889	4,990	69,980	63,386	6,594
St Peters Waterway TIF	147,211	157,531	151,247	4,085	162,283	159,530	2,753
Mt. Carmel TIF							
NE Armourdale TIF							
Turtle Hill Redevelopment TIF	8,977	6,277	9,345	(3,068)	6,217	9,728	(3,512)
All America City TIF (Per Fic)	18,926	15,141	19,702	(4,561)	15,974	20,510	(4,536)
Adams Street TIF							
Mission Cliff's (A) TIF	132,965	167,503	138,417	29,086	170,733	144,092	32,641
Prescott Plaza TIF	1,040,376	967,106	1,083,031	(115,925)	1,047,231	1,127,436	(80,205)
East Parallel TIF	1,423		1,482	(1,482)		1,543	(1,543)
Metropolitan Avenue TIF	166,992	201,354	173,839	27,515	217,252	180,966	36,285
Walmart TIF/4th/MetrocullPlaza	567,101	560,590	611,172	(50,582)	586,400	636,230	(49,830)
Downtown Grocery Store TIF		11,385		11,385	44,400		44,400
Other Funds	1,566,946	1,501,833	1,568,731	(66,899)	1,594,949	1,633,049	(38,100)
Court Trustee Fund	427,152	393,145	444,674	(51,529)	415,000	463,113	(28,113)
Environment Trust	1,079,594	1,108,688	1,123,858	(15,170)	1,159,949	1,169,936	(9,987)
Sewer Enterprise Fund	36,566,895	37,363,425	38,066,138	(702,712)	39,401,700	39,626,840	(225,140)
Other Enterprise Funds	16,476,277	15,591,076	17,151,805	(1,560,729)	16,665,851	17,855,029	(1,189,178)
Public Levee	345,577	338,509	359,746	(21,237)	340,500	374,495	(33,995)
Stormwater Enterprise	3,671,390	3,653,358	3,822,437	(169,079)	3,693,000	3,979,157	(374,157)
Emergency Medical Services	11,614,616	10,781,575	12,096,816	(1,309,241)	11,812,551	12,586,539	(773,988)
Sunflower Hills Golf Fund	664,375	822,759	691,615	131,145	807,800	719,971	87,829
Stadium-Baseball	179,319	(5,125)	187,192	(192,316)	100,000	194,867	(94,867)
KCK FUNDS TOTALS:	$ 239,562,629	$ 230,999,806	$ 249,780,276	$ (18,780,470)	$ 247,716,494	$ 260,021,208	$ (12,304,714)

This next one, I know the numbers are kind of hard to read, but we kind of summarized it over on the side here. This is how we did our calculation. Just to show that on the original calculation for 2020, we were estimating revenue replacement at $18.7M and the estimate for 2021 was $12.3M, for a two-year total for Kansas City, KS, a little over $31M.



WYANDOTTE COUNTY, KANSAS FUNDS	2019 Actuals	2020 Actuals	2020 Counterfactual with 6.2% CPI Increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Estimate	2021 Counterfactual with 6.2% CPI Increase	2021 Est. COVID Revenue Loss
County General Fund	$ 64,823,303	$ 63,023,322	$ 68,908,995	$ (5,885,673)	$ 69,224,049	$ 73,250,731	$ (4,026,683)
Parks General Fund	2,705,905	2,670,262	2,873,671	(203,409)	3,084,576	3,051,839	32,738
County Debt Service Fund	3,802,838	3,753,572	4,038,614	(285,042)	4,058,767	4,289,008	(230,241)
County Tax Levy Funds	6,639,995	6,771,302	7,051,674	(280,372)	7,284,290	7,488,878	(204,588)
Elections	1,288,308	1,330,327	1,368,183	(37,857)	1,446,194	1,453,011	(6,817)
Aging	1,518,459	1,543,506	1,612,603	(69,097)	1,666,670	1,712,584	(45,914)
Mental Health	616,651	632,307	654,883	(22,576)	671,943	695,486	(23,543)
Developmental Disability	540,932	560,007	574,470	(14,462)	588,261	610,087	(21,825)
Health Department	2,675,645	2,705,155	2,841,535	(136,380)	2,911,222	3,017,710	(106,489)
Special Revenue Funds	4,356,223	4,563,277	4,559,062	3,015	4,831,661	4,772,982	58,679
County - Library	3,173,652	3,295,398	3,303,772	(8,373)	3,498,661	3,439,226	59,435
Jail Commissary Fund	50,675	36,480	53,817	(17,337)	45,000	57,154	(12,154)
Register of Deeds Tech Fund	172,646	200,294	183,350	16,944	220,000	194,718	25,282
Clerk's Technology Fund	43,127	50,074	45,801	4,273	55,000	48,641	6,359
Treasurer's Technology Fund	43,127	50,074	45,801	4,273	55,000	48,641	6,359
Wyandotte County 911 Fund	833,178	895,766	884,835	10,931	920,000	939,694	(19,694)
Special Parks and Recreation-Coun	18,685	18,104	19,843	(1,739)	19,000	21,074	(2,074)
Special Alcohol Program-County	21,133	17,089	22,444	(5,355)	19,000	23,835	(4,835)
WYCO FUNDS TOTALS:	$ 82,328,264	$ 80,781,736	$ 87,432,616	$ (6,650,880)	$ 88,483,341	$ 92,853,438	$ (4,370,096)

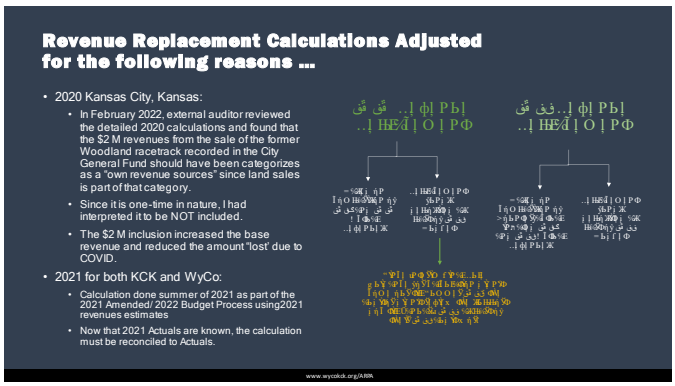
For Wyandotte County, the two-year calculation for—for 2020 was $6.6M and the 2021 estimate was $4.3M, for a total of $11.02M over the two years.



KANSAS CITY, KS FUNDS	2020 COVID Revenue Loss	2021 COVID Revenue Loss (estimated)
City General Fund	$14,644,10	$9,771,55
Special Revenue Funds	$1,458,066	$799,263
TIF Funds	$216,817	$193,722
Other Funds	$66,899	$38,100
Sewer Enterprise Fund	$702,712	$225,149
Other Enterprise Funds	$1,691,87	$1,277,00
Totals	**$18,780,470**	**$12,304,775**

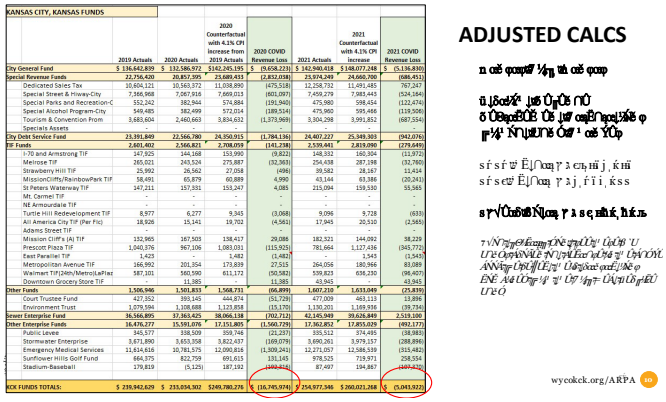
WYANDOTTE COUNTY FUNDS	2020 COVID Revenue Loss	2021 COVID Revenue Loss (estimated)
County General Fund	$6,134,29	$4,126,75
Parks General Fund	$203,409	-
County Tax Levy Funds	$280,372	$204,588
Special Revenue Funds	$32,805	$38,757
Totals	**$6,650,880**	**$4,370,096**

This is just showing how—some of you may have seen this graph before. This was showing how we split it among all the different funds for the revenue loss for both 2020 and 2021. The totals under each match the amounts that I showed you on the previous slides.



Now we want to talk about the adjustments that were made. We did have one adjustment on the city side for 2020. That was due to the fact that when the calculation was done with all the revenues, there was a one-time revenue, it was $2M for the sale of the former Woodlands Race Track that should have been included in the City General Fund. Because it was a one-time revenue, we interpreted it as not to have needed to be counted. Our external auditors looked at it and determined that yes, we should have counted that, so we are making an adjustment for that $2M on the city side for that adjustment.

For both the city and the county, now that we have 2021 actuals, we are making the adjustments for the estimates for the 2022 budget for the loss revenue for 2021.



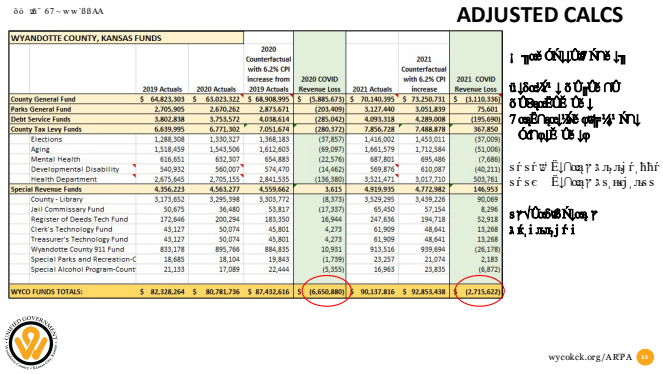
KANSAS CITY, KANSAS FUNDS

	2019 Actuals	2020 Actuals	2020 Counterfactual with 4.1% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Actuals	2021 Counterfactual with 4.1% CPI increase	2021 COVID Revenue Loss
City General Fund	$ 136,642,839	$ 132,586,972	$142,245,195	$ (9,658,223)	$ 142,940,418	$ 148,077,248	$ (5,136,830)
Special Revenue Funds	22,756,420	20,857,395	23,689,433	(2,832,038)	23,974,249	24,660,700	(686,451)
Dedicated Sales Tax	10,604,121	10,563,372	11,038,890	(475,518)	12,258,732	12,491,485	767,247
Special Street & Hiway-City	7,366,968	7,067,916	7,669,013	(601,097)	7,459,279	7,983,443	(524,164)
Special Parks and Recreation-C	552,242	382,944	574,884	(191,940)	475,980	598,454	(122,474)
Special Alcohol Program-City	549,485	382,499	572,014	(189,514)	475,960	595,466	(119,506)
Tourism & Convention Prom	3,683,604	2,460,663	3,834,632	(1,373,969)	3,304,298	3,991,852	(687,554)
Specialty Assets	-	-	-	-	-	-	-
City Debt Service Fund	23,391,849	22,566,780	24,350,915	(1,784,136)	24,407,227	25,349,303	(942,076)
TIF Funds	2,601,402	2,566,821	2,708,059	(141,238)	2,539,441	2,819,090	(279,649)
I-70 and Armstrong TIF	147,925	144,168	153,990	(9,822)	148,332	160,304	(11,972)
Melrose TIF	265,021	243,524	275,887	(32,363)	254,438	287,198	(32,760)
Strawberry Hill TIF	25,992	26,562	27,058	(496)	39,581	28,167	11,414
MissionCliffs/RainbowPark TIF	58,491	65,879	60,889	4,990	43,144	63,386	(20,241)
St Peters Waterway TIF	147,211	157,331	153,247	4,085	215,094	159,530	55,565
Mt. Carmel TIF	-	-	-	-	-	-	-
NE Armourdale TIF	-	-	-	-	-	-	-
Turtle Hill Redevelopment TIF	8,977	6,277	9,345	(3,068)	9,096	9,728	(633)
All America City TIF (Per Fic)	18,926	15,141	19,702	(4,561)	17,945	20,510	(2,565)
Adams Street TIF	-	-	-	-	-	-	-
Mission Cliff's (A) TIF	152,965	167,503	158,417	29,086	182,521	144,092	38,229
Prescott Plaza TIF	1,040,376	967,106	1,083,031	(115,925)	781,664	1,127,436	(345,772)
East Parallel TIF	1,423	-	1,482	(1,482)	-	1,543	(1,543)
Metropolitan Avenue TIF	166,992	201,354	173,839	27,515	264,056	180,966	83,089
Wallmart TIF(24th/MetroLikFlat	587,101	560,590	611,172	(50,582)	539,823	636,230	(96,407)
Downtown Grocery Store TIF	-	11,385	-	11,385	43,945	-	43,945
Other Funds	1,500,946	1,501,833	1,568,731	(66,899)	1,607,210	1,633,049	(25,839)
Court Trustee Fund	427,352	393,145	444,874	(51,729)	477,009	463,113	13,896
Environment Trust	1,079,594	1,108,688	1,123,858	(15,170)	1,130,201	1,169,976	(39,734)
Sewer Enterprise Fund	36,566,895	37,363,425	38,066,138	(702,712)	42,145,949	39,626,849	2,519,100
Other Enterprise Funds	16,476,277	15,591,076	17,151,805	(1,560,729)	17,362,852	17,855,029	(492,177)
Public Levee	345,577	338,509	359,746	(21,237)	355,512	374,485	(18,983)
Stormwater Enterprise	3,671,890	3,653,358	3,822,437	(169,079)	3,690,261	3,979,157	(288,896)
Emergency Medical Services	11,614,616	10,781,575	12,090,816	(1,309,241)	12,271,057	12,586,539	(315,482)
Sunflower Hills Golf Fund	664,375	822,759	691,615	131,145	978,525	719,971	258,554
Stadium-Baseball	179,819	(5,125)	187,192	(192,316)	87,497	194,867	(107,370)
KCK FUNDS TOTALS:	$ 239,942,629	$ 233,634,302	$249,780,276	$ (16,745,974)	$ 254,977,346	$ 260,021,268	$ (5,043,922)

ADJUSTED CALCS

wycokck.org/ARPA 10

These next few tables just show the same information you saw before, but now they've been adjusted for 2021. For Kansas City, KS, you will see in 2020, the previous amount was $18.7M. We dropped that to $16.7M. For 2021, the previous amount was $12.3M. Now we're dropping that to a little over $5M, for a two-year total of $21.7M on the city side.



WYANDOTTE COUNTY, KANSAS FUNDS

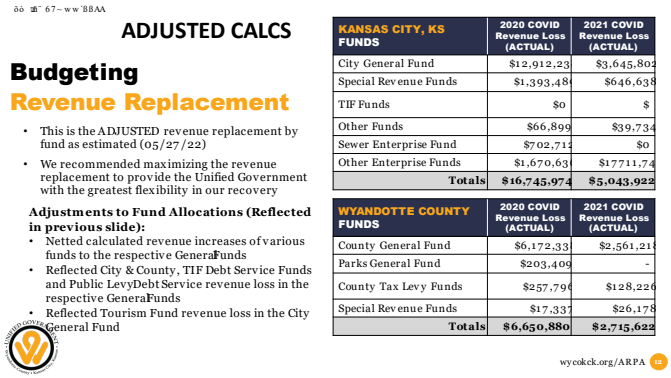
	2019 Actuals	2020 Actuals	2020 Counterfactual with 6.2% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Actuals	2021 Counterfactual with 6.2% CPI increase	2021 COVID Revenue Loss
County General Fund	$ 64,823,303	$ 63,023,322	$ 68,908,995	$ (5,885,673)	$ 70,140,395	$ 73,250,731	$ (3,110,336)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

ADJUSTED CALCS

wycokck.org/ARPA 11

For Wyandotte County, there is no adjustment for 2020, so that amount remains at $6.6M. For 2021, the previous amount was $4.3M and now that has dropped to $2.7M, for a two-year total of $9.3M.

I did just want to note that as we make these revenue adjustments, that money that now is not being used for revenue loss replacement will go into the remain—be included with the remaining ARPA funds that will be available to be distributed by the ARPA Subcommittee.



ADJUSTED CALCS

Budgeting

Revenue Replacement

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

Adjustments to Fund Allocations (Reflected in previous slide):

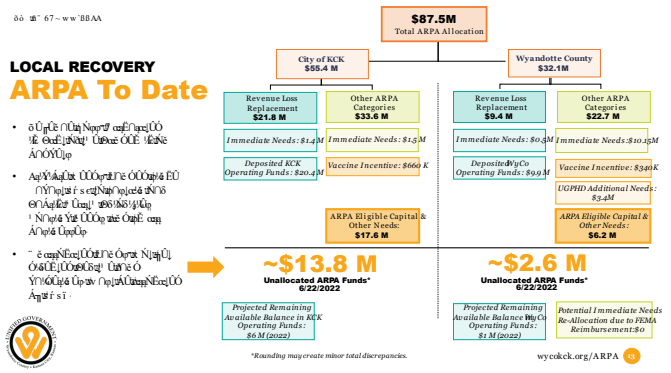
- Netted calculated revenue increases of various funds to the respective General Funds
- Reflected City & County, TIF Debt Service Funds and Public Levy Debt Service revenue loss in the respective General Funds
- Reflected Tourism Fund revenue loss in the City General Fund

KANSAS CITY, KS FUNDS	2020 COVID Revenue Loss (ACTUAL)	2021 COVID Revenue Loss (ACTUAL)
City General Fund	$12,912,23	$3,645,802
Special Revenue Funds	$1,393,48	$646,638
TIF Funds	$0	$
Other Funds	$66,899	$39,734
Sewer Enterprise Fund	$702,71	$0
Other Enterprise Funds	$1,670,63	$17711,74
Totals	**$16,745,974**	**$5,043,922**

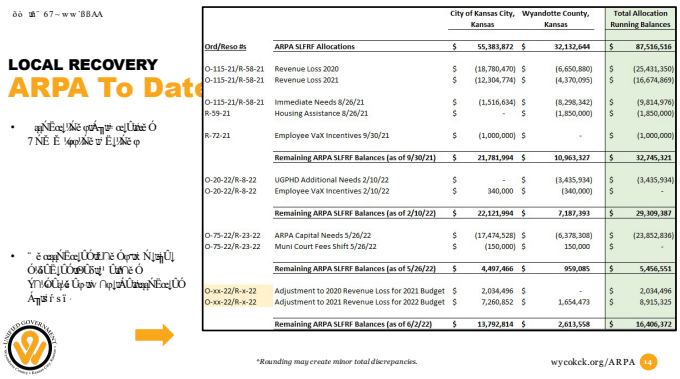
WYANDOTTE COUNTY FUNDS	2020 COVID Revenue Loss (ACTUAL)	2021 COVID Revenue Loss (ACTUAL)
County General Fund	$6,172,33	$2,561,21
Parks General Fund	$203,409	-
County Tax Levy Funds	$257,79	$128,226
Special Revenue Funds	$17,337	$26,178
Totals	**$6,650,880**	**$2,715,622**

wycokck.org/ARPA 12

This just shows the new breakdown of funds for both Kansas City, KS, and Wyandotte County, based on the new estimates, new calculations that we've done.



This, once again, is showing the total. This is similar to the first slide that you saw, just showing the breakdown, the new amounts for revenue loss replacement. We've also included some of the other items that have been approved for use. On the city's side, there's still about $13.8M in unallocated ARPA funds. On the county side, there's $2.6M unallocated. I do want to note that these funds must be allocated by the year 2024.



The last slide that I have here is just showing the ordinance and resolution for the revenue as well as some of the expenditures that have been approved by the Commission. I also did want to note in your packet I think lists the resolution. It did include a sheet of the calculations that does show the changes to the revenue for that calculation. That's included with the resolution.

That's all I have. I'll stand for any questions.

Chairman Burroughs asked, any questions? Thank you, Debbie.

Commissioner Davis said, Debbie, I'm looking through this and maybe I missed it. I see the adjustments for KCK for 2020, KCK for 2021, then I see the adjustments for the county, I believe, for 2021. Was there an adjustment made for 2020 for the county? **Ms. Jonscher** said no. That number stayed the same. The only reason we adjusted, we found the one, one-time revenue on the city side that we did not include that should have been included. That's why there was an adjustment made, but there was no adjustment made for the 2021 loss revenue for the county.

Commissioner Davis said okay because I am looking at—are you saying 2020, because I am looking at an adjustment for 2021. **Ms. Jonscher** said right. It's the 2021 revenue replacement that would be included in the 2022 budget. The 2020 loss revenue was included in the 2021 budget, and then the 2021 loss revenue was included in the 2022 budget.

Commissioner Davis said gotcha. So just for clarity, in the year 2020 when we claimed revenue replacement, now with the final rule with guidance from the Treasury Department, there were no adjustments that need to be made on the county side for revenue replacement for year 2020. **Ms. Jonscher** said that's correct. **Commissioner Davis** said okay.

Chairman Burroughs said well if this shows anything, there's $10M of additional revenue that looks like will be going into the 2023 budget process.

Debbie, I appreciate you walking through these numbers. I had a chance to review these in great length today. Before I get to my questions, I wanted to acknowledge that there was a number presented on the adjusted calcs. It's the 2021 revenue loss on Other Enterprise funds. I think there's an additional number in there that makes that about $17M versus $1.7M. **Ms. Jonscher** asked, was that on the city or the county?

Chairman Burroughs said it would be on the city side. It just says—it was on your slide, the revenue replacement slide, just above the $5M total number. I don't have a page number on here. It's towards the back, next two or three pages from the back. I think there's an extra number in that calculation versus a comma. **Ms. Jonscher** said oh, I see on the Other Enterprise where it says $17M, $711M, yeah. I think that is…**Chairman Burroughs** said I only share that with you because I want you to know that I did look over your information. **Ms. Jonscher** said I will get that corrected. **Chairman Burroughs** said thank you so very much.

Commissioner Townsend said I want to ask you to go back to two of the later slides that you showed. I think one of the slides mentions the $6M adjustment and the other was $2-$3M. I'd know it if I saw the slide again. **Ms. Jonscher** said I'll go backwards. Just stop me—or forward. Just stop me when you see the slide. **Commissioner Townsend** said I can't see it from that viewpoint of my screen right now. Not that one. Keep going. I think we've gone too far.

Let me just ask it from this slide. $13.8M is the amount of ARPA money for the city to be allocated. **Ms. Jonscher** said that's correct. That's currently unallocated. **Commissioner Townsend** said right, right, to be allocated. Does that number, the $13.8M, include the $6. something million that was representative of the ARPA reduction or the final number of the…**Ms. Jonscher** said based on the revenue calculation…**Commissioner Townsend** said replacement, right. **Ms. Jonscher** said yes, because on this graph, we've now changed the—on the city side, we changed the revenue loss replacement. It was previously $31M down to $21.8M. The same on the county. It was previously $11M and now we dropped it to $9.4M. The $13.8M would include those numbers.

Commissioner Townsend said okay. Then my question would be the same on the city side. $2.6M. This is the amount of money after the revenue loss adjustment that remains to be allocated. **Ms. Jonscher** said that's correct. **Commissioner Townsend** said okay. There is no more. It's $13.8M on the city and its $2.6M on the county side. Correct? **Ms. Jonscher** said correct. **Commissioner Townsend** said all right. That's it then. Thank you.

Chairman Burroughs said that's $16M to the Consolidated General Fund for ARPA funding. **Ms. Jonscher** said pardon me. What was the question? **Chairman Burroughs** said it was more of a statement. That's really $16M Consolidated General Fund money of new ARPA funds. **Ms.**

Jonscher said well, the ARPA funds actually—the revenue replacement money is in the General Fund and the other funds, but the money that's being allocated by the subcommittee is actually in a grant fund. So, the revenue loss that adjustments that we've made, that funding will be moved to the grant funding. **Chairman Burroughs** said additional dollars.

Chairman Burroughs asked, any questions, comments? Seeing none, this is an actionable item so I would ask, Clerk, was there any comments received from the public? **Ms. Sparks** said no comments were received. **Chairman Burroughs** asked, is there anyone in the audience that wishes to speak in reference to this issue? Seeing none, I would now entertain a motion.

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

Chairman Burroughs said we do have a motion and a second. I'd ask the Clerk to please call roll.

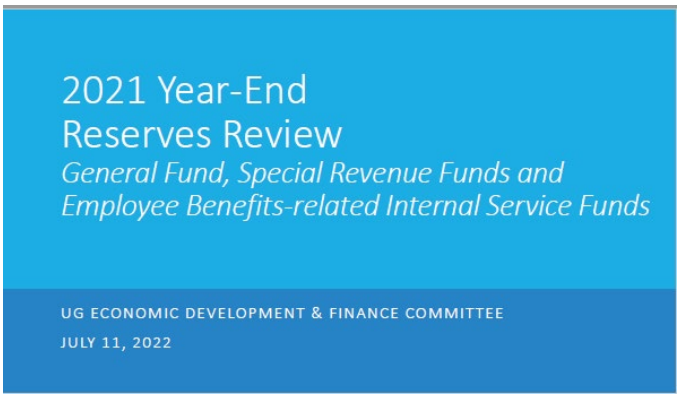
Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Chairman Burroughs said, Debbie, thank you for that overview and good news. There's a little bit more ARPA money to be had so we appreciate that.

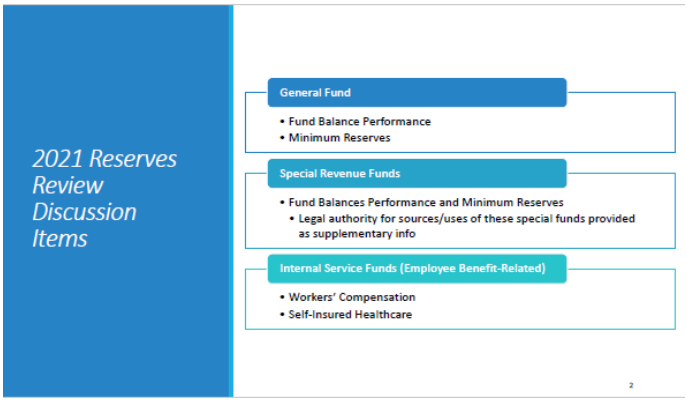
Item No. 4 – 211744…PRESENTATION: GENERAL FUND & SPECIAL REVENUE FUNDS 2021 RESERVES REVIEW

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

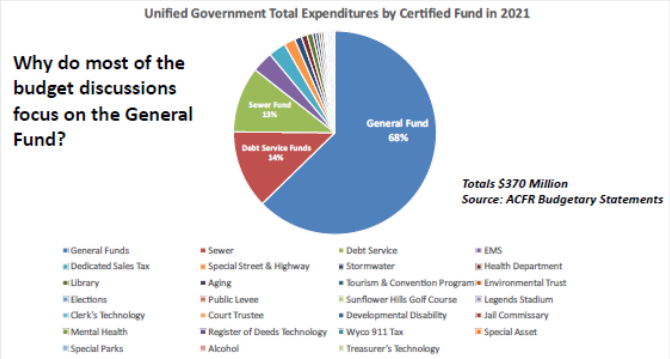
Chairman Burroughs said this is our very first non-actionable item. This is for information only. Ms. Jonscher, I believe this is your item as well.



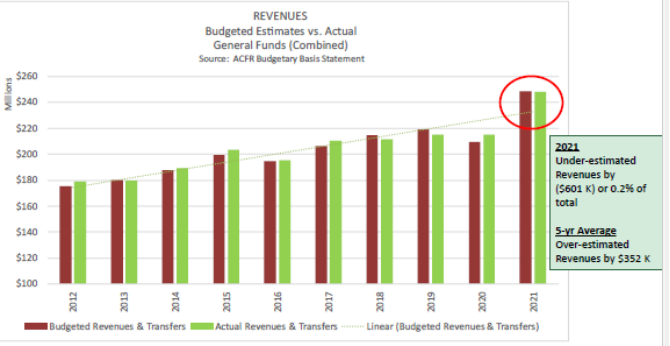
Debbie Jonscher, Deputy Chief Financial Officer, said every year we provide a year-end review of the reserves in all of our different fund balances. We're going to show you what the reserve balances are in all of the General Fund, Special Revenue Funds, and a look at our Internal Service Funds.



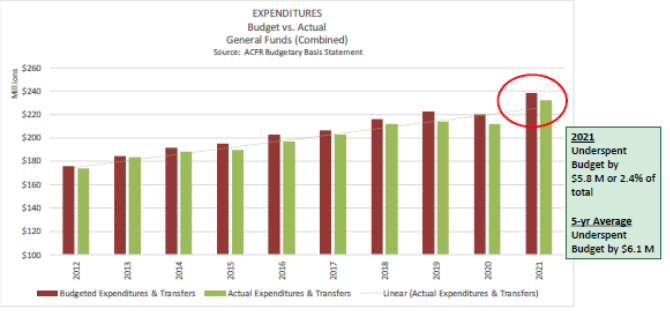
We'll start out with just a review of the items that we're going to discuss. We'll be talking about the General Fund, as I said, the Special Revenue Funds, and we've also included as information in the slide the legal authority for some of the sources and uses for the special funds that are provided as supplementary information. Then we have two Internal Service funds that we will also review.



This next slide is just maybe to talk about why do we focus on the General Fund. This graph is just to show that we have—the General Fund is 68% of the total Certified Funds for 2021. I've got all the different funds that we certify listed below that total $370M.

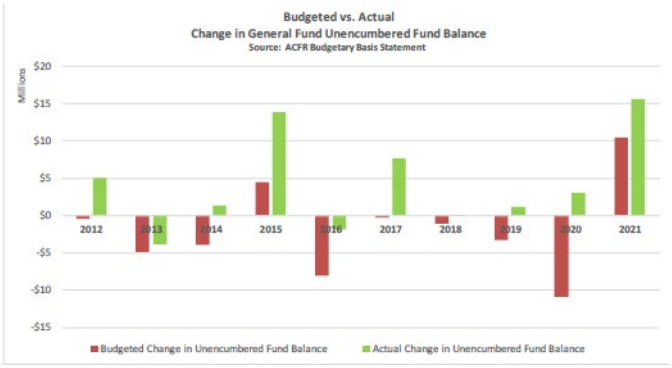


This next slide just shows the revenues, the budget estimates versus actual for the last 10 years, going back to 2012. You can see the dark line is the budgeted revenues and the green line is the actual revenues. I just wanted to note that for 2021, we underestimated revenues by about $601K or .2% of the total. The five-year average, for the five-year average, we overestimated revenues by about $352K.



On the next slide, it just shows expenditures also budget to actual for the General Funds. Once again, the dark line is the budget and the lighter line is the actuals just showing where we've been

over the last 10 years. For 2021, we underspent budget by about $5.8M or 2.4% of the total. Over the five-year average, we've underspent the budget by about $6.1M.



The next slide just shows the change in General Fund unencumbered fund balance. Same information here. As you can see, a lot of times when we budget, our change in fund balance shows a drop in fund balance. But when we get to the actuals, over at least the last three years, the fund balance has been a positive number for the General Funds. We have had a couple of years, if you look at 2013, 2016, where we budgeted our change in fund balance to be negative and we did end slightly negative. In 2019, we budgeted a negative fund balance, but we did actually end with a positive fund balance.

Chairman Burroughs said, Debbie, if I may. With that comment being made, the fact that we have underspent the budget by $6.1M by average, what services—does that include not paying bonded indebtedness and maybe carrying it over, or is that just cutting back on services or not paying bills for a fiscal year to carry it into the next fiscal year, or is it a combination of all of the above?

Ms. Jonscher said no, we've never—it wouldn't include debt service. We've never underpaid our debt service. We've always paid the debt service bills. Most of the Debt Service Fund is actually in a different fund so it's not accounted for here. There's very little debt service in the General Fund. It could be that we maybe had capital that was budgeted and maybe there was a delay in the reason why it was—maybe the project didn't move forward. There could be some services that maybe we didn't spend. Maybe there was a delay in a project and that also created—we didn't do a contractual service. It could be a number of things. Personnel, if we had vacant positions that were budgeted and didn't get spent, that also accounts for the savings.

Chairman Burroughs said great. Thank you. It could also be COVID related, the fact that we didn't spend money to the extent we could have during COVID time when supply chain issues as well as personnel issues were affected by the pandemic. **Ms. Jonscher** said right. That's correct. **Chairman Burroughs** said thank you. Just clarification.

General Fund Reserves

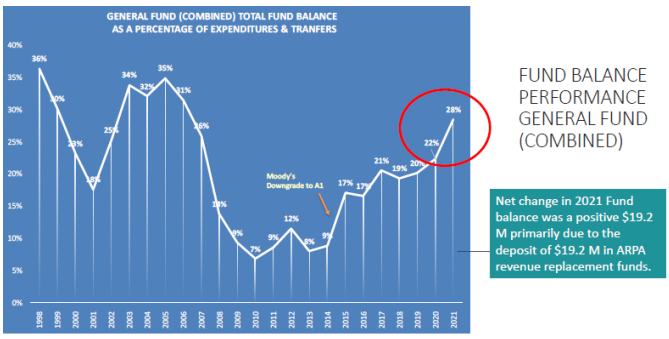
INCREASED 2021 YEAR-END BY $19.2 MILLION

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

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

This just is more of a review, I think, of our General Fund reserves. The 2020 year-end increased by $19.2M. I will note that, I believe, some of that was, or a lot of that was related to ARPA funding. I'll just note that our 2020 ending fund balance reserve was $45.7M. The 2021 change of $19.2M gives us an ending fund balance in reserves of $64.9M. That percentage for 2021 for expenditures is 28.4%.

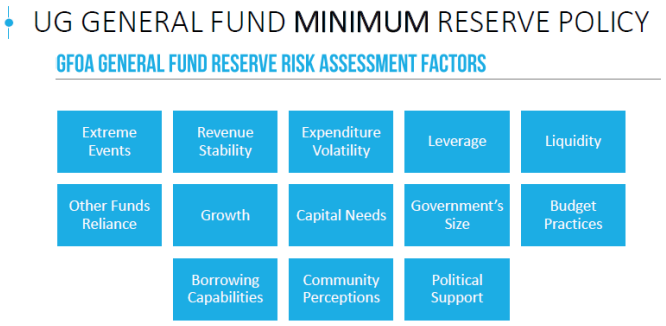
As you will note in our fund balance policy, a two-month spending is 17%, which would equal $38M. So, the remaining reserve balance for emergencies totals $26.9M. At the end of 2021, we're about $7.8M over the three-month reserve target.



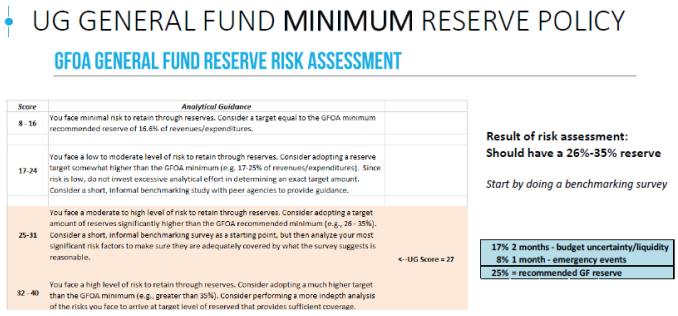
2021 Actuals has fund balance at 28% of total General Fund (Combined) expenditures and transfers out.

This next slide just shows our percentage of fund balance going all the way back to basically consolidation showing we started out at 36%. We had a drop in the early 2000s. Went back up before it started declining in the recession of 2008/2009, and then we have slowly been building it back up. We are, for 2021, our fund balance percentage is at 28%.

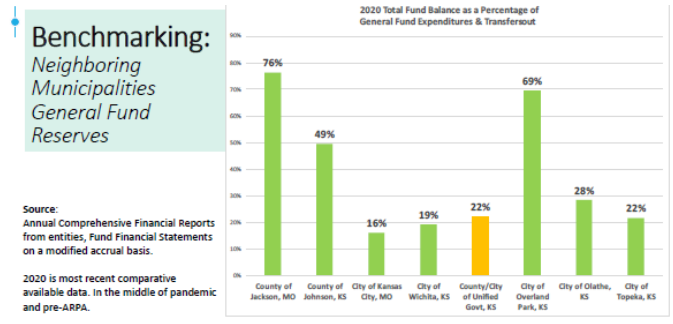
I will just note, we did have a note there that the balance was positive, 19.2%, primarily due to the ARPA revenue replacement funds.



The next slide just shows some information about the minimum reserve policy. These are some of the GFOA General Fund revenue risk assessment factors; things that can affect the reserves: extreme events, liquidity, growth, capital needs, just a whole bunch of stuff that's identified by GFOA.



The next one are just more risk assessments, just noting that in the box over there on the right-hand side, showing that 17% is two months reserves and another 8% is an extra one month. The recommended General Fund reserve is 25%.



The next slide, just some benchmarking information. This is just showing neighboring municipalities' General Fund reserves. This was based on 2020 fund balance. That was the latest information that was available for all of our neighboring communities. So, as you can see, we're at—we were at 22% in 2020 related to some of our other municipalities.

UG GENERAL FUND **MINIMUM** RESERVE POLICY

ADOPTED JUNE 2018

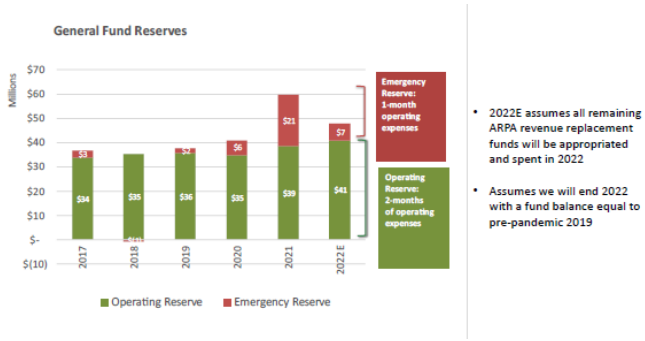
General Fund Minimum Reserves

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

Compliance

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

This next slide is just more information basically on the three-month, the two and three-month reserves. I'll just note some of the notes under compliance. It's measured at December 31st as part of the financial audit. If a minimum target of reserves is not being met or likely to not be met at some point within the five-year horizon, then during the budget process, fund balance levels could be increased either by the Mayor and the Board of Commissioners. It's recommended that you develop a plan to replenish the reserves to achieve the minimum reserves over a five-year period.



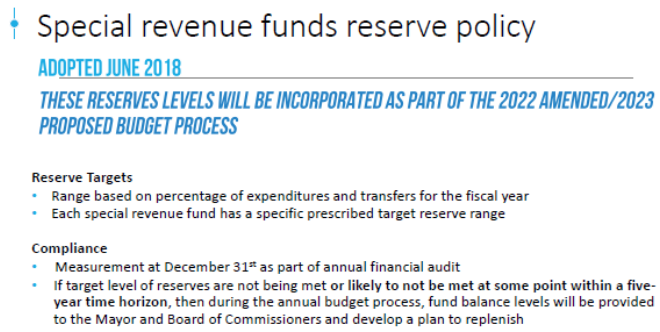
The next one is just some more information on General Fund reserves. I won't spend too much time. Just showing our 2021 and then we have an estimate for 2022. 2022 estimate, it seems that all ARPA revenue replacement funds would be appropriated and spent in 2022. It also assumes that we would end 2022 with a fund balance equal to the pre-pandemic 2019 fiscal year.

Chairman Burroughs said, Debbie, if I may. Thank you for that. I do want to draw attention to the committee that that's an assumption that those funds will be spent in 2022. We may choose not to do that. I just want to bring that to the attention that we're sitting at over 25% in reserves. Due to the ARPA funding, the $19.2M being part of that, we are not in a position at this time to state that we are going to spend those monies in 2022. We'll go through the ARPA grant process as well as the budget process.

Ms. Jonscher said right. We do have additional time. I think just for this graph, we made that assumption, but we do have the additional years. So, 2024, I think, we have to have all of the funds allocated. **Chairman Burroughs** said so we do have a couple of years. **Ms. Jonscher** said right.

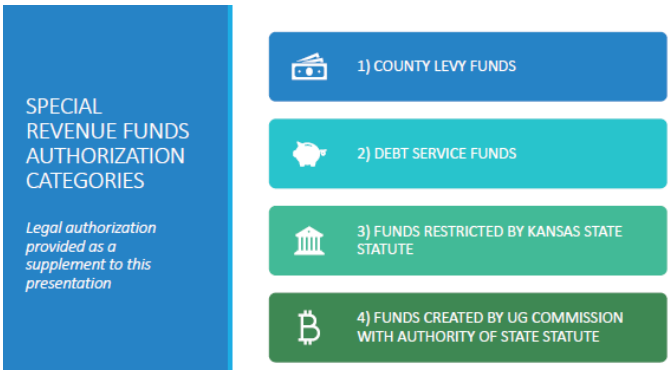
Chairman Burroughs said we do know that we have many needs so I would hope that we would give serious discussions as to how we're going to spend the remaining amount of ARPA funds to get the best return on investment for our community.

Thank you, Debbie. I didn't mean to stop you at that point, I just wanted to bring that clarification to light. **Ms. Jonscher** said no, it's actually a good breaking point because now we're going to move on to the Special Revenue Funds. We've just got some points here for the reserve policy.

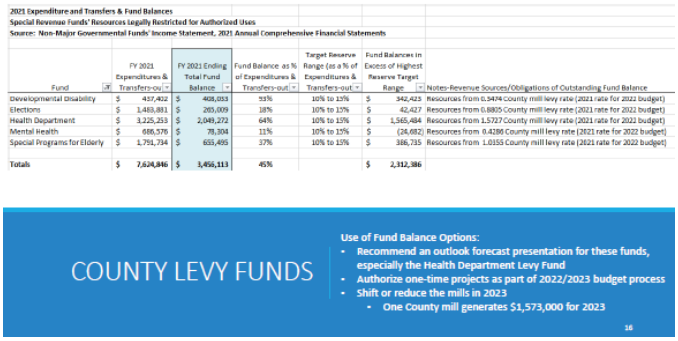


Reserve targets. Our ranges are based on percentage of expenditures and transfers for the fiscal year. Each special revenue fund has a specific target reserve range. In the next couple of slides, when I show you the special revenue funds, we'll have those percentages listed.

Same compliance as measured as of December 31st as part of the audit. If it drops below the target, then at some point within the five years, during the budget process, we could build those revenue levels back up.



The special revenue categories, we have four sections here that I'm going to talk about: the County Levy funds, the Debt Service funds, funds that are restricted by state statute, and then funds that are created by the UG Commission with authority of state statute.



2021 Expenditure and Transfers & Fund Balances
Special Revenue Funds' Resources Legally Restricted for Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements

Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
Developmental Disability	$ 437,402	$ 408,033	93%	10% to 15%	$ 342,423	Resources from 0.3474 County mill levy rate (2021 rate for 2022 budget)
Elections	$ 1,483,881	$ 265,009	18%	10% to 15%	$ 42,427	Resources from 0.6805 County mill levy rate (2021 rate for 2022 budget)
Health Department	$ 3,225,253	$ 2,049,272	64%	10% to 15%	$ 1,565,484	Resources from 1.5727 County mill levy rate (2021 rate for 2022 budget)
Mental Health	$ 686,579	$ 78,304	11%	10% to 15%	$ (24,682)	Resources from 0.4286 County mill levy rate (2021 rate for 2022 budget)
Special Programs for Elderly	$ 1,791,734	$ 633,495	37%	10% to 15%	$ 386,735	Resources from 1.0355 County mill levy rate (2021 rate for 2022 budget)
Totals	$ 7,624,846	$ 3,456,113	45%		$ 2,312,386	

This first one is talking about the county levy funds. We've got five funds listed here. On each of these slides, I'm going to show—the first column is going to be the fiscal 2021 expenditures and transfers, and then the highlighted column is the 2021 ending total fund balance. We've listed out the fund balance percentages based on the 2021 ending balance, what the targets are, and then the fund balance in excess of the reserve targets.

I will just note with developmental disabilities, you can see their percentage is at 93%. I did want to note that they do also have a grant fund and they typically spend their funding out of the grant fund first before moving to this fund.

Health Department does have a capital project for 2023 of about $1M that we'll probably use up some of their, spend down some of their fund balance.

Chairman Burroughs said if I may, Debbie. When I first came aboard as a commissioner, these were funds I had identified as having surplus. In light of the mandated amount of revenue, the 10-

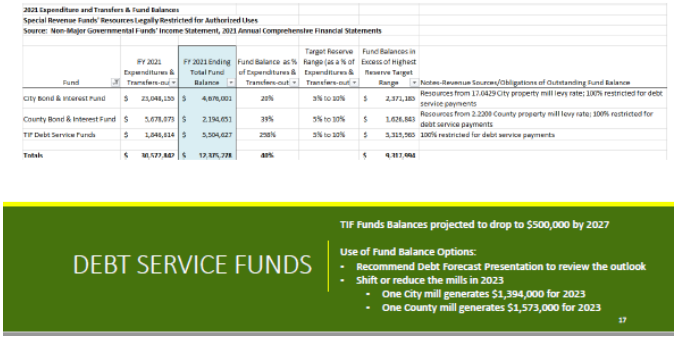
15% expenditures oust, but the fund balance expenditures are in excess of the 5% and 10%, I think, we have in policy.

To see both the percentage as well as the dollar amount, gives us an idea how much money is sitting idle and that's what it is, it's sitting idle in those funds. So, either we're not providing services or we're holding out for a project.

My concern in the past was, some of these mills didn't even cover the cost of services, so the mils needed to be revisited to ensure that they were providing enough money for the services provided; and those that were taking in too much money, should be lowered so that we tried to be as revenue neutral as we possibly can with these services, but still meet the 5-10% revenue reserve that was required.

I believe we brought that forward, I think, my first year here. I remember there was a substantial amount of money in those reserves for quite a while, but I see we're spending them down, as we should, and getting them more under control.

Ms. Jonscher said right, and that is still an option if we determine because they are levy funds, under the county mill levy. If we determine that we wanted to shift part of the levy to another fund that maybe needed additional funding, that's an option for the Commission. **Chairman Burroughs** said thank you.



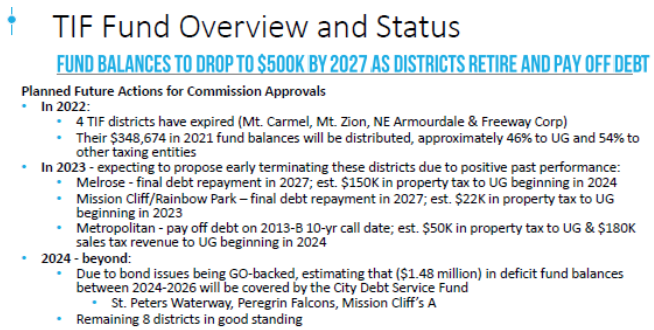
2021 Expenditure and Transfers & Fund Balances
Special Revenue Funds' Resources Legally Restricted for Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements

Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
City Bond & Interest Fund	$ 23,048,159	$ 4,670,001	20%	5% to 10%	$ 2,371,183	Resources from 17.0429 City property mill levy rate; 100% restricted for debt service payments
County Bond & Interest Fund	$ 5,671,073	$ 2,194,651	39%	5% to 10%	$ 1,626,843	Resources from 2.3200 County property mill levy rate; 100% restricted for debt service payments
TIF Debt Service Funds	$ 1,846,614	$ 5,504,627	298%	5% to 10%	$ 3,315,580	100% restricted for debt service payments
Totals	$ 30,577,847	$ 12,375,278	40%		$ 9,317,661	

Ms. Jonscher said the next set of funds are the Debt Service funds. We have the City Bond & Interest Fund, the County Bond & Interest, and then we separated out the TIF Debt Service funds. I do have some additional TIF information on the next slide.

But, as you can see here, the same information is provided. For the city, the fund balance percentage is at 20% and on the county, it's at 39%, and we have the amounts listed over there. The fund balance on the TIF funds is at 298%.

I will just note that the balance in these funds is 100% restricted for debt service. All of these would have been TIF projects that had debt issued on them, so the increment that's captured goes directly to pay the debt service on those projects.



I've got a couple of slides here just to note for the TIF funds. In 2022, we had four TIF districts that expired. They have fund balances and those amounts are going to be redistributed back to the taxing entities. Approximately 46% of the amount will go to the Unified Government, city and county, and then the other 54% goes back to the other taxing entities.

We also are proposing early termination of a couple of districts in 2023, however, we'll be monitoring those to ensure that there's no additional development. I believe Metropolitan is one that may be paying—some of the TIF that they've earned, if they perform better than projected, they may pay their debt service off early, however, we keep that money in the fund because it's included with our larger bond issue. You can't just pay off one project at a time. You have to wait for the call date when you can pay off an entire bond issue or refinance, and then pay down at that point. If some of these are in the bond issue that can't be called, then we just retain the balance and it's used to pay that debt service as it comes due.

I guess we also are looking—got a couple of issues that we're kind of monitoring for 2024 that look like they might have deficit fund balances, so we'll be watching those. If they don't perform, then the debt service payment is covered by the city debt service fund.

Chairman Burroughs said, Debbie, if I may. What would cause the performance not to occur? Is it lack of sales within the district of the homes and/or development? Is it devaluation…**Ms. Jonscher** said yes, it could be if a development didn't move forward, maybe they issued bonds. It could be that if—I'm not recalling if some of these—if it was a residential TIF, maybe they didn't build out the entire project or maybe the valuations didn't come in as it was originally estimated.

On a commercial project, it could be maybe something, maybe there were additional pad sites that were supposed to be developed that didn't get developed.

Chairman Burroughs asked, what action do we take, as a local government, to ensure that we do everything we can to not have to cover those GO bonds but that we get these to perform? Do we help market the vacant pad sites? Do we help bring developers in to finish out the project so that the ratepayer or the taxpayer is not paying that cost?

Ms. Jonscher said I know we monitor what's coming in and how the TIFs are performing. I think the Economic Development Department probably would work if they had undeveloped project sites. They would be the ones probably working with the developer for that. We have a couple of TIF projects that were issued as GO bonds, but we have kind of gotten away from issuing that. We really want the project to pay for itself. Usually, the incremental TIF revenues are what's covering the projects now. I'm trying to remember the last time. It could have been 2013, 2014, was the last time we might have issued a TIF project that was backed by GO.

Chairman Burroughs said, Patrick, maybe this is a question of Legal, if I may. Committee, I beg your indulgence. This is an important issue because, basically, this $1.48M in deficit spending is going to come out of our budget in 2024 unless we can find a way to turn these numbers around. Patrick, is there an avenue available that this committee could request of the Economic Development Department some kind of actions that would ensure, to the best of their ability, to address these prior to the 2024 budget?

Patrick Waters, Deputy Chief Counsel, said absolutely. I will get in touch with Economic Development and Finance and we can kind of see where this shortfall is expected and what actions might be available.

Chairman Burroughs said great. Thank you. I appreciate that. I think for the public's interest, when we don't have a development that performs, and there's three of them, the remaining eight are in good standing, whatever we can do to lower that cost out of the General Fund would be welcomed because that's services and additional amenities we can provide as a local government. Thank you, Patrick. I appreciate that.

Committee, is that all right with you that we extend that information to the Economic Development Committee and Finance? Great. Thank you. Any other comments? Seeing none. Thank you, Debbie. Please continue.

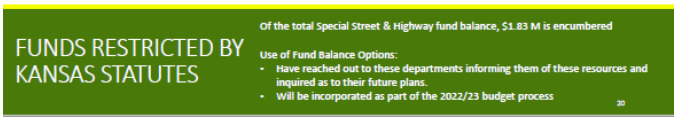
2021 Debt Service Expenditures & Fund Balances
Tax Increment Financing (TIF) Sub-Funds' Resources Legally Restricted for Authorized Uses
Source: Audited Financial Statements

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

The next one is just a listing of the TIF and the balances. Just kind of provided for some additional information.

2021 Expenditure and Transfers & Fund Balances
Special Revenue Funds' Resources Legally Restricted for Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements

Fund	FY 2021 expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of expenditures & Transfers-out	Target Reserve Range (as a % of expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
UG Clerk Technology	$ 75,403	$ 163,638	217%	5% to 10%	$ 156,498	Accumulating resources for future equipment/software acquisitions
County Treasurer Technology	$ 76,645	$ 107,874	141%	5% to 10%	$ 103,210	Accumulating resources for future equipment/software acquisitions
Register of Deeds Technology	$ 268,935	$ 166,688	62%	5% to 10%	$ 126,575	Accumulating resources for future equipment/software acquisitions
Court Trustee	$ 467,781	$ 755,248	161%	8% to 12%	$ 699,114	Resources restricted for child support enforcement activities in future years
Special Wyandotte 911	$ 709,352	$ 443,270	62%	5% to 10%	$ 372,135	Resources from a statewide 911 fee on hardwire, wireless, VoIP phones
Special Alcohol Program	$ 546,173	$ 1,116,232	205%	5% to 10%	$ 1,063,615	Resources from a portion of UG's allocation of State liquor tax sales
Special Parks & Recreation	$ 545,036	$ 322,583	59%	3% to 5%	$ 295,113	Resources from a portion of UG's allocation of State liquor tax sales
Special Street & Highway	$ 5,640,906	$ 4,415,834	78%	3% to 5%	$ 4,133,789	Resources from UG's allocation of State motor fuel taxes
Totals	**$ 8,460,701**	**$ 7,491,177**	**89%**		**$ 6,987,687**	



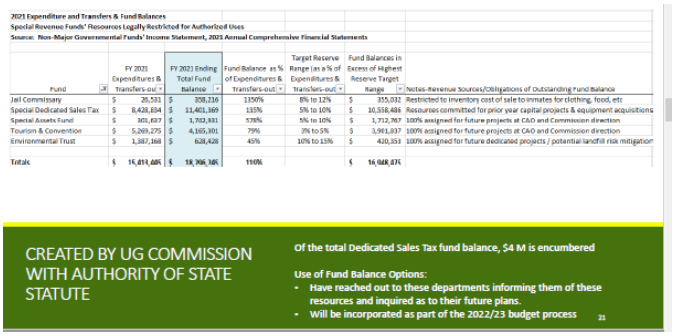
The next set are funds that are restricted by state statutes. You can see we've got about eight funds here that are listed. We did get some feedback from the departments on some of these if there are any questions about what's being spent on some of those. I will just note that—I know right off hand, probably Street & Highway Fund is probably going to use some of their excess for their street preservation funding. I know Parks & Rec, they have a lot of their capital projects. They may have maintenance come out of here for different park improvements. I've also got some information if anybody has questions on any of the other funds. I do have some information on those.

Chairman Burroughs said and I thank you for that, Debbie. It's important. In the alcohol program, doesn't some of that money go into parks also? **Ms. Jonscher** said yes. That one is split

between the General Fund, the Special Alcohol, and the Special Parks. **Chairman Burroughs** said thank you. Just for those who have raised concerns about park funding, there's a multitude of or a number of revenue sources that we may want to identify.

These funds, if you'll notice, there's a 5% target reserve range. You see that some of these funds are accumulating quite a reserve. I think at one time, the UG Technology Fund or the Treasurer's Fund, one of them was over 2000% when I first came in. So, there has been some spend down of those funds and some movement in those reserves. I just wanted to bring that to your attention. Thank you, thank you, Debbie.

Ms. Jonscher said if you would like any information on what they're planning to spend that on, I do have that information that I can provide. **Chairman Burroughs** said well, Debbie, just for the committee's purview, that $6.947 is the amount of reserves that we have sitting in those accounts, correct? **Ms. Jonscher** said that's the amount that's actually in excess of the target. **Chairman Burroughs** said thank you.



Ms. Jonscher said the next slide are funds that were created by the UG Commission with authority of state statute. We've got five funds listed here which includes: the Dedicated Sales Tax Fund, the Tourism, Special Assets, the Environmental Trust Fund, and it shows what their fund balance percentages are. If you recall, the dedicated sales tax is the 3/8 cent sales tax for public safety and infrastructure.

Chairman Burroughs said, Debbie, if I may. The special dedicated sales tax, as you just stated, the $10M that's resources committed for prior year capital projects, is that 2020 or 2021 prior year? **Ms. Jonscher** said if it was a capital project that started in 2020 and carried over to 2021 and then, again, it would—the balance is carrying over from 2021. **Chairman Burroughs** said great. Thank you.

Commissioner Stites asked, would you roll back one slide if you don't mind. So, is that balance $17M, or is that $6M? **Ms. Jonscher** said $16.9M with the largest portion of that in the Dedicated Sales Tax Fund. **Commissioner Stites** said okay. Thank you. **Chairman Burroughs** said that dedicated sales tax is divided three ways: Police, Fire, and infrastructure.

Commissioner Davis said for these particular funds, this opens up a lot of possibilities in the current budget season that we're in. These—I'm trying to get my question correctly. Our current practice is to get at the 17% reserves for these special funds. **Ms. Jonscher** said that 17% was for the General Funds. The target reserve range that we have listed here in the fourth column over, that's what we have in our policy for each of these funds. Some of the Special Revenue Funds don't follow that same 17%. They have different percentages that we've identified in our policy. The Special Dedicated Sales Tax Fund, the range is 5-10%.

Commissioner Davis said okay. So, those ranges kind of vary. I'm assuming you all just kind of at your discretion, you decide what the appropriate amount within that range every year would be to throw in reserves for the fund. **Ms. Jonscher** said we don't look at them every year, but probably at least we review the policy at least every five years is what we're trying to do or every three to five years. If we see one that looks like—and I think these might be kind of best practice percentages based on what expenditures are being paid out of the fund. **Commissioner Davis** said gotcha.

So for, I guess, what is the current practice or policy, or do you have a percentage of what is currently being done right now in the last three years when it comes to these specific funds? Is it just a blanket 3% or during the budget it's just saying we're going to do a blanket 5, we're going to do a blanket 10? How is that being done? **Ms. Jonscher** asked, when we set the budget? **Commissioner Davis** said yeah. **Ms. Jonscher** said we're probably trying to stay within; I would say like for that particular fund, in the 5-10%. I don't have what we actually did. I could probably go back and check that.

Commissioner Davis said I think two things. Number one, if you're saying these are in excess of, then we—and I would ever request, Chair, if it appeases you, to have us come back and have a conversation specifically on these reserve funds and make some recommendations to the governing body of what we can do. Granted, these would be probably one-time expenses, but they're worth looking at especially given how much we are.

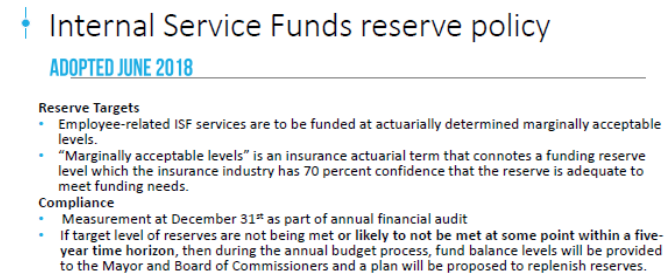
The other thing is maybe instead of this range, we have a specific goal. So, if we can have a conversation on the reserve funds and then the reserve policy for these particular mill levy-generated funds that are not restricted. We can move some of this money around and solve some of our community problems and issues that we're having. Thank you.

Chairman Burroughs said thank you, Mr. Davis. This was something that was brought forward, like I said, about four years ago in reference to these funds because if there's a large sum sitting there and it's not being spent, services aren't being provided. Those funds can't be spent for anything else, but what they're set aside for.

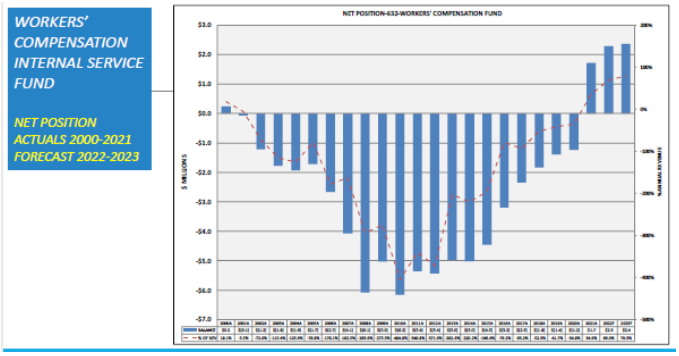
One of the things I think about on the special dedicated sales tax, I think we just went through radio purchase for our Police and Fire. I can't remember, I think we either paid cash out of reserves or bonded that or thinking about bonding it. Here it is sitting in the reserves and the money could have been utilized there. Just an option, but I do appreciate the fact that someone else is willing to look at that on the committee. I appreciate that very much.

Ms. Jonscher said one thing I will note on there, and even though it does show the fund balance in excess of $10.5M, it does say some of these resources, and I wish I had that number, but some of those resources may already be encumbered for projects that may have carried over, that are carrying over into 2022. **Chairman Burroughs** said thank you, Debbie. Any other questions or comments? Seeing none. Debbie.

Ms. Jonscher said I'll just quickly go through the Internal Service Funds. We have two Internal Service Funds that we're going to be talking about: the workers' comp and the self-insured healthcare.



Just on this next slide, same information. Just kind of what we look at for reserve targets and how the compliance is measured. Pretty much the same information. I will just note on the Internal Service funds it says they are funded at the actuarial determined marginally acceptable levels. What that means is that an insurance actuarial term denotes a funding reserve level which the insurance industry has 70% confidence that the reserve is adequately meeting the funding needs. Some of the reserve target is based on an actuarial report that is done for these funds.

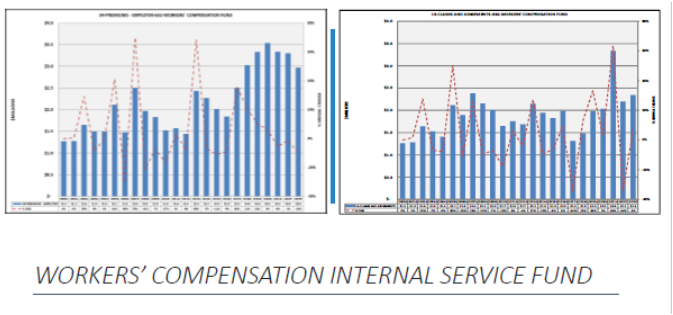


With the workers' comp, this is just showing the net position for the Workers' Comp Fund. As you can see, there were many years where the net position was negative. Over the last—for 2021 and then we're estimating 2022 and 2023 to both have a positive net position. We'll just note that this fund and the self-insurance are claims driven. Claims can vary from year to year so that can affect the fund balance.

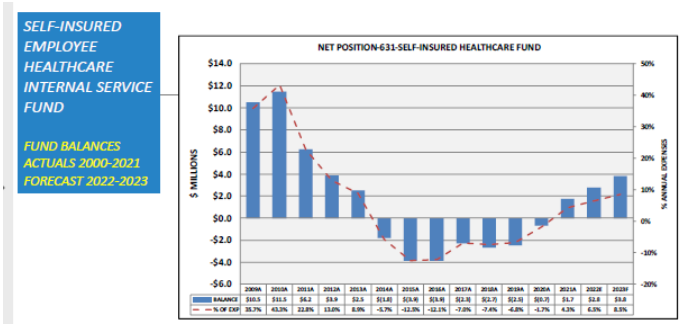
We'll just note that the work comp decreased in claims IBNR, which is incurred but not reported, did change based on some actuarial assumptions, and I think that is helping with the positive fund balance that we're seeing now.

Chairman Burroughs said, Debbie, if I may. It has been requested by me to find out what the average cost for our retirees' healthcare plan is. Can we get an aggregate number of what the average cost for the employee healthcare plan is? I don't know if it's because they've had an

increase or if we have more retirees, but that 70% funding, as you stated, is an industry-standard. I just wanted to be able to respond that this is what the average cost for a healthcare plan for employees are and retirees. I guess it would be the retirees and employees because I think they're both the same. They both come out of the same pool. **Ms. Jonscher** said I can get that. I don't have that today, but I can get that. **Chairman Burroughs** said at your convenience. Thank you.

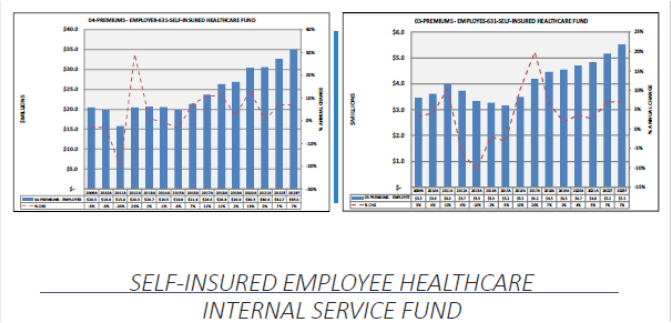


Ms. Jonscher said the next slide is just showing a comparison of the premiums. This goes all the way back to it looks like 2000. I can't quite see that even on my own paper, but I think it's 2000. Just showing on the left-hand side are the premiums, then on the right-hand side are the claims and judgments incurred each year.



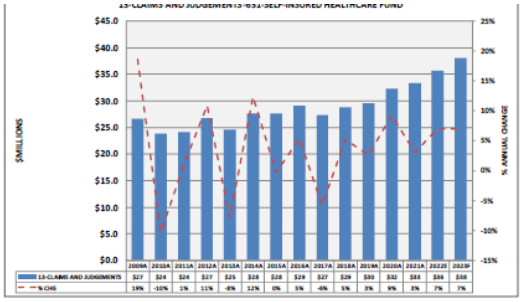
The next slide is where I have the same information for the self-insured healthcare plan. I did just want to note that this one is also claims driven. We have had increases in the fees, the contributions, the premiums, so that does contribute to helping the fund balance. I think over the past several years, the increases have been about 7-8%. Some assumptions that are included, they had decreased the seed money from the UG for the HSA plan. They were also, you know, I mentioned the increased premiums. Then also on this one, the decrease in the incurred but not reported based on the actuarial reports. All of those things have affected the fund balance.

As this one, the same as the previous one, you can see that 2021, we did end in a positive net position. We're estimating 2022 and 2023 to also have a positive net position.



SELF-INSURED EMPLOYEE HEALTHCARE
INTERNAL SERVICE FUND

The next slide, the same thing. Just showing the premiums for the healthcare as well as the, let's see, this one is premiums for the employer and premiums for the employee.



SELF-INSURED EMPLOYEE HEALTHCARE
INTERNAL SERVICE FUND

The last one just shows claims and judgments, by year, out of the fund. It looks like this goes back to 2009. Just showing how some of the claims can vary by year.

ADDITIONAL INFORMATION SLIDES

We have additional information in the slides. I don't know if I need to go through every—some of them are just for information.

OPERATING AND EMERGENCY RESERVES DEFINED

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

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

This is just some more information on the operating reserves, the additional one month and then the policy section for the excess of reserves.

General Fund Reserves

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

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

This next one just shows the neighboring communities and some additional information that was provided, in addition to the fund balance percentage that I shared earlier.

COUNTY LEVY FUNDS – LEGAL AUTHORITY

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

The rest of the slides are just the legal authorities for all the different funds. I can go through those if you'd like me to. **Chairman Burroughs** said I don't think it's necessary. I think the committee can review it. **Ms. Jonscher** said it's provided for you to review if you would like to see what restricts some of those funds.

Chairman Burroughs said I appreciate the tremendous amount of information, the statutes, and the ordinances and resolutions that are tied to those particular funds; I think are important. It goes back to the questions that were asked in reference to the fund as we went through the presentation.

Commissioner Davis said I think from a budgeting standpoint, if I can give kind of a summary of kind of where some of the gaps are. I, and this is just my opinion, I think that one of the reasons why we have a high amount of underspending on expenditures is in part because of the rather progressive estimates on projections year after year on what we will spend because it's at what, 2.4%, which isn't bad. When it comes to revenue, though, you all are spot on. I think it's what, 0.2%. There's something about how we're estimating on what we are spending every year that ends up with a $6M gap. I think this information is telling that we hopefully need to reverse course so that we're putting more money either back in the pockets of our constituents or we're giving them the amenities and structures and things that they deserve.

The other thing I will say is, I'm very much interested in not leaving, I count, about $25.8M in reserve funds sitting there for another budget cycle. Whatever I have to do, I will be very vocal about that going forward. It is not great practice. I want a savvy savings. We need to be prepared for emergencies, but holding on too much means that, again, we're not necessarily putting that money to work for our residents. I know that they are restricted funds, but I'd like to see our departments, who ask us for a lot of things, use the actual funds that we've given them for these dedicated funds within the budget as opposed to asking for more General Fund requests, which means we have more money to spend.

Chairman Burroughs said thank you, Commissioner Davis. Any other comments? Seeing none. Debbie, that should conclude your presentation on that particular item, correct? **Ms. Jonscher** said yes. This was for information only and that's the end of my presentation.

Chairman Burroughs said great. Thank you. Are there any comments? I know this is for information only, but are there any comments from the public and/or anybody in attendance this evening who would like to make a comment? **Ms. Sparks** said we didn't receive any comments. **Chairman Burroughs** said thank you. As I stated, this is for information only.

Action: **For information only.**

Item No. 5 – 211788….REPORT: 2022 FIRST QUARTER CASH INVESTMENT

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

Chairman Burroughs said I believe we'll have Andrea Vinyard, Deputy Treasurer, presenting this evening.

Unified Government of WyCo/KCK
Quarterly Investment Report
First Quarter 2022
January 1, 2022 – March 31, 2022

Presented by:
Becky Berger, County Treasurer
Andrea Vinyard, Deputy Treasurer

Andrea Vinyard, Deputy Treasurer, said I also have to my left would be the County Treasurer Becky Berger, in case anyone has questions for her or I. We won't take up very much of your time. We just wanted to go over the Quarter 1 of 2022 Investment Report. Obviously, we're a little behind. Things that are out of our control delay some of that, the cyberattack along with just reporting. I have no bad news to give you, of course. We'll just dive right in.

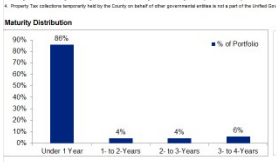
Key Metrics
- Avg Yield – 0.44%
- DTM – 150 days, down from 211 in Q4-2021

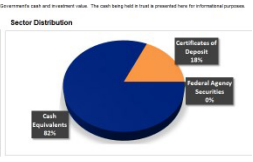
Portfolio Components
- Cash – 82%
- Invested – 18%

Investment Summary - Aggregate Portfolio By Type of Investment

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

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

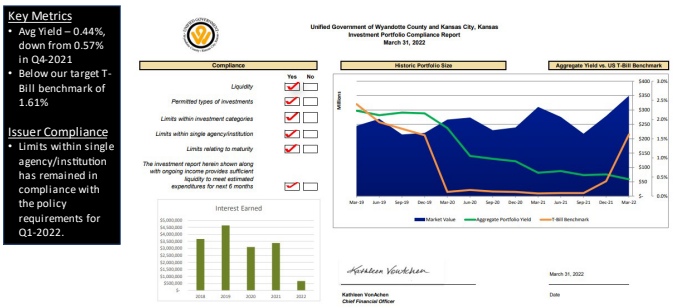




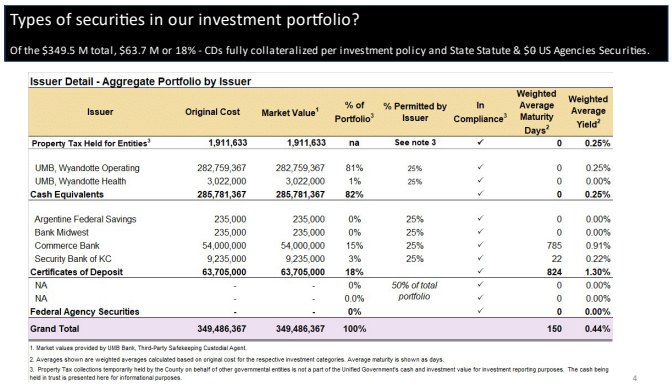
The first slide for me is pointing out, you can't see which is the right side of where those other attendees are, it says we're at a weighted average yield of .44, which is going to be explained in the next slide a little further. But as far as days to maturity, we were at 150 for Quarter 1, which

is down from Quarter 4. We did have some things mature that were more three to four-year maturities from prior years that came and fell off.

As far as the components of the portfolio, we're at 82% cash for that quarter along with an 18% in investments.



Like I mentioned, .44% is the average yield, which was down from Quarter 4, which was at .57%. Still below the target T-bill rate of 1.61%. As I come forth to you each time, I always like to point out our compliance. When I started here about five years ago doing this to now, we have remained in compliance for all of our institutions staying within the policy of that requirement, including Quarter 1 of 2022. That kind of projects the interest looking strong so far for Quarter 1 compared to the three-four years prior to that.



Types of securities in our investment portfolio?

Of the $349.5 M total, $63.7 M or 18% - CDs fully collateralized per investment policy and State Statute & $0 US Agencies Securities.

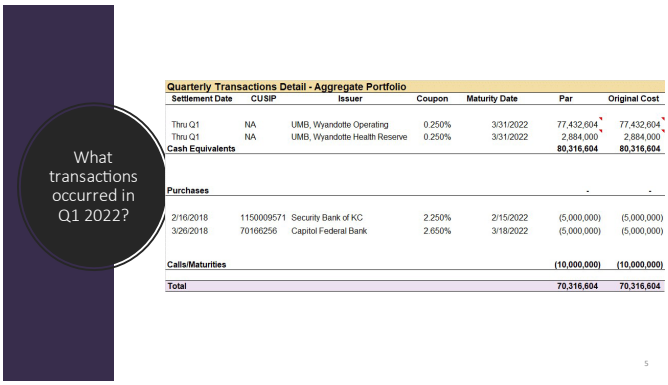
Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	**1,911,633**	**1,911,633**	**na**	**See note 3**	✓	**0**	**0.25%**
UMB, Wyandotte Operating	282,759,367	282,759,367	81%	25%	✓	0	0.25%
UMB, Wyandotte Health	3,022,000	3,022,000	1%	25%	✓	0	0.00%
Cash Equivalents	**285,781,367**	**285,781,367**	**82%**		✓	**0**	**0.25%**
Argentine Federal Savings	235,000	235,000	0%	25%	✓	0	0.00%
Bank Midwest	235,000	235,000	0%	25%	✓	0	0.00%
Commerce Bank	54,000,000	54,000,000	15%	25%	✓	785	0.91%
Security Bank of KC	9,235,000	9,235,000	3%	25%	✓	22	0.22%
Certificates of Deposit	**63,705,000**	**63,705,000**	**18%**		✓	**824**	**1.30%**
NA	-	-	0%	*50% of total portfolio*	✓	0	0.00%
NA	-	-	0.0%		✓	0	0.00%
Federal Agency Securities	**-**	**-**	**0%**		✓	**0**	**0.00%**
Grand Total	**349,486,367**	**349,486,367**	**100%**			**150**	**0.44%**

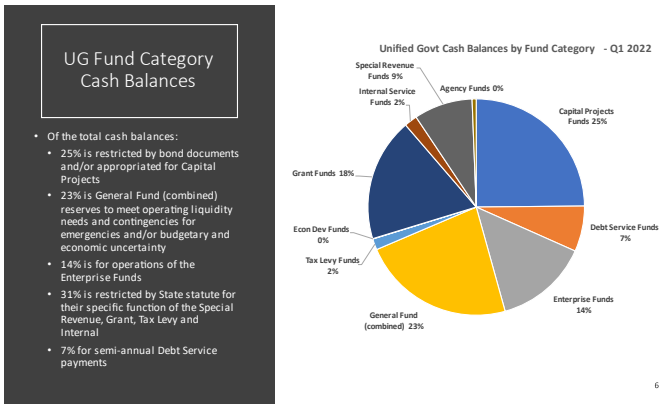
1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.
2. Averages shown are weighted averages calculated based on original cost for the respective investment categories. Average maturity is shown as days.
3. Property Tax collections temporarily held by the County on behalf of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

4

As a portfolio as an aggregate as far as where we stand of the $349M, we have $63M of that in CDs, which is about 18%. As of Quarter 1, we did not have any US agency securities invested. The cash and operating show outside of that there at the top.



The last slide here, I have one other one, but Debbie covered it pretty thoroughly before I came up here. Quarter 1, overall, we only had two maturities, no purchases, Security Bank, and then we had one from Capital Federal that all matured that we invested early in 2018. Each of $5M.



As I alluded to, Debbie covered this pretty thoroughly before I came up here. I know she's got some more presentations with Reggie after me. I can go into detail, but I think you'll hear enough from her next.

That's mine. I can entertain any questions of course.

Chairman Burroughs said thank you. Committee, any questions? No questions? I have one. You knew I would have one. What is a cash equivalent? If we're sitting on almost $300M, what is a cash equivalent? **Ms. Vinyard** asked, are you referring to this slide, I assume? **Chairman Burroughs** said it's the one before it, slide #4. I'm just curious. It shows a grand total of $349,486M of cash equivalent. I know we're looking at—if we have that kind of money in the bank, so to speak, cash equivalent, can it be pulled over into reserves? Can it be used for

operations? What can it be used for? **Ms. Vinyard** said I may have to defer to Debbie for that one.

Debbie Jonscher, Deputy Chief Financial Officer, said that's the operating funds. All of those funds that we just talked about, all of the money—when we get that money in, it goes into the Operating Fund. That $282M includes all of those funds.

Chairman Burroughs asked, and the 17% reserves or the 25% reserves that we have is included in some of that? **Ms. Jonscher** said that's part of that. **Chairman Burroughs** said gotcha. I think it's important for the public to see that when they see that kind of cash equivalent sitting there and wondering why we're not lowering taxes or wonder why we're sitting on so much cash and not utilizing it the way they expect it should be used. But thank you for that. **Ms. Jonscher** said I think the last graph, that just shows how all the funds are broken up into the—all the money is broken up into the different funds.

Chairman Burroughs asked, any questions, comments? Seeing none. As I stated, that was for information only also. Thank you, Andrea and Becky. Appreciate that very much.

Action: For information only.

Item No. 6 – 211792….REPORT: 2022 FIRST QTR BUDGET REVISIONS GREATER THAN $10K

Synopsis: 2022 First Quarter budget revisions greater than $10K Report, submitted by Reginald Lindsey, Budget Manager.

Chairman Burroughs said I believe Mr. Lindsey will be making this presentation this evening.

Reginald Lindsey, Budget Manager, said quarterly, we bring forward departments' requests to move $10K or more. If departments are moving more than $50K and it's an emergency, it has to go to the County Administrator and also the Mayor. If it's just over $10K, it goes to the County Administrator. If it's something over $50K and it's not an emergency, it comes to this standing committee and then moves on to the full Commission to discuss.

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

ENTRY	FUND	DEPARTMENT	CIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	City/County General	Various	Operating	Software Maintenance	Inside Department	$47,600	February 22, 2022
2	County General	Sheriff	Operating	Camera System Replacement	Inside Department	$110,000	March 22, 2022
				GRAND TOTAL		$167,600	

This quarter we have two budget revisions. One is for various departments. It is for a software maintenance and purchase related to managing our vacant properties. What it does is it allows us to manage those vacant properties across multiple departments and that includes Delinquent Revenue, Planning, Land Bank, and the Police departments, and also Planning.

That budget revision was for $47K. It was done within existing funds. There were no funds that had to be pulled from contingencies or anything.

The next budget revision was for the Sheriff's Department. It was for a camera system that was down. For replacement of the camera system, that was $110K. It came from within the Sheriff Department's budget.

Chairman Burroughs said thank you. Any questions, comments? Any hands, staff? **Ms. Sparks** said no hands are raised. **Chairman Burroughs** said seeing none, okay. Thank you. Again, this was for information only.

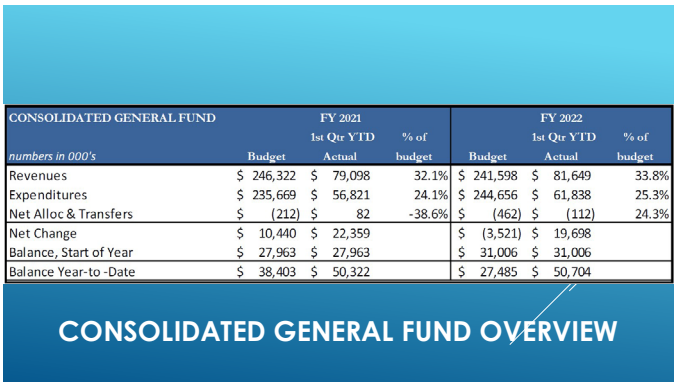
Action: For information only.

Item No. 7 – 211793…REPORT: 2022 FIRST QTR BUDGET TO ACTUALS

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

Chairman Burroughs said, Reggie, I believe you have the privilege at this time to present again.

Debbie Jonscher, Deputy Chief Financial Officer, said I'll go ahead and start this one. This is our Quarter1 2022 Budget-to-Actual Financial Report. I'll do the revenues and Reginald Lindsey, our Budget Director, is going to talk about the expenses.

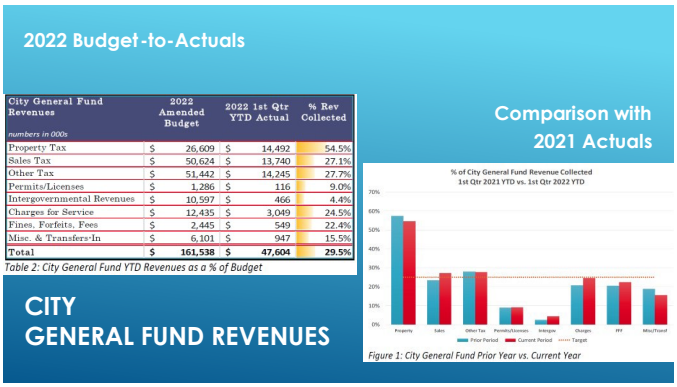


CONSOLIDATED GENERAL FUND	FY 2021			FY 2022		
numbers in 000's	Budget	1st Qtr YTD Actual	% of budget	Budget	1st Qtr YTD Actual	% of budget
Revenues	$ 246,322	$ 79,098	32.1%	$ 241,598	$ 81,649	33.8%
Expenditures	$ 235,669	$ 56,821	24.1%	$ 244,656	$ 61,838	25.3%
Net Alloc & Transfers	$ (212)	$ 82	-38.6%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

I'll just start out. We're just looking at the Consolidated General Fund. Just to note, the General Fund is the primary operating fund and accounts for the majority of the operating expenses for the Unified Government. The consolidated does include the three General Funds, which are: City County, and the Parks & Recreation.

This first one is just a comparison of First Quarter 2022 with First Quarter 2021. For 2022, you can see we are at—revenues are at 33.8% of budget. Expenditures are at 25.3%. Net allocations and transfers, that's the transfers in and out, are netted together, are at 24.3%.

I'll just note the change in fund balance for the first quarter is currently 19.6. It starts—the balance at the beginning of the year was $31M and year-to-date it is $50.7M. We'll just note that revenues are 1% higher than the prior year as a percentage of budget. I did want to note that the budget does include the revenue loss reimbursement funds through the ARPA funding.



Next we're going to look at the City General funds. The first graph up there just shows all the General Fund revenues. As you can see, the total down at the bottom for all revenues is 29.5%. With the quarter, you would expect to see 25%, however, in some of the categories we do receive more than just one quarter of revenue budgeted. For instance, property tax. With the first quarter distribution that occurs in January, we typically receive about half of the property tax revenue for the year. In the second quarter, it's usually up close to somewhere between 90-100%.

As you can see, property tax is at 54.5%. Sales tax is at 27.1%, so we're a little higher for the quarter than what we budgeted. Other tax which includes the BPU PILOT, franchise fees, and delinquent taxes we're at 27.7%. Charges for service, we're at 24.5%. The largest one there would be the trash collection fees. Then we have fines at 22.4% and miscellaneous at 15.5%.

The second graph on there is just a comparison of 2021 actuals. The blue is the prior period, and the red is the current period. It just shows you, we've got on here General Fund revenue, each one of the categories kind of showing the comparison in a graph form.

Chairman Burroughs said, Debbie, if I may. Even though it's first quarter, we see 54% of the property tax. Second quarter, if we do have second quarter reports, that's not going to change a whole lot unless the delinquency factor comes into play.

Ms. Jonscher said in the second quarter—for the second half, payment occurs in May so usually by the end of the second quarter, we've collected between 90-100% of the property tax revenue. Any remaining we have, I think, two more distributions after that usually just pick up any delinquent collections.

Chairman Burroughs said great. Thank you. You got right to the point that I was wanting to discuss. May I ask why we don't—how long does it take to get the 2022 Second Quarter Report?

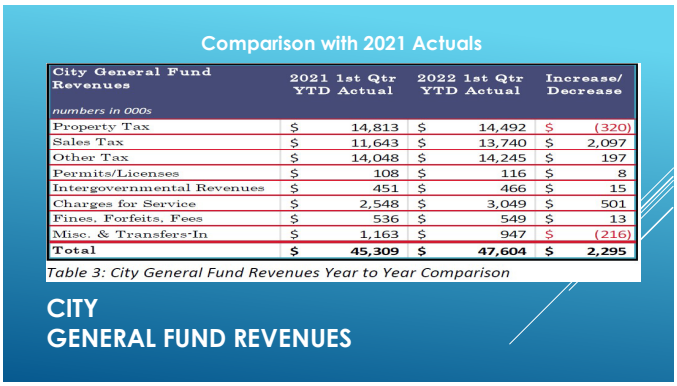
Here we are into the—we're past the second quarter. I know we had issues with our system, but do we usually wait a full quarter to go back…

Ms. Jonscher said no. We're usually, usually we present once the first quarter ends, we're presenting somewhere in the second quarter. So, yes, we are behind and that was due to not being able to access all of our numbers due to the cyberattack, so we are a little behind. I would expect that we would probably be bringing back the second quarter here in the next…**Mr. Lindsey** said probably within the next month or so possibly. **Ms. Jonscher** said if it's not August, it could be September at the latest.

Chairman Burroughs said I was hoping that we'd have some updated numbers so as we start the budget process, or while we're in the budget process, to look at what kind of revenue we're getting from our property tax, sales tax because I do believe our sales tax will probably outperform again like it did last year and the same with the other tax. So, just curious. I do know that we were running blind here for six weeks and that put us behind. Thank you for that.

Commissioner Davis said I just need some clarity. What are the two rough times of the year where normally you would receive 90%, right, or near 100% property tax collection? What are the periods of the year as to which we are expecting to receive property tax payments?

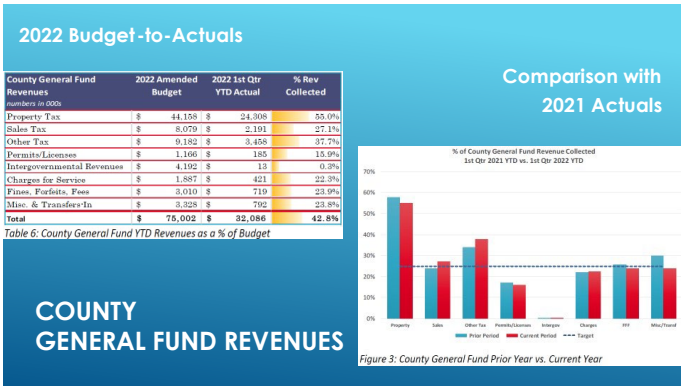
Ms. Jonscher said the two largest collections, or our distributions, are January. We collect the first half payment is due in December and then that gets distributed to all the taxing entities in January. So, the first quarter is the first half payment. The second half payment occurs in May and so that's distributed in June. So, by the end of June, we've usually received 90% or more of the property tax revenue. **Commissioner Davis** said okay. Thank you.



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

Table 3: City General Fund Revenues Year to Year Comparison

Ms. Jonscher said this last graph for the City General Fund is just a comparison of First Quarter 2021 and 2022 and just showing the comparison. The far right column is just the increase or decrease compared with last year for the same period. You can see overall we're about $2.2M higher in collections than we were for the first quarter of 2021.



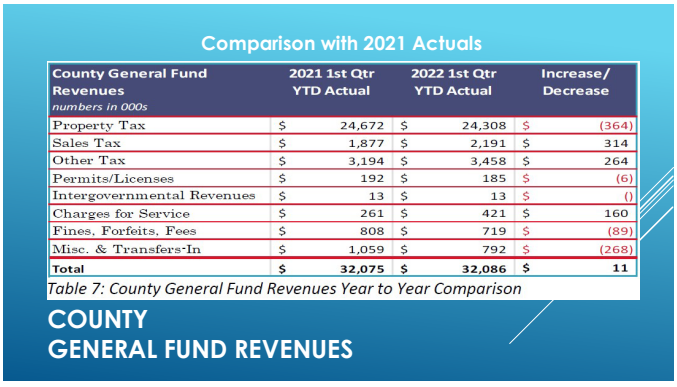
County General Fund Revenues *numbers in 000s*	2022 Amended Budget	2022 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 44,158	$ 24,308	55.0%
Sales Tax	$ 8,079	$ 2,191	27.1%
Other Tax	$ 9,182	$ 3,458	37.7%
Permits/Licenses	$ 1,166	$ 185	15.9%
Intergovernmental Revenues	$ 4,192	$ 13	0.3%
Charges for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

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

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

Next we'll cover the County General Fund. Same thing on the property tax. As you can see, we're at about 55%. Property tax, this would be the same collection as the city. Those are distributed at the same time. Sales tax, again, is at 27.1%. Other taxes, which would include motor vehicle taxes and delinquent taxes, is at 37.7%. Charges for service is at 22%. That could include items like the jail fee that's paid from the city to the county for the use of the jail, parking fees. Fines and forfeits are at about 23.9%, and miscellaneous is 23.8%. So, the total revenue collection to date for the first quarter for the County General Fund is 42.8%.

The next graph, again, is just showing in graph form a comparison of First Quarter 2021 year to date versus First Quarter 2022.

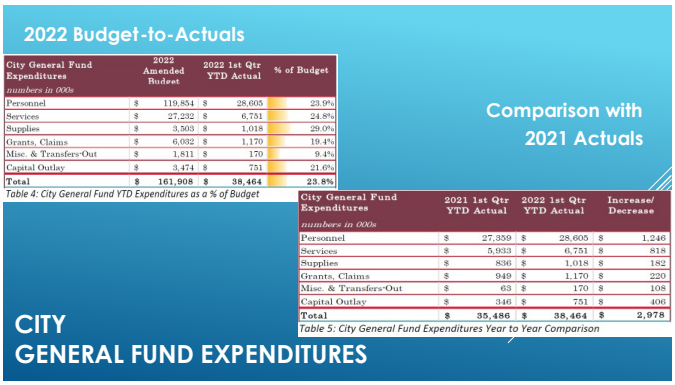


County General Fund Revenues *numbers in 000s*	2021 1st Qtr YTD Actual	2022 1st Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 24,672	$ 24,308	$ (364)
Sales Tax	$ 1,877	$ 2,191	$ 314
Other Tax	$ 3,194	$ 3,458	$ 264
Permits/Licenses	$ 192	$ 185	$ (6)
Intergovernmental Revenues	$ 13	$ 13	$ ()
Charges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

Table 7: County General Fund Revenues Year to Year Comparison

The last one is just showing the comparison of 2021 and 2022 and the increase or decrease in each one of the categories. We are about even with where we were in the first quarter of 2021 on the County General Fund.

Now I'm going to turn it over to Reginald Lindsay, our Budget Director, to talk about expenditures.



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

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

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

Table 5: City General Fund Expenditures Year to Year Comparison

Reginald Lindsay, Budget Director, said we have two different views here for the City General Fund expenditures. What we're doing is comparing budget to actuals for the second quarter. At the top left-hand of the page and then at the bottom right-hand side of the page, we're comparing 2022 First Quarter actuals to 2021 year-to-date actuals.

If we look at the first chart at the top, we have the financials. We've got six different categories that we're looking at for expenditures. We have personnel, services, supplies, grants & claims, miscellaneous & transfers, and capital outlay. One thing we can see there is we have a $161M budget for the 2022 Amended Budget. Personnel is $119M and that's like 74% of that budget. Kind of give you a comparison to last year's budget, personnel's budget was like $110M, so we're looking at almost a $10M increase over last year's personnel budget.

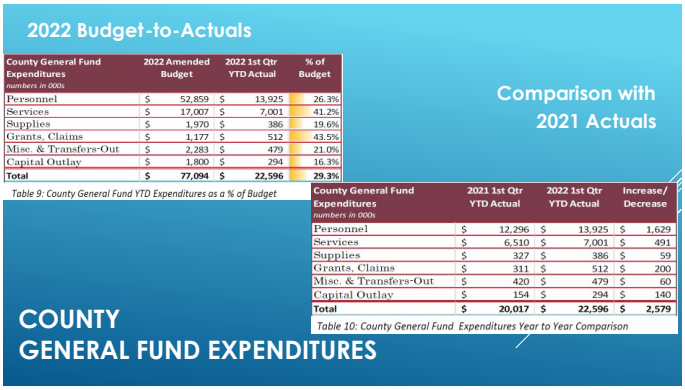
Also, if we look at the 2022 First Quarter year-to-date actuals, we spent like $28M of that $119M. We got 23% left. So, some of the things that's in that personnel budget is we've got salaries, payouts for when someone leaves the organization whether its retiring or going to work someplace else. Then also we have like pension costs, also benefits, and overtime.

The next category is services. We can see we've got a $27M budget there. We have spent $6.7M so far this year. We see almost 25% of the budget. Some of the things here in services are our transit contract, which is one of the bigger contracts here, also trash contract, software maintenance and software purchases, and also legal costs.

Then we have the next category being supplies. You see we've got a $3.5M budget there. So far we've spent like $1M. We like have 29% of that budget is already spent. One of the key things that we're looking for here are, we want to try to keep expenditures at this point in time of the year, under 25%. You can see this one's at 29%. Some of the things that are spent here are utilities, fuel, vehicle parts, and maintenance. One of the reasons that we are kind of about 4% over the 25% ideal spend rate is because this is where we pay for natural gas and natural gas costs have gone up and also fuel has gone up and also vehicle parts have gone up, so that's one of the reasons that budget is a little over. That's one of the reasons why supplies is a little bit more than 25% spent rate that we look to have.

Just kind of give you an idea, out of these categories, so far we've spent $38M year-to-date in the 2022 Budget. Personnel is spending at about 74% of that total $38M. Services are about 17%. Supplies are running about 3%. All in all, we are tracking where we expected the budget to be for year-to-date budget-to-actuals for 2022.

If we go down and we compare in the right-hand corner at the bottom, if we compare 2021 to 2022, personnel is about 5.5% up from our spending last year. If we look at services, it's about 14% up. Also, our supplies, we actually have a 22% increase and that's due to just the cost of things going up compared to last year. Grants and claims were up about 23%. Capital outlay is up 117%. One of the reasons capital outlay is up is because last year we had a larger budget or this year we have a larger budget in capital outlay where we got a $3.4M budget for 2022. In 2021, we had a $1.4M budget.



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

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

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

Table 10: County General Fund Expenditures Year to Year Comparison

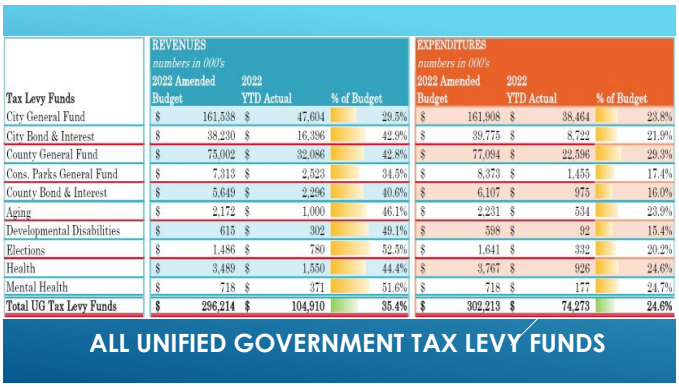
Moving on to the County General Fund. They're the same setup with financials. The top left-hand side of the page, we have a view of the budget where we can see how much we spent compared to the budget for 2022. At the bottom right-hand of the page, we have financials where

we compare year-over-year expenditures. We can see in the County General Fund expenditures, we've got a $52M budget for personnel. Just kind of give you where our budget was last year, it was a $48M budget. So, we're looking at about a $5M more budget in personnel expenditure budget for 2022 over 2021.

Looking at the spend rate, we can see we have about 26% of the budget spent in personnel. Ideally, we'd like to be under 25% at the end of the third quarter, so we are a little bit over. Again, some of the things paid from personnel are salaries, pensions, payouts, and overtime.

Then, if we go down and look at services, we can see we have spent $7M. With supplies, we have spent like $386K and we've got like a $1.9M budget. 19% of it has been spent. With capital outlay, we have spent like 16.3% of the budget. We've got like a $1.8M budget. We spent like $294K. Just kind of looking into 2022 First Quarter year-to-date to actuals, just for the total, we have spent $22M out of a $77M budget. That's about 29.3%.

I'll just kind of give you an idea, we are tracking where out of this personnel portion of this budget, has spent 61% of this total $22M budget. In services, it's about $32M of it. As we go down and look at the right-hand corner where we're comparing actuals for 2021 to 2022 actuals, we can see that expenditures have increased in personnel. They're up about 13%. Services are up about 8% over last year. Supplies are up about 18%. Grants and claims are up over 65%. Miscellaneous transfers out, 14%. Capital outlay is up about 91%. One of the reasons is because departments are trying to purchase capital equipment in the capital—over in the County General Fund. We're having problems getting vehicles, so we started our vehicle and equipment purchases earlier this year, so that's one of the reasons the spending is up for capital outlay in 2022 versus 2021. The budgets were kind of similar. That is the reason we're up.



Tax Levy Funds	REVENUES numbers in 000's 2022 Amended Budget	2022 YTD Actual	% of Budget	EXPENDITURES numbers in 000's 2022 Amended Budget	2022 YTD Actual	% of Budget
City General Fund	$ 161,538	$ 47,604	29.5%	$ 161,908	$ 38,464	23.8%
City Bond & Interest	$ 38,230	$ 16,396	42.9%	$ 39,775	$ 8,722	21.9%
County General Fund	$ 75,002	$ 32,086	42.8%	$ 77,094	$ 22,596	29.3%
Cons. Parks General Fund	$ 7,313	$ 2,523	34.5%	$ 8,373	$ 1,455	17.4%
County Bond & Interest	$ 5,649	$ 2,296	40.6%	$ 6,107	$ 975	16.0%
Aging	$ 2,172	$ 1,000	46.1%	$ 2,231	$ 534	23.9%
Developmental Disabilities	$ 615	$ 302	49.1%	$ 598	$ 92	15.4%
Elections	$ 1,486	$ 780	52.5%	$ 1,641	$ 332	20.2%
Health	$ 3,489	$ 1,550	44.4%	$ 3,767	$ 926	24.6%
Mental Health	$ 718	$ 371	51.6%	$ 718	$ 177	24.7%
Total UG Tax Levy Funds	$ 296,214	$ 104,910	35.4%	$ 302,213	$ 74,273	24.6%

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

This current slide is a snapshot of the ten tax levy funds that includes the City and the County General funds. We have revenues on the left-hand side and expenditures on the right-hand side. One of the key things that we look to have on the revenues, we're looking to have like 25% of the revenue come in. If we have that amount, we show we're tracking well. On the expenditure side, looking to have like 25%--have only spent 25% or less in the expenditures.

One of the things we can see on the revenues, you can see most of the funds have had more than 25% of the revenues coming in. On the expenditure side, we can see all the funds are below 25%. This ideally is where we would like to be.

Other Funds	2022 Amended Budget	2022 YTD Actual	% of Budget	2023 Amended Budget	2022 YTD Actual	% of Budget
Alcohol	$ 696	$ 156	22.4%	$ 946	$ 136	14.4%
Clerk Technology	$ 60	$ 13	21.9%	$ 83	$ 13	15.9%
Court Trustee	$ 478	$ 107	22.4%	$ 678	$ 134	19.7%
Dedicated Sales Tax	$ 12,108	$ 3,091	25.5%	$ 15,998	$ 1,356	8.5%
Emergency Medical Services	$ 12,928	$ 3,145	24.3%	$ 14,376	$ 3,054	21.2%
Environmental Trust	$ 1,212	$ 289	23.8%	$ 1,245	$ 252	20.2%
Jail Commissary	$ 62	$ 13	20.7%	$ 100	$ 7	6.9%
Parks & Recreation	$ 696	$ 156	22.4%	$ 822	$ 63	7.7%
Public Levee	$ 376	$ 76	20.1%	$ 394	$ 82	20.8%
Register of Deeds Technology	$ 220	$ 53	23.9%	$ 160	$ 4	2.7%
Sewer System	$ 47,202	$ 11,381	24.1%	$ 48,216	$ 12,955	26.9%
Special Assets	$ -	$ -	-	$ 850	$ -	0.0%
Stadium	$ 695	$ 22	3.1%	$ 860	$ 31	3.6%
Stormwater	$ 5,764	$ 1,029	17.9%	$ 6,100	$ 1,279	21.0%
Street & Highway	$ 8,148	$ 1,738	21.3%	$ 9,606	$ 1,583	16.5%
Sunflower Hills Golf Course	$ 897	$ 84	9.3%	$ 932	$ 386	41.5%
Travel & Tourism	$ 3,854	$ 957	24.8%	$ 5,081	$ 429	8.4%
Treasury Technology	$ 60	$ 13	21.9%	$ 85	$ 21	24.6%
Wyandotte County 911	$ 955	$ 235	24.6%	$ 969	$ 113	11.8%
Total Other Funds	**$ 96,412**	**$ 22,557**	**23.4%**	**$ 107,490**	**$ 21,868**	**20.3%**
Total Funds	**$ 392,625**	**$ 127,467**	**32.5%**	**$ 409,702**	**$ 96,141**	**23.5%**
County Library	$ 3,572	$ 1,964	55.0%	$ 3,926	$ 1,964	50.0%
Total ALL Funds	**$ 396,198**	**$ 129,431**	**32.7%**	**$ 413,628**	**$ 98,106**	**23.7%**

This next slide, what we're doing is comparing 19 other funds that we have, which consist of Special Revenue funds and also our Enterprise Fund. They also include the County Library Fund, which is at the bottom. This is a non-UG fund, but it s a tax levy. We don't have any control over the spending there. These financials are set up where we have the revenues on the left-hand side of the page and the expenditures on the right-hand side of the page. Ideally, what we're looking for is the revenues to be over 25% at this point in time of the year when we ended the first quarter. And then with expenditures, we're looking to be below 25%.

As we can see, looking at the revenues, there are a good amount of revenues that have not reached 25% yet. This is because of the lag in some of the tax revenue being recognized. Also, on the expenditure side, we can see that we are under the 25% in most of the funds. We do have a couple of the funds—Sunflower Hills, they have spent 41% of their budget. One of the things they tried to do there is get ready for the upcoming golf season, so they spend a lot of their money upfront. Also, sewer system, it's about 1% over the 25%.

That concludes what Deb and I wanted to present. Are there any questions?

Chairman Burroughs said I think in short order if someone was to glance at these bottom numbers, some of them were 9 basis points under revenue. We're keeping our expenditures below the 25% in the majority of the expenditures column, and our revenue is exceeding expenditures at this time. We're only at the first quarter end. Second quarter will give us a better reflection as we requested earlier in the meeting. That's what I would come away with from looking at these figures with an aggregate amount. Would that be a fair statement? **Mr. Lindsey** said yes, that is.

Chairman Burroughs said thank you. Any other questions or comments, committee? Seeing none, as I stated, this was for information only. If there's no other questions or comments, I believe that concludes our Economic Development and Finance Standing Committee.

Action: **For information only.**

Public Agenda

No items

ADJOURN

Chairman Burroughs said at this time, I would entertain a motion and a second to adjourn.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis, to adjourn.**

Chairman Burroughs said we do have a motion and a second to adjourn. I would ask the Clerk to please call roll.

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

The meeting was adjourned at 7:32 p.m.

cg

Staff Request for Commission Action

Tracking No. 212322

Full Commission Meeting Date:
Committee: Economic Development & Finance

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

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
03/06/2023	Debbie Jonscher	x5847	djonscher@wycokck.org	Finance

Item Description:
A resolution authorizing the Unified Government to amend its Master Equipment Lease Purchase Agreement with Bank of America Corp, submitted by Debbie Jonscher, Acting Chief Financial Officer.

Action Requested:

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

Attachments List:
Resolution authorizing Amendment No. 2 to Master Lease 2021 (002), 2023 Amendment #2 Final, 2023 LF Schedule for amendment

RESOLUTION NO. R-__-23

RESOLUTION AUTHORIZING THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO AMEND ITS MASTER EQUIPMENT LEASE PURCHASE AGREEMENT WITH BANC OF AMERICA PUBLIC CAPITAL CORP, THE PROCEEDS OF WHICH WILL BE USED TO PAY THE COSTS OF ACQUIRING AND INSTALLING CERTAIN EQUIPMENT.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") desires to obtain funds to pay the costs of acquiring and installing some or all of the equipment identified on **Annex I** attached hereto (the "Equipment"); and

WHEREAS, in order to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the Unified Government, to amend its annually renewable Master Equipment Lease Purchase Agreement (the "Lease") with Banc of America Public Capital Corp (the "Lessor"), dated as of March 11, 2021, to extend the Origination Period (as defined in the Lease);

WHEREAS, the Amendment (as defined herein) further amends the tax-exempt pricing formula table as set forth in Section 3.04 of the Lease.

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

Section 1. Authorization of Lease Amendment. The acting County Administrator of the Unified Government of Wyandotte County/Kansas City, Kansas is hereby authorized to execute Amendment Number 2 to the Lease (the "Amendment"), attached in substantially the form of **Exhibit A** hereto, and take all other necessary action to amend the Lease.

Section 2. Authorization of Lease Transaction. The Unified Government states its intent to lease pursuant to the Lease and pursuant to separate Schedules of Equipment (the "Schedules") some or all of the Equipment in a maximum principal amount of $6,000,000. The Unified Government expects to make capital expenditures after the date of this Resolution in connection with the purchase of the Equipment, and the Unified Government intends to reimburse itself for such expenditures with the proceeds of the Lease.

Section 3. Authorization and Approval of Unified Government Documents. The Amendment is hereby approved in substantially the form submitted to and reviewed by the Board of Commissioners on the date hereof, with such changes therein as are approved by the acting County Administrator, the acting County Administrator's execution of the Amendment being conclusive evidence of such approval.

The obligation of the Unified Government to pay Rental Payments (as defined in the Lease) under the Lease and any Schedules is subject to annual appropriation and will constitute a current expense of the Unified Government and will not in any way be construed to be an indebtedness or liability of the Unified Government in contravention of any applicable constitutional, charter or statutory limitation or requirement concerning the creation of indebtedness or liability by the Unified Government, nor will anything contained in the Lease or any Schedule constitute a pledge of the general tax revenues, funds or moneys of the Unified

Government, and all provisions of the Lease and any Schedule will be construed so as to give effect to such intent.

The acting County Administrator is hereby authorized and directed to execute and deliver any Schedules on behalf of and as the act and deed of the Unified Government.

Section 4. Further Authority. The Unified Government will, and the officials and agents of the Unified Government are hereby authorized and directed to, take such actions, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the Unified Government with respect to the Lease, any Schedules and the Equipment.

Section 5. Effective Date. This Resolution will take effect and be in full force from and after its passage by the Board of Commissioners.

ADOPTED by the Board of Commissioners of the Unified Government of Wyandotte County, Kansas City, Kansas, this ___ day of April, 2023.

_____
Mayor/CEO

ATTEST:

_____
Unified Government Clerk

APPROVED AS TO FORM:

_____
Office of Chief Counsel

Exhibit A

Bank of America

Amendment Number 2
to Master Equipment Lease Purchase
Agreement dated as of March 11, 2021

This Amendment Number *2* made this 13th day of April, 2023 to the Master Equipment Lease Purchase Agreement dated March 11, 2021 ("Agreement") between Banc of America Public Capital Corp ("Lessor") and the Unified Government of Wyandotte County/Kansas City, Kansas ("Lessee")

W I T N E S S E T H:

WHEREAS, Lessor and Lessee are parties to the Agreement; and

WHEREAS, Lessor and Lessee desire to amend certain provisions of the Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual obligations hereinafter contained, and for other good and valuable consideration, the receipt whereof is hereby acknowledged, the parties hereto agree as follows:

1. Section 1.01 "Origination Period": is amended by deleting the reference to December 31, 2022, and replacing it with December 31, 2023.

2. Section 3.04 "Conditions to Lessor's Performance Under Schedules" shall be amended by deleting the fourth paragraph, including the pricing formula, in its entirety and replacing it with the following:

The interest rate component of each Schedule will be determined and fixed on a date no more than eight (8) business days prior to funding and will be based upon Secured Overnight Financing Rate ("SOFR") interest rate swaps as published at 8:30 a.m. Eastern time on that date on the applicable Refinitiv Swaps Index screen page (or such other commercially available source providing such quotations as may be selected by Lessor from time to time). In no event shall the interest rate swap used to calculate the interest rate be less than zero (0). Unless otherwise agreed to by the parties and authorized by Lessee's governing body the tax-exempt interest rate shall be determined by multiplying the appropriate interest rate swap by 79% and adding the appropriate Fixed Spread to that product as outlined in the following formula:

Lease Term	Interest Rate Swap Term	x Multiplier	+Fixed Spread
3 years	2 years	79.00%	0.891%
4 years	2 years	79.00%	0.948%
5 years	3 years	79.00%	0.977%
6 years	3 years	79.00%	1.029%
7 years	4 years	79.00%	1.065%
8 years	4 years	79.00%	1.132%
9 years	5 years	79.00%	1.149%
10 years	5 years	79.00%	1.227%

Day count is based on 30/360 interest convention.

Should SOFR interest rate swaps cease to exist, the parties may mutually agree to use alternative interest rate swaps.

3. It is the intention of Lessor and Lessee that, upon execution, this Amendment shall constitute a part of the Agreement. Except as amended hereby, the Agreement shall remain in full force and effect and is in all respects hereby ratified and affirmed. To the extent that the provisions of this Amendment conflict with the provisions of the Agreement, the provisions of this Amendment shall control. Capitalized terms not otherwise defined herein shall have the meanings ascribed them in the Agreement.

IN WITNESS WHEREOF, the parties hereunto have caused this instrument to be executed by their duly authorized officers as of the day and year first above written.

Banc of America Public Capital Corp (Lessor)

By:_____

Printed Name: _____

Title: _____

Unified Government of Wyandotte County/Kansas City, Kansas (Lessee)

By:_____

Printed Name: _____

Title: _____

Annex 1 - 2022-2023 Unified Government Lease Financed Equipment Projects

CMIP Project #	Item/Project	Term (yrs)	Rate*	Principal**	Interest***	Annual Pmt****	Service, Maintenance
2022 Equipment (not financed)							
Street	Salt Spreaders	7		337,500	13,707	351,207	0
	Dump Trucks	7		875,000	35,538	910,538	0
Parks-SFHGC-565	Rough Mower	5		122,500	5,126	127,626	0
2023 Equipment							
Fire- 212	Aerial/Quint	10		1,300,000	53,324	1,353,324	0
	Pumper	10		860,000	35,276	895,276	0
	Pumper	10		1,001,250	41,069	1,042,319	0
Public Works- 220	Spray Patcher	7		294,000	11,941	305,941	0
	Hotbox Pothole Patcher	7		245,000	9,951	254,951	0
	Street Sweeper	7		252,000	10,235	262,235	0
Contingency	Other			712,750		712,750	0
		Total	**$**	**6,000,000**			

* Interest is estimated, based on a formula agreed to in Master Lease Amendment #2. Estimated rates as of February 7, 2023:
5 year: 4.814 %
7 year: 4.061 %
10 year: 4.102 %

** Principal column is the estimated total purchase price without interest if paid for by cash.
*** Interest column is the annual interest amount using estimated rates.
**** Estimated

Staff Request for Commission Action

Tracking No. 212339

Full Commission Meeting Date:
Committee: Economic Development & Finance

Date of Standing Committee Action: 4/3/23
(If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
03/22/2023	Patrick Waters	x5079	patrickwaters@wycokck.org	Economic Development

Item Description:
Presentation on potential mixed-use development by Mt. Carmel Redevelopment Corporation, submitted by Patrick Waters, Deputy Chief Counsel.

Action Requested:
For Information Only

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

Attachments List:

Staff Request for Commission Action

Tracking No. 212207

Full Commission Meeting Date:
Committee: Economic Development & Finance

Date of Standing Committee Action: 4/3/23
(If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
04/03/2023	Patrick Waters	x5079	patrickwaters@wycokck.org	Legal

Item Description:
Presentation of proposed options for a Downtown Campus Project proposed by Lanier United, LLC, submitted by Patrick Waters, Acting Chief Counsel.

- 3/31/23 Executive Summary of Proposed Amended and Restated Downtown Campus Development Agreement
- Amended and Restated Downtown Campus Development Agreement

Action Requested:
Approve

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

Attachments List:
Amended and Restated Lanier DA Executive Summary (2023), Amended and Restated Downtown Campus Development Agreement

3/31/23 EXECUTIVE SUMMARYOF PROPOSED AMENDED AND RESTATED DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT

1. **Parties**. The UG and Lanier United, LLC, a Kansas limited liability company ("Developer").

2. **The Project Site**. The Project Site includes the Reardon Center and adjacent property to the east of Reardon Center (510 and 520 Minnesota Avenue) (the "Reardon Center Site"). The Reardon Center Site is already in a community improvement district ("CID") that imposed a 2% sales tax (the "CID Sales Tax") beginning October 1, 2013 in order to pay for or reimburse the costs of improvements to the Reardon Center, the Hilton Garden Inn adjacent to the Reardon Center, and an adjacent parking garage.

3. **Nature of Amended and Restated Agreement**. The Downtown Campus Development Agreement (the "Development Agreement") was amended four times before the project stalled in early 2022. Developer is now proposing certain changes to update the Project and the financing. This document will summarize the proposed deal between the UG and Developer, with language *in italics* to highlight changes from the original Development Agreement (as amended).

4. **The Project**. The Project is to be designed, constructed and developed as a first-class mixed use development consisting of the following components:

(a) approximately 90,000-110,000 s.f. of residential housing, commercial and service-based amenities, and upgraded conference facilities consisting of the following improvements on the Reardon Center Site:

(i) a 4-5 story mixed-use retail and residential building with *approximately 7,000 s.f.* of first-floor retail and commercial space (the "Commercial Space") and *85-100 market-rate apartment units*, including 5 units reserved for "workforce" housing tenants who earn less than 70% of the Kansas City, Kansas household median income, above the Retail Space (the "Multi-Family Space"). ***Proposed Changes****: the proposed amendments include an increase in apartment units from a range of 75-85 units up to 85-100 units and a removal of a 6,000 s.f. fitness center concept from the 7,000 s.f. of Commercial Space. There is also a new provision that clarifies that the "workforce" units will be of the same quality and character as the other market-rate units in the Multi-Family Space.*

(ii) no less than 7,500 s.f. feet of first-class multi-purpose meeting space with capacity to seat 325 people for community events and programs (the "Reardon Center"); and

(b) ***Proposed Change – Removal of Athletic Fields Concept****. The prior agreement included an approximately 38,000 s.f. of recreational athletic field space with new turf, fencing, concessions, and bleachers to accommodate approximately 50 spectators for a variety of sports events (the "Athletic Field"). Developer no longer has a relationship with its management partner that wanted to operate the Athletic Field and there is another contemplated use for the property by a different entity.*

5. **Transfer of Project Site to Developer**. The UG owns the Project Site and will convey title to the portion of the Reardon Center Site needed for construction of the Multi-Family Space and Commercial Site Space (the "Multi-Family Site") to Developer. The UG will ground lease

(i) the portion of the Reardon Center Site needed for construction of the Reardon Center to Developer for 50 years (the "Reardon Center Ground Lease"). The Reardon Center Ground Lease will provide for UG access to the Reardon Center for at least 10 events per year, and scheduling for additional UG events at 50% of standard rental fees. The Ground Lease will be cross-defaulted with the Development Agreement. In exchange for the UG's use of the Reardon Center, the Agreement will provide for a one-time contribution of $1,000,000 from the Reardon Center Maintenance Fund to pay for hard construction costs for the Reardon Center (the "UG Contribution").

6. **Timing**. Depending on when the UG might approve an Amended and Restated Development Agreement, *Developer would have a final 270-day contingency period. If Developer failed to obtain private financing, satisfy or waive its other conditions and close within this period, the Development Agreement would automatically terminate*. Developer is required to close and commence construction on each component of the Project 60 days after closing on acquisition of the Multi-Family Site and the execution and delivery of the Reardon Center Ground Lease. Developer will complete the Project 18 months after the commencement of construction. If Developer fails to timely commence and complete the Multi-Family Space and Commercial Space, the UG will have a reversionary interest in the Multi-Family Site. ***Proposed Changes****: These are essentially the same time frames that "float" depending on when the UG would approve a new agreement and when we close. The concept of "automatic termination" after this final 270 day conditions period is new*.

7. **Incentive Financing Provided**. In addition to contributing the Multi-Family Site and Reardon Center Ground Lease, the UG is offering the following incentives to stimulate the development of the Project:

(a) CID Sales Tax. The Agreement will provide that the proceeds from the CID Sales Tax may be used for pay-as-you-go financing (no bonds) to Developer following reimbursement of all of the Public Infrastructure Costs to the UG. The CID financing is only for use on demolition and site improvement and hard construction costs within the CID. The CID would be limited in the following ways:

(i) the maximum amount of CID reimbursements to Developer would be capped at *$3,337,000* (the "CID Cap"); ***Proposed Change****: This increases the CID Cap from $3,020,515 to $3,337,000.*

(ii) the CID collection period ends on the earlier of the date that Developer has been reimbursed for all CID eligible expenses in an amount equal to the CID Cap or September 30, 2035; and

(iii) reimbursement would be paid on a 50/50 basis between private funds and the available incentive proceeds to ensure that at all times, the UG will not have paid more CID proceeds to Developer than the amount of project costs paid by private funds. ***Proposed Change****: there is a new proposed exception to this for $884,207 of "Pursuit Costs" as described in Section 8 below.*

(b) Tax Increment Financing ("TIF") District. The Agreement will provide for formation of a TIF District that encompasses all of the Project Site, as well as the BPU parking garage and right-of-way along 6th Street and State Avenue connecting the Athletic Field Site to the Reardon Center Site and Multi-Family Site. Following reimbursement to the UG for all of the Public Infrastructure Costs, Developer will be reimbursed on a pay-as-you-go basis (no bonds) with (x) *85% of the incremental real property taxes* from the TIF District for the 20-year life of the TIF, and (y) incremental sales taxes from within the TIF District. The TIF financing is only for use on demolition and site improvement and hard construction costs within the TIF District. ***Proposed Change****: the prior Development Agreement had a more complex structure for sharing incremental real property taxes, which evolved over the life of the TIF as follows: (x) 100% of incremental real property taxes from the TIF District for the first 12 years of the TIF collection period and then decreasing by 10% each year thereafter (i.e., 90% in year 13, 80% in year 14, and so on, with 20% in year 20).* TIF financing would also be limited in the following ways:

(i) the maximum amount of TIF reimbursements to Developer is capped at *$4,250,000* (the "TIF Cap"); ***Proposed Change****: this is an increase in the TIF Cap from $3,054,758 to $4,250,000*; and

(ii) the TIF collection period ends on the earlier of the date that Developer has been reimbursed for all TIF eligible expenses in an amount equal to the TIF Cap or 20 years from the date that the Commission approves the TIF project plan; and

(iii) reimbursement would be paid on a 50/50 basis between private funds and the available incentive proceeds to ensure that at all times, the UG will not have paid more TIF proceeds to Developer than the amount of project costs paid by private funds.

(c) Transient Guest Tax ("TGT Grant"). The Agreement will provide for the UG to use its home rule authority to grant $1,000,000 of the UG's transient guest taxes generated within the CID to be used to reimburse Developer on a pay-as-you-go basis for demolition and site improvement and hard construction costs for the Reardon Center.

(d) Industrial Revenue Bonds ("IRBs"). The Agreement will provide for IRB financing for Developer to obtain an exemption on sales taxes for construction materials, equipment and furnishings for the Project, but not for abatement of ad valorem property taxes.

8. ***Pursuit Costs****. This provision is represents a* ***Proposed Change****. Developer had previously invested $884,207 in "Pursuit Costs" to design, pre-develop and structure financing for this project before it stalled a year ago. He has carried these costs and is now requesting that the UG allow him to recover those on a similar, but more specific schedule than previously articulated in the earlier versions of the Development Agreement. Specifically, he now asks that the UG reimburse him for (i) 37% of his Pursuit Costs ($325,000) after all of the conditions are satisfied and he closes on the Reardon Center Site, (ii) an additional 37% of his Pursuit Costs ($325,000) after he gets 4 months into his construction cycle for the Project, and (iii) the balance ($234,207 – the remaining 26%) after he gets 8 months into his construction cycle. All of these reimbursements would (a) come from existing CID proceeds that we have previously collected and are currently holding, and (b) be included in (and "count against") the CID Cap described above.*

9. **Term/Use and Operation**. The term of this Agreement runs for the entire life of the CID and the TIF District. During the term, Developer has agreed to all of the UG's standard use and operation requirements in Article 7, including restrictions on uses (7.2(c)), compliance with law (7.5), payment of taxes (7.6), insurance (7.10), and indemnification (7.12). The Reardon Center Ground Lease, and therefore the provisions for the UG's use of the Reardon Center, has a term of 50 years and thus survives the term of the Agreement.

10. **MBE/WBE/LBE**. Developer has agreed to the following participation goals for construction of the Project:

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

If, upon completion of Project, Developer shall have failed to use best efforts to meet the LBE/MBE/WBE goals, then the UG shall have the right to reduce the CID Cap and TIF Cap by 2.5% for each of Construction and Professional Services.

11. **Assignment/Transfer**. In general, Section 7.13 provides that Developer cannot sell, mortgage or transfer the site or the Project without UG approval, which approval would be at the UG's reasonable discretion. However, the UG does agree that Developer may make leases to tenants in the Multi-Family Space and Commercial Space. Developer may also make assignments to affiliates. The parties also agree that Developer will enter into a management agreement with an entity to be approved by the UG for management of the Reardon Center.

12. **Default**. The default provisions are generally consistent with other development agreements.

AMENDED AND RESTATED DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT

THIS AMENDED AND RESTATED DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT (this "Agreement") is made as of the _____ day of April, 2023 (the "Effective Date") by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG"), and LANIER UNITED, LLC, a Kansas limited liability company ("Developer"). This Agreement amends, restates and replaces the "Original Agreement" (as defined below), as more specifically set forth herein.

RECITALS

A. Developer wishes to design, develop, construct and complete approximately 90,000 square feet of residential housing, commercial and service-based amenities, and upgraded conference facilities consisting of the following improvements: (i) a four (4) to five (5) story mixed-use retail and residential building with first-floor retail and commercial space (the "Commercial Space"), and 85 to 100 apartment units above the Commercial Space with associated amenities (the "Multi-Family Space"), as more particularly described in Section 2.2(a)-(b) below; and (ii) approximately 7,500 square feet of first-class multi-purpose meeting space, as more particularly described in Section 2.2(c) below (the "Reardon Center"), on approximately 1.56 acres of real property located at 510 and 520 Minnesota Avenue in Kansas City, Kansas (the "Reardon Center Site," and together with the Commercial Space and Multi-Family Space, the "Project Site"). The Commercial Space and updated Reardon Center will serve as an anchor for the downtown Kansas City, Kansas central business district by providing a variety of commercial and service-based amenities to Kansas City, Kansas residents, employees and visitors, as well as complementing the adjacent Hilton Garden Inn. The Project Site is legally described on **Exhibit A-1** and generally depicted on **Exhibit A-2** attached hereto.

B. Developer does not yet own the Project Site. The UG owns the Project Site and will convey fee title to a portion of the Project Site to Developer, and ground lease other portions of the Project Site to Developer, all as more particularly set forth in Section 2.3 below, subject to certain terms and conditions more fully set forth therein.

C. The UG has the authority to create one or more community improvement districts pursuant to K.S.A. 12-6a26 *et seq*., as amended from time to time (the "CID Act"), for the purpose of financing certain economic development projects. Under the CID Act, the owners of the land within the boundaries of a proposed community improvement district may petition the UG to request the creation of a community improvement district and to impose an additional community improvement district sales tax on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable within the boundaries of the community improvement district in order to pay for or reimburse the costs or a portion of the costs of a community improvement district project.

D. The Reardon Center Site is currently included within the Downtown Hotel Community Improvement District (the "CID") created by the UG by Ordinance No. O-37-13 on June 6, 2013 (the "CID Ordinance"), pursuant to the CID Act. A copy of the CID Ordinance is attached hereto as **Exhibit B**. Pursuant to the CID Ordinance, the UG authorized the imposition of a two percent (2%) sales tax (the "CID Sales Tax") on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable within the boundaries of the CID, commencing on October 1, 2013, in order to pay for or reimburse the costs of improvements to the Reardon Center, the Hilton Garden Inn adjacent to the Reardon Center, and an adjacent parking garage. Developer has requested that revenues from the CID Sales Tax be disbursed first to the UG to pay for infrastructure expenses as described herein and thereafter to Developer on a pay-as-you-go basis to reimburse the costs of certain site improvements and hard construction costs for the portions of the Project (as defined in Section 2.2) located within the CID and eligible for reimbursement pursuant to the CID Act and the CID Ordinance.

E. In addition to the CID financing described above, the UG also has the authority to create a tax increment financing ("TIF") district pursuant to K.S.A. 12-1770 *et seq.*, as amended from time to time (the "TIF Act"), for the purpose of financing certain economic development projects. On March 26, 2020, the UG approved the creation of a TIF district pursuant to the TIF Act (the "TIF District") through the adoption of Ordinance No. O-16-20 (the "TIF District Ordinance"). The TIF District Ordinance is attached hereto as **Exhibit C**. A legal description of the boundaries of the TIF District is attached hereto as **Exhibit D-1**, and a map generally depicting the boundaries of the TIF District is attached hereto as **Exhibit D-2**.

F. On July 30, 2020, the UG held a public hearing in connection with Developer's proposed Redevelopment Project Plan for the TIF District (the "Project Plan"), pursuant to the TIF Act. At the conclusion of the public hearing, the UG, pursuant to Ordinance No. O-46-20, approved the Project Plan, which provides, among other things, for the collection of Incremental Sales Tax (as defined in Section 4.3(a)(i)) and Incremental Real Property Taxes (as defined in Section 4.3(a)(ii)) within the TIF District to be disbursed to and used by Developer and the UG on a pay-as-you-go basis to reimburse certain TIF Eligible Expenses (as defined in Section 4.3). The Ordinance for the Project Plan described herein (the "TIF Project Ordinance") is attached hereto as **Exhibit E**.

G. In addition to the CID financing and TIF financing described above, the UG also agrees to use its home rule authority under Article 12, Section 5 of the Constitution of the State of Kansas to grant $1,000,000 of the UG's transient guest taxes (the "TGT Grant", as defined in Section 4.4(b)), subject to adjustment by the UG as necessary to satisfy the provisions of Section 3.1(a) below to be disbursed to and used by Developer on a pay-as-you-go basis to reimburse certain Reardon Center Costs (as defined in Section 4.4(a)).

H. In connection with the Project, Developer has also requested industrial revenue bond ("IRB") financing in order to pay certain project costs pursuant to K.S.A. 12-1741 *et seq.* Pursuant to the terms and conditions set forth in Section 4.11 below, the parties hereby agree that Developer may use IRB financing for the limited purpose of obtaining an exemption on sales taxes for construction materials, equipment and furnishings for the portions of the Project located within the Project Site, and not for abatement of ad valorem property taxes on the Project Site.

I. Development of the Project should attract new residents to the community and stimulate the economy of Wyandotte County through employment, additional taxes and other indirect spending in the community, all of which would promote the public good, health, and welfare within Wyandotte County.

J. The parties agree that the Project is not financially feasible without the public-private partnership as set forth in this Agreement, and therefore the UG and Developer have previously entered into that certain Downtown Campus Development Agreement dated March 26, 2020 for Developer to design, develop, and construct the Project, which agreement has subsequently been amended by that certain First Amendment to Downtown Campus Development Agreement dated as of July 30, 2020 (the "First Amendment"), and further amended by that certain Second Amendment to Downtown Campus Development Agreement dated as of December 30, 2020 (the "Second Amendment"), and further amended by that certain Third Amendment to Downtown Campus Development Agreement dated as of May 13, 2021 (the "Third Amendment"), and further amended by that certain Fourth Amendment to Downtown Campus Development Agreement dated as of July 31, 2021 (the "Fourth Amendment"), which agreement, collectively as amended, may be referred to herein as the "Original Agreement."

K. The parties now wish to enter into this Agreement to fully amend, restate, modify and replace the Original Agreement with the terms and conditions set forth herein to provide the necessary financing for the Project.

AGREEMENT

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

ARTICLE 1. DEFINITIONS AND INTERPRETATION; NATURE OF THE AGREEMENT

1.1 Nature of this Agreement. The parties hereby understand and agree that this Agreement shall be deemed to fully supersede, amend and restate the Original Agreement and the terms and conditions set forth herein shall be deemed to govern and control the rights, duties and obligations of the parties and the relationship between the UG and Developer from and after the Effective Date set forth above.

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 2. THE PROJECT

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

2.2 Development of the Project Site. Prior to Closing on the conveyance of the Project Site to Developer and execution of the Reardon Center Ground Lease, as set forth in Sections 2.3 and 5.1, the UG and Developer hereby agree that Developer shall have the right but not the obligation to develop the Project as described below. If and to the extent that Developer closes on the Project Site and executes and delivers the Reardon Center Ground Lease (as defined below), then Developer shall then be contractually obligated in this Agreement to demolish the existing buildings on the Project Site, and to construct and complete all of the components of the Project on the Project Site. Developer hereby contemplates that all of the infrastructure, buildings, parking facilities and other improvements constituting the Project, as described in this Section 2.2 and as generally depicted on **Exhibit F** attached hereto (the "Improvements"), shall be developed, constructed, completed, and operated on the Project Site in accordance and compliance with the terms and conditions of this Section 2.2 and the final site plan approvals as may be granted by the UG's Planning Commission or other relevant bodies if any (the "Development Plan"). On and subject to the terms and provisions set forth in this Agreement, Developer shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Improvements, and shall operate and use the Improvements in the manner described herein, all in accordance with the terms of this Section 2.2 and all other Applicable Laws and Requirements. The parties further agree that the "Project" shall include the following:

(a) Commercial Space: Approximately 7,000 square feet retail and/or office uses.

(b) Multi-Family Space: 85 to 100 apartment units, including studio, one (1) and two (2) bedroom apartment units ranging from 550 to 1,050 square feet each, along with associated amenities to include solid surface countertops, stainless steel appliances, a home automation program with enhanced Wi-Fi and cable television, and a clubhouse to include a commercial grade kitchen, television area and outdoor recreation area. The Multi-Family Space shall be market rate, except for five (5) units which shall be reserved as "workforce" housing for tenants who earn less than 70% of the Kansas City, Kansas median household income (the "Income Threshold"), and base rent for which shall not exceed 30% of the Income Threshold; provided that the workforce housing units shall be of the same character and quality as the other market-rate units in the Multi-Family Space;

(c) Reardon Center: No less than 7,500 square feet of first-class multi-purpose banquet/meeting space with capacity to seat 325 people for community events and programs, including youth education and healthy living programs and Science, Technology, Engineering and Math ("STEM") awareness classes. The Reardon Center shall be operated under the name "Reardon Center" or "Jack Reardon Center" by an experienced meeting space operator ("Manager") who will be selected by Developer and approved by the UG as set forth in Section 7.13(d) below, pursuant to a separate agreement between Developer and Manager in accordance with the terms and conditions of Section 7.13(d) below (the "Reardon Center Management Agreement");

(d) Infrastructure: Infrastructure improvements, which may include, without limitation, site work, lighting, sewer, stormwater and water main improvements, and irrigation systems, necessary to support the Improvements in the Project ("Private Infrastructure") other than the Public Infrastructure (as defined in Section 2.5);

(e) Parking Improvements: Surface parking improvements containing the number of spaces required by the Applicable Laws and Requirements for each of the Improvements (the "Parking Improvements");

(f) Signage: Signage which shall be subject to all Applicable Laws and Requirements, and any special use permits granted by the UG's Commission. Developer may develop sign criteria for the entire Project Site;

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

(h) The Project described in this Section 2.2 shall not be amended or modified without the prior written consent of the UG, which consent shall not be unreasonably withheld, and shall be granted or denied in accordance with all Applicable Laws and Requirements.

2.3 Transfer of Reardon Center Site to Developer. The UG owns the real property that comprises the Reardon Center Site. Subject to the terms and conditions hereof and satisfaction of the conditions set forth in Section 3.1 below, Developer shall (i) close on the acquisition of fee title for the portion of the Reardon Center Site needed for construction of the Multi-Family Space and Commercial Space (the "Multi-Family Site"); and (ii) execute and deliver a ground lease on the portion of the Reardon Center Site which is needed for construction of the Reardon Center, pursuant to which the UG will ground lease certain real property (and the Improvements thereon) to Developer, subject to the terms and conditions more fully described in Section 2.3(c)(i) below (the "Reardon Center Ground Lease"). At Closing (as defined in Section 5.1), the UG shall convey the Multi-Family Site to Developer pursuant to a quitclaim deed (the "Deed"), subject only to the provisions set forth in this Section 2.3 and in the balance of this Agreement and subject to the Permitted Encumbrances (as defined in Annex 1). In consideration for the Deed, Developer shall pay to the UG an amount equal to One Hundred Dollars ($100) (the "Purchase Price") at Closing. The parties hereby further agree as follows:

(a) Developer's Investigations. For a period of one hundred twenty (120) days after the Effective Date (the "Due Diligence Period"), the UG shall allow Developer access to the Project Site for purposes of inspecting the Project Site, including the right to testing of same (the "Investigations"); provided, however, that: (i) Developer must schedule such Investigations with the UG; (ii) Developer shall provide the UG with a copy of any written reports resulting from the Investigations within thirty (30) days of completion of the Investigations; (iii) Developer and the UG (subject always to the Kansas Open Records Act, K.S.A. 45-215 *et seq.*; Kansas Open Meetings Act, K.S.A. 75-4317 *et seq.*; and rules of discovery) will maintain the results of any such Investigations confidential, except to such third-party consultants, lenders, investors or attorneys as reasonably necessary to advise Developer with regard to the Investigations; (iv) Developer shall repair any and all damage caused by the Investigations, and shall restore the Project Site to the condition it was in prior to such Investigations, except for such portions that shall be demolished in accordance with this Agreement; and (v) Developer agrees to indemnify and hold the UG and its agents, officers, contractors and employees (the "UG Parties") harmless from any and all injuries, losses, liens, claims, judgments, liabilities, costs actually incurred, expenses or damages (including reasonable attorneys' fees and court costs) sustained by or threatened against the UG (and/or the UG Parties) which result from or arise out of any Investigations by Developer or its authorized representatives pursuant to this Section 2.3(a). Notwithstanding any provision herein to the contrary, the indemnity contained in the preceding sentence shall survive the termination of this Agreement or the Closing. The UG shall pay the costs of any environmental assessment of the Project Site completed by Developer during its Investigations. If any such environmental assessment discloses the existence of an environmental condition, the UG may, in its sole

discretion, but is not obligated to, complete remediation at the UG's cost. The UG shall notify Developer in writing of its election prior to expiration of the Due Diligence Period. If Developer is not satisfied in all respects as to the condition of the Project Site either before or after any remediation undertaken by the UG in its sole discretion, then Developer shall have the right, exercisable by written notice given to the UG on or before the expiration of the Due Diligence Period, except to the extent that any remediation of the Project Site by the UG extends beyond the Due Diligence Period, then, in such case, ten (10) days after the completion of any such remediation by the UG (the "Remediation Extension"), to terminate this Agreement. In the event that Developer shall elect not to exercise its right to terminate this Agreement pursuant to this Section 2.3(a) before expiration of the Due Diligence Period and any Remediation Extension, then Developer shall be deemed to have waived this condition and accepted the Project Site "**as is, where is**," without representations or warranties from the UG of any kind whatsoever. Developer hereby agrees that it is relying solely on its own Investigations of the Project Site and not on any information provided or to be provided by the UG, its officers, or agents, and that if Developer does not exercise its right to cancel and terminate under this Section 2.3(a), or the other conditions set forth in Section 3.1 below, then Developer understands and agrees that Developer shall be deemed and considered to be fully and completely satisfied with the Project Site and all parts and aspects thereof.

(b) Right of Reversion. Developer hereby agrees that the Multi-Family Site shall be subject to a right of reversion in favor of the UG (the "Reversionary Interest") in the event that, subject to Force Majeure (as defined in Section 10.2) or any extension granted by the UG in writing: (i) commencement of construction of the Multi-Family Space and Commercial Space has not occurred on or before the Commencement Date set forth in Section 6.10 below; and/or (ii) construction of the Multi-Family Space and Commercial Space timely commenced, but completion of construction of these Improvements has not occurred on or before the Completion Date set forth in Section 6.10 below. In order to exercise the Reversionary Interest, the UG shall first give to Developer a written notice of default and an additional sixty (60) days to cure (the "Reversionary Interest Notice") which shall specifically state that the UG is invoking the Reversionary Interest remedy, and in that case, if Developer fails to remedy the default in question within the additional sixty (60) days, the UG shall have the right, in its discretion, to exercise its Reversionary Interest as to the Multi-Family Site. The UG shall not reimburse Developer for any losses or costs associated with the UG's exercise of its Reversionary Interest. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Reversionary Interest shall automatically be released for the Multi-Family Site upon Substantial Completion (as defined in Annex 1) of the Multi-Family Space and Commercial Space Improvements, and the UG shall execute and deliver to Developer a quitclaim deed or such other documents as may be necessary to evidence the release of the Reversionary Interest promptly thereafter. For purposes of this Agreement, the words "commence construction" and "commencement of construction" shall mean the issuance of appropriate permits, which shall not be unreasonably delayed by the UG, for demolition of existing buildings on the Project Site and construction of the Improvements, and Developer's undertaking of a continuous program of construction for the Improvements.

(c) Ground Lease. The parties hereby agree that at Closing, the UG and Developer shall enter into ground lease referenced below for portions of the Reardon Center Site as more particularly described below:

(i) Reardon Center Ground Lease. At Closing, the UG and Developer will execute and deliver the Reardon Center Ground Lease, which shall be a triple net ground lease on the portion of the Reardon Center Site which is needed for construction of the Reardon Center, pursuant to which the UG will ground lease such real property (and the

Improvements thereon) to Developer for a period of fifty (50) years. The Reardon Center Ground Lease shall include, among other things, the following terms and conditions:

A. The UG shall have access to the Reardon Center for no less than ten (10) civic-related events per calendar year with no room rental charges therefor for the entire term of the Reardon Center Ground Lease, provided each such event shall not last longer than twenty-four (24) hours;

B. Beyond the ten (10) events described above, the UG may schedule additional events at the Reardon Center at a price which is subject to negotiation between the parties, but in no event shall the UG ever be required to pay more than fifty percent (50%) of the standard room rental fee;

C. Associated event services for the UG's events (such as food, drinks and linen) may be charged to the UG at Reardon Center's most competitive rates therefor;

D. Subject to space availability at the time of any requests therefor, the UG may schedule an unlimited number of events in meeting and small break-out spaces, provided that the UG shall schedule such events at least fourteen (14) days prior to such event (and the UG will be responsible for setting up and breaking down all non-catered events in meeting and small break-out spaces);

E. The parties hereby agree to meet at least once per year, no later than October 1st, to discuss dates that the UG needs to book for the following calendar year; and

F. The Reardon Center Ground Lease shall be cross-defaulted with this Agreement.

2.4 Developer's Obligations to Construct and Complete the Project. If and to the extent that Developer closes on the Multi-Family Site and executes and delivers the Reardon Center Ground Lease, then subject to the terms and conditions of this Agreement and except as otherwise provided herein, Developer hereby covenants and contractually agrees to fully construct and complete the Improvements as described herein. Except as otherwise provided herein, Developer hereby agrees to complete the Improvements on or before the Completion Date set forth in Section 6.10 below.

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

ARTICLE 3. CONDITIONS

3.1 Closing Conditions. Closing of this Agreement shall be subject to the satisfaction of the following conditions precedent (the "Closing Conditions"):

(a) Financing Plan. Developer shall secure and provide evidence of immediately available private funds which, when added to the CID Proceeds (as defined in Section 4.2(b)), TIF Proceeds (as defined in Section 4.3), and TGT Grant (as defined in Section 4.4(b)) are sufficient to complete the Improvements. Developer shall provide evidence of such private funds in form and substance verifiable and approved by the UG's County Administrator in his or her sole discretion,

in the form of: (x) cash funds held in a bank account; or (y) private equity and/or a closed loan from a financial institution that is ready, willing and able to provide construction draws for the Project, subject only to normal and customary draw conditions that are approved by the UG. The UG will also, at no cost to the UG, support and cooperate with Developer on any applications, designations and approvals for new market tax credits, opportunity zone incentives, favorable private financing, allocation of Community Reinvestment Act funds, community development block grants, green incentives, and grants from the State of Kansas;

(b) TGT Grant. The UG shall have approved an ordinance for the TGT Grant described in Recital G and Section 4.4 below, or Developer shall have waived this requirement in writing;

(c) IRBs. The UG's Commission shall have approved a Resolution of Intent for the IRB financing described in Section 4.11 below, or Developer shall have waived this requirement in writing;

(d) Final Site Plan Approval. Developer shall have obtained all final site plan approvals and any other required approvals for the Improvements as required by all Applicable Laws and Requirements;

(e) Ground Lease. The UG and Developer shall have agreed upon the form of the Reardon Center Ground Lease.

(f) Reardon Center Management Agreement. Developer shall have entered into the Reardon Center Management Agreement with Manager with the UG's prior written approval of both the Manager and the Reardon Center Management Agreement, as further described in Section 7.13(d) below;

(g) Modifications to TIF District and Project Plan. The TIF District and the Project Plan previously approved by the UG's Commission conformed to the terms and conditions of the Original Agreement, but now require certain amendments and modifications to conform to the amended terms and conditions of this Agreement. Accordingly, it is a condition that the UG, in its sole discretion, will have either approved an amendment to the TIF District and/or Project Plan, or a termination of the existing Project Plan and adoption of a new Project Plan (and if approved by the UG, the Exhibits to this Agreement shall be modified to conform to the amended TIF District and/or new Project Plan); and

(h) Parking. Developer shall have secured 90 exclusive parking spaces to support the Commercial Space and Multi-Family Space and 200 nonexclusive spaces to support the Reardon Center.

Where approval of the UG is required for the various conditions set forth in this Section 3.1, such approval shall be granted or withheld by the County Administrator in his sole, but reasonable discretion.

3.2 Termination. In the event that the Closing Conditions set forth in Section 3.1 above are not met or waived on or prior to two hundred seventy (270) days from the Effective Date (the "Drop Dead Date"), unless the Parties mutually agree to an amendment to this Agreement to extend the Drop Dead Date, then this Agreement shall automatically terminate as of the day after the Drop Dead Date. Upon any such termination of this Agreement, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, except for those provisions that are specifically set forth herein to survive termination of this Agreement, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all of its costs and expenses incurred by it with respect to this Agreement and the transactions

contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to that certain Funding Agreement dated as of August 26, 2019, as amended, and the provisions of this Agreement, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

ARTICLE 4. FINANCING — SOURCE OF FUNDS

4.1 Public Financing; Source of Funds. Reference is hereby made to the Total Project Budget attached hereto as **Exhibit H**, and by this reference made a part hereof. The costs of the Project (the "Project Costs") will be funded in part by public incentives, including the CID Proceeds, TIF Proceeds, IRBs, and the TGT Grant, as well as private equity and debt. Developer, using private equity and debt (the "Private Funds"), will initially advance all of the costs for the design, development and construction of the Project, except for certain costs in the amount of Eight Hundred Eighty Four Thousand Two Hundred Seven Dollars ($884,207) that have been incurred by the Developer prior the Effective Date and that relate to the Project (the "Developer Pursuit Costs") and for which the UG shall have approved Certificate(s) of Expenditures properly submitted by Developer. The UG, subject to the foregoing, shall utilize CID Proceeds to pay or reimburse the Developer for the Developer Pursuit Costs as follows: (a) thirty-seven percent (37%) of such Developer Pursuit Costs, to the extent such Developer Pursuit Costs that are to be reimbursed with CID Proceeds are CID Eligible Expenses, on the Closing Date, (b) an additional thirty-seven percent (37%) of such Developer Pursuit Costs within ten (10) days after the fourth (4th) full calendar month following the date that Developer shall Commence Construction on the Project (assuming a continuous program of construction thereafter), and (c) the balance of such Developer Pursuit Costs within ten (10) days after the eight (8th) full calendar month following the date that Developer shall Commence Construction on the Project (assuming a continuous program of construction thereafter). Developer, subject to the terms and conditions of this Agreement, shall be reimbursed for certain CID Eligible Expenses (as defined below in Section 4.2) and TIF Eligible Expenses from and to the extent of the CID Proceeds and TIF Proceeds collected during the Term. Developer, subject to the terms and conditions of this Agreement, shall be reimbursed for certain Reardon Center Costs from and to the extent of the TGT Grant.

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

(a) CID Sales Tax. Following reimbursement to the UG of all of the Public Infrastructure Costs (to the extent the same are eligible for payment or reimbursement pursuant to the CID Act), and subject to the terms and conditions of this Agreement and the CID Ordinance, the UG hereby agrees that the CID Eligible Expenses may be reimbursed with Pay-Go CID Financing (defined below in Section 4.2(d)) from the imposition of the CID Sales Tax in the amount of two percent (2%) on the sale of tangible personal property at retail or rendering or furnishing of services which are taxable pursuant to the Kansas Retailers' Sales Tax Act (K.S.A. 79-3601 *et seq.*) from only those revenues received from within the CID. Developer agrees to provide to the Kansas Department of Revenue (the "DOR") a list of tenants, licensees, vendors and concessionaires within the CID within the timeframes required by the DOR, so that the DOR can notify tenants within the CID of their requirement to collect the CID Sales Tax. At the time the list of tenants, licensees, vendors and concessionaires is provided to the DOR, Developer shall also provide a copy to the UG.

(b) CID Proceeds. The revenues received from the imposition of the CID Sales Tax, less the CID Administrative Fee (as defined in Section 4.2(f)), constitute the "CID Proceeds" and shall be collected and deposited into the CID Fund (as defined in Section 4.2(c)). The CID Proceeds shall be disbursed as follows:

(i) the first $884,207 of CID Proceeds will be used to pay or reimburse Developer for Developer's Pursuit Costs (to the extent that the same have been approved by the UG pursuant to properly submitted Certificate(s) of Expenditure), and subject to the limitations in the CID Act and provided that none of the CID Proceeds shall be used to pay for anything but the CID Eligible Expenses identified on **Exhibit H** attached hereto, without the prior approval of the UG in its sole discretion,

(ii) the next $200,000 of CID Proceeds shall be used to pay or reimburse CID Eligible Expenses incurred prior to Closing ("Predevelopment Costs"), to the extent that the same have been approved by the UG pursuant to properly submitted Certificate(s) of Expenditure, and subject to the limitations in the CID Act and provided that none of the CID Proceeds shall be used to pay for anything but the CID Eligible Expenses identified on **Exhibit H** attached hereto, without the prior approval of the UG in its sole discretion,

(iii) and thereafter, to pay or reimburse Developer for the remaining CID Eligible Expenses, subject to the limitations in the CID Act and provided that none of the CID Proceeds shall be used to pay for anything but the CID Eligible Expenses identified on **Exhibit H** attached hereto, without the prior approval of the UG in its sole discretion. Notwithstanding the foregoing, Developer understands and agrees that the UG may reimburse itself for any of its unpaid legal fees incurred in connection with this Agreement from the CID Proceeds, but not prior to the reimbursements described in subsections (i) and (ii) above, and provided that any such disbursements to the UG shall not count against the CID Cap.

(c) CID Fund. During the existence of the CID, all CID Proceeds generated within the CID shall be deposited into a separate fund (the "CID Fund"), established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements.

(d) Pay-Go CID Financing. Except for the earlier payment of the Developer Pursuit Costs and the Predevelopment Costs as described in Section 4.1(b) above, the parties hereby agree that the CID Proceeds shall be disbursed by the UG to Developer quarterly from the CID Fund on a pay-as-you-go basis ("Pay-Go CID Financing") to reimburse Developer for the CID Eligible Expenses, if and only to the extent that: (1) there are sufficient CID Proceeds in the CID Fund, (2) Developer has fully satisfied all of the conditions set forth in Section 4.7, (3) Developer has not already been reimbursed for CID Eligible Expenses in an amount equal to the CID Cap (as defined in Section 4.2(d)(ii)), and (4) the Term has not yet expired. The parties further agree as follows:

(i) CID Collection Period. The CID Sales Tax shall be collected within the CID for a period that commenced on October 1, 2013, which is the date that the CID Sales Tax was first imposed within the CID, up to and concluding upon that date which is the earlier of (a) the date that Developer has been reimbursed for all CID Eligible Expenses by Pay-Go CID Financing in an amount equal to the CID Cap, or (b) September 30, 2035 (the "CID Collection Period"). At the end of the CID Collection Period, the parties understand and agree that the CID shall thereafter terminate, the CID Sales Tax shall terminate and no

longer be levied or collected within the CID, and the UG shall promptly take any action required to so terminate the CID and the CID Sales Tax.

(ii) CID Cap. The CID Proceeds shall be available to Developer for reimbursement of CID Eligible Expenses through Pay-Go CID Financing, and the CID Proceeds available to Developer pursuant to subsections 4.2(b)(i) and (iii) shall in no event exceed Three Million Three Hundred Thirty-Seven Thousand Dollars ($3,337,000) (the "CID Cap"). Developer understands and agrees that the Developer's Pursuit Costs and Predevelopment Costs shall be included within, and count against, the CID Cap. The CID Cap shall, for all purposes set forth herein, operate as a cap on the use of CID Proceeds for reimbursement to Developer of any of Developer's CID Eligible Expenses. Once Developer has received an amount equal to the CID Cap in reimbursements of CID Eligible Expenses through Pay-Go CID Financing, the parties understand and agree that Developer's access to the Pay-Go CID Financing shall thereafter terminate.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from Pay-Go CID Financing unless and until the conditions precedent set forth in Section 4.7 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed from Pay-Go CID Financing as provided in this Agreement.

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

(f) CID Administrative Fee. A portion of the CID Proceeds from the CID shall be used to pay an administrative fee in an amount equal to one percent (1%) of the CID Proceeds actually received by the UG from the DOR (the "CID Administrative Fee"), and Developer hereby understands and agrees that such CID Administrative Fee shall be withheld by the UG prior to depositing the balance of the CID Proceeds into the CID Fund. As and when there are sufficient CID Proceeds from the CID to pay the CID Administrative Fee, such CID Administrative Fee shall have first priority to available CID Proceeds.

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

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

(i) Incremental Sales Tax. Subject to the terms and conditions of this Agreement and the TIF District Ordinance, the UG hereby agrees that the TIF Eligible Expenses, and the Public Infrastructure, may be financed and reimbursed with Pay-Go TIF Financing (defined below in Section 4.3(b)) from the Incremental Sales Tax collected within the TIF District. The "Incremental Sales Tax" includes all incremental sales and

use taxes, which are imposed pursuant to K.S.A. 12-187 *et seq*., limited to 1% of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax) and the UG's share of the current Wyandotte County 1% sales tax, which is currently 93.84%, which annually exceed the Base Year Revenues received by the UG from the TIF District. For purposes hereof, the term "Base Year Revenues" means the aggregate amount of the sales and use taxes described above for the twelve (12) month period preceding publication of the TIF District Ordinance.

(ii) Incremental Real Property Taxes. Subject to the terms and conditions of this Agreement and the TIF District Ordinance, the UG herby agrees that the TIF Eligible Expenses, and the Public Infrastructure, may be financed and reimbursed with Pay-Go TIF Financing from the Incremental Real Property Taxes collected within the TIF District. Pursuant to the provisions of the Project Plan and the TIF Act, including, but not limited to, Section 12-1775(a) of the TIF Act, all real property located within the TIF District is subject to assessment for annual Real Property Taxes (as defined in Annex 1). Real Property Taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to pay Real Property Taxes shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer and its successors and assigns in ownership of property in the TIF District. The "Incremental Real Property Taxes" means that amount of Real Property Taxes collected from within the TIF District that exceeds the amount of Real Property Taxes collected from the Base Year Assessed Valuation of the real property within the TIF District. For purposes hereof, the term "Base Year Assessed Valuation" means the assessed valuation of all real properties within the boundaries of the TIF District on the date of publication of the TIF Ordinance. The Base Year Assessed Valuation of the real property within the TIF District is Zero Dollars ($0).

(iii) TIF Fund. During the existence of the TIF District, all Incremental Sales Tax generated within the TIF District and all Incremental Real Property Taxes generated within the TIF District shall be deposited into a separate fund (the "TIF Fund"), which shall be established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements.

(iv) Sales Tax TIF Proceeds. The revenues received from the Incremental Sales Tax, less the TIF Administrative Fee (as defined in Section 4.3(d)), constitute the "Sales Tax TIF Proceeds". The Sales Tax TIF Proceeds shall be used first to pay or reimburse the UG for the Public Infrastructure Costs and then to pay or reimburse Developer for the TIF Eligible Expenses, subject to the limitations in the TIF Act and provided that none of the Sales Tax TIF Proceeds shall be used to pay for anything but site work and other hard construction costs for the Improvements within the TIF District without the prior approval of the UG, in its sole discretion.

(v) Property Tax TIF Proceeds. The revenues received from the Incremental Real Property Taxes, less the TIF Administrative Fee (defined below in Section 4.3(d)), constitute the "Property Tax TIF Proceeds". The Property Tax TIF Proceeds shall be used first to pay or reimburse the UG for the Public Infrastructure Costs and then to pay or reimburse Developer for the TIF Eligible Expenses, subject to the limitations in the TIF

Act and provided that none of the Property Tax TIF Proceeds shall be used to pay for anything but site work and other hard construction costs for the Improvements within the TIF District without the prior approval of the UG, in its sole discretion. The parties understand and agree that during the TIF Collection Period, an amount equal to eighty-five percent (85%) of the Property Tax TIF Proceeds shall available to Developer to reimburse TIF Eligible Expenses.

(b) Pay-Go TIF Financing. Subject to the terms and conditions of this Agreement, the parties hereby agree that the TIF Proceeds shall be disbursed by the UG to Developer from the TIF Fund on a pay-as-you-go basis ("Pay-Go TIF Financing") to reimburse Developer for TIF Eligible Expenses, if and to the extent that: (1) there are sufficient TIF Proceeds in the TIF Fund, (2) Developer has fully satisfied all of the conditions set forth in Section 4.7, (3) Developer has not already been reimbursed for TIF Eligible Expenses in an amount equal to the TIF Cap (as defined in Section 4.3(b)(ii)), and (4) the Term has not yet expired. The parties further agree as follows:

(i) TIF Collection Period. The Incremental Sales Tax and Incremental Real Property Taxes shall be collected within the TIF District for a period that commences on the date that the Project Plan is approved by the UG's Commission up to and concluding upon that date which is the earlier of (a) the date that Developer has been reimbursed for all TIF Eligible Expenses by Pay-Go TIF Financing in an amount equal to the TIF Cap, or (b) twenty (20) years from the date that the Project Plan was approved (the "TIF Collection Period"). At the end of the TIF Collection Period, the parties understand and agree that the TIF District shall thereafter terminate, the UG shall no longer deposit Incremental Sales Tax and Incremental Real Property Taxes into the TIF Fund, and Developer shall have no further access to such Incremental Sales Tax and Incremental Real Property Taxes to reimburse or pay for TIF Eligible Expenses.

(ii) TIF Cap. After the UG has been paid in full for the Public Infrastructure Costs, thereafter the TIF Proceeds shall be available to Developer for reimbursement of TIF Eligible Expenses through Pay-Go TIF Financing, and the TIF Proceeds available to Developer shall in no event exceed Four Million Two Hundred Fifty Thousand Dollars ($4,250,000), as the same may be increased by the UG in order to satisfy the provisions of Section 3.1(a) (the "TIF Cap"). The TIF Cap shall, for all purposes set forth herein, operate as a cap on the use of TIF Proceeds for reimbursement to Developer of any of Developer's TIF Eligible Expenses. Once Developer has received an amount equal to the TIF Cap in reimbursements of TIF Eligible Expenses through Pay-Go TIF Financing, the parties understand and agree that Developer's access to the Pay-Go TIF Financing shall thereafter terminate.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from Pay-Go TIF Financing unless and until the conditions precedent set forth in Section 4.7 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed from Pay-Go TIF Financing as provided in this Agreement.

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

(d) TIF Administrative Fee. A portion of the Incremental Real Property Taxes and Incremental Sales Taxes shall be used to pay an administrative fee in an amount equal to one

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

4.4 TGT Grant. The UG hereby agrees to use its home rule authority under Article 12, Section 5 of the Constitution of the State of Kansas to grant up to One Million Dollars ($1,000,000), as the same may be increased by the UG in order to satisfy the provisions of Section 3.1(a), of the UG's transient guest taxes for pay-as-you-go reimbursement to Developer for the Reardon Center Costs (the "TGT Grant"). For purposes hereof, transient guest taxes means the local transient guest taxes received by the UG, which are imposed pursuant to K.S.A. 12-1693 *et seq.* and Charter Ordinance No. CO-01-18, as amended from time to time.

(a) Reardon Center Costs. It is contemplated by the parties that certain Project Costs shall be funded in part by the TGT Grant if and to the extent that such Project Costs are related to demolition and site improvement and hard construction costs for the Reardon Center, identified on **Exhibit H** attached hereto and eligible for payment or reimbursement pursuant to Applicable Laws and Requirements, including K.S.A. 12-1693 *et seq.* and the UG's charter ordinances (the "Reardon Center Costs").

(b) TGT Fund. The TGT Grant shall be deposited into a separate fund (the "TGT Fund"), which shall be established and administered by the UG in compliance with all Applicable Laws and Requirements and this Agreement.

(c) Conditions for Reimbursement. Developer shall not receive any reimbursements from the TGT Grant unless and until the conditions precedent set forth below have been satisfied as determined by the UG in its sole discretion:

i. the UG has approved Certificate(s) of Expenditure for the Reardon Center Costs which are to be reimbursed with the TGT Grant; and

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

4.5 50/50 Limitation. Except for and excluding the earlier payment of the Developer's Pursuit Costs and the Predevelopment Costs, the parties agree that the TGT Grant, along with the CID Proceeds and TIF Proceeds available to Developer for reimbursement of CID Eligible Expenses and TIF Eligible Expenses at any given time shall be limited to an amount which is equal to one half (1/2) of the amount of Project Costs which have been paid by Private Funds. In other words, the TGT Grant, plus the reimbursement of CID Eligible Expenses from Pay-Go CID Financing and the reimbursement of TIF Eligible Expenses from Pay-Go TIF Financing are to be paid, collectively, on a 50/50 basis between Private Funds and TGT Grant, the CID Proceeds and TIF Proceeds available to Developer, and there shall not at any time during the Term be more Project Costs paid with the TGT Grant, CID Proceeds and TIF Proceeds than the amount of Project Costs paid by Private Funds (the "50/50 Limitation"). However, the parties understand and agree that for purposes of this provision, the portion of Private Funds which are spent on legal fees, developer fees, contingency and construction period interest shall not be included in the calculation of Private Funds for purposes of calculating the 50/50 Limitation. By way of illustrative

example of the 50/50 Limitation, if at a given point in time, Developer has incurred Project Costs (including any CID Eligible Expenses and TIF Eligible Expenses) equal to $200 (none of which has been reimbursed with TGT Grant moneys, CID Proceeds and/or TIF Proceeds), then Developer's maximum reimbursement for CID Eligible Expenses and/or TIF Eligible Expenses from Pay-Go CID Financing and/or Pay-Go TIF Financing is $100. However, the parties further understand and agree that if at a given point in time, Developer has incurred $225 of Project Costs, of which $125 are CID Eligible Expenses and/or TIF Eligible Expenses and $100 are not CID Eligible Expenses or TIF Eligible Expenses (and are not land acquisition, legal fees, and/or construction period interest), then: (i) at that particular time, no more than $100 of CID Eligible Expenses and/or TIF Eligible Expenses may be reimbursed with TGT Grant funds, CID Proceeds and/or TIF Proceeds, but (ii) if Developer later incurs an additional $25 of Project Costs which are paid with Private Funds, then the remaining $25 of CID Eligible Expenses and/or TIF Eligible Expenses may be reimbursed with TGT Grant funds, CID Proceeds and/or TIF Proceeds. Payment of Project Costs from Private Funds shall be evidenced to the UG as set forth in Section 4.8 below.

4.6 Percentage Limitation. In addition to the CID Cap, TIF Cap and the 50/50 Limitation set forth above, the parties hereby agree that upon completion of the Improvements and submittal of the final Certificates of Expenditure by Developer pursuant to Section 4.8 below, the CID Cap and TIF Cap shall be reduced if and to the extent that the CID Eligible Expenses and TIF Eligible Expenses shall be more than 31% of the total Project Costs (including the Private Funds therefor). In other words, if and to the extent that the CID Eligible Expenses and TIF Eligible Expenses shall collectively be more than 31% of the total Project Costs, then Developer hereby agrees that the CID Cap and TIF Cap shall be proportionately reduced so that the CID Eligible Expenses and TIF Eligible Expenses shall not be more than 31% of the total Project Costs.

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

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

(b) Developer shall have achieved Substantial Completion of the Commercial Space, Multi-Family Space and Reardon Center; provided, however, that the parties hereby specifically agree that Substantial Completion shall not be required for the disbursement of the Developer's Pursuit Costs or the Predevelopment Costs from CID Proceeds, or the TGT Grant or the UG Contribution to Developer as described in Sections 4.2(b)(i), 4.2(b)(ii), 4.4 or 7.13(e); and

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

4.8 Certificate(s) of Expenditures for Reimbursement from CID Proceeds, TIF Proceeds, TGT Grant and UG Contribution. The parties hereby agree as follows:

(a) Certificate of Expenditures. In order to receive payment or reimbursement for Project Costs from Pay-Go CID Financing, Pay-Go TIF Financing, TGT Grant and/or the UG Contribution (as defined in Section 7.13(d)(ii)), Developer shall submit a certificate of expenditures in the form attached hereto as **Exhibit I** (each, a "Certificate of Expenditures") attesting to the expenditure of Project Costs in accordance with the procedure set forth below. Developer may

submit a separate Certificate of Expenditures each month, but no more than one time per month, for each of the CID Fund, the TIF Fund, the TGT Fund and the UG Contribution. Additionally, Developer shall require that no transferee, purchaser, or lessee of any portion of the Project Site otherwise provide Certificate(s) of Expenditures to the UG, except through Developer or except as otherwise approved by the UG and Developer.

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

(i) Developer shall submit to the UG a Certificate of Expenditures setting forth the amount for which certification is sought and identification of the relevant Project Costs and the appropriate source of public financing proceeds (CID Fund, TIF Fund, TGT Fund and/or UG Contribution) for payment of such Project Costs. Developer shall certify to the UG that it shall only use the CID Proceeds, TIF Proceeds, TGT Grant and/or UG Contribution for the designated Project Costs described in the Certificate of Expenditures and that such proceeds shall not be commingled with other sources or uses. Developer shall further certify to the UG that it will only use: (i) the CID Proceeds for CID Eligible Expenses, (ii) the TIF Proceeds for TIF Eligible Expenses, and (iii) the TGT Grant and the UG Contribution for Reardon Center Costs.

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

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

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

(v) The UG reserves the right to, at reasonable times and upon reasonable notice, have its engineer or other agents, consultants or employees inspect all the items set forth in Section 4.8(b)(iii) above as reasonably necessary to determine that the expenses therein are valid, eligible and properly incurred and constitute CID Eligible Expenses, TIF Eligible Expenses, and/or Reardon Center Costs (as the case may be).

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

(vii) Notwithstanding anything in this Agreement to the contrary, the UG agrees that for the payment of Developer's Pursuit Costs and Predevelopment Costs from the CID Proceeds (as described in Section 4.2(b)(i) and 4.2(b)(ii) above), the TGT Grant and the UG Contribution, the Developer may direct the UG either (A) to directly pay its

General Contractor for costs related to construction services that are directly or indirectly managed by its General Contractor or (B) to directly pay the Developer for professional services procured by the Developer and for which the Developer has paid or is obligated to pay, by providing written notice to the UG with each of the Certificate of Expenditures for the same. In such instance, the UG shall not require the Developer to produce lien waivers or other evidence of payment of Project Costs identified in the Certificate of Expenditure that are to be paid directly to the Developer's General Contractor or the Developer, as the case may be. Any portion of the CID Proceeds, and/or the TGT Grant and/or the UG Contribution which is paid directly to the General Contractor, pursuant to this provision shall be have paid for the benefit of Developer as though those funds had been received directly by Developer; in no event shall the UG be required to duplicate (by making an additional payment to the Developer) any disbursement of the of the CID Proceeds, the TGT Grant and/or the UG Contribution which is paid by the UG directly to the General Contractor.

(c) Third Party Oversight/Management. The parties hereby understand and agree that the process to approve Certificate(s) of Expenditures and properly disburse the CID Proceeds, TIF Proceeds, TGT Grant and UG Contribution is important to the UG and the Developer for various reasons. Accordingly, the parties hereby understand and agree that the UG may retain outside third party representatives to manage and/or provide oversight to this process and Developer hereby agrees to fully cooperate with any such third party representatives in this process and to pay the UG's costs for retaining such third parties.

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

(a) First, to the UG, to the extent permitted by Applicable Laws and Requirements, as payments by the Developer for any amounts due and owing to the UG; provided, however, the UG shall first provide Developer with advance written notice specifying the amount(s) in question, and afford Developer a period of ten (10) days following its receipt of such notice in which to pay such amount(s) from Private Funds, including, without limitation: (i) all amounts delinquently due or owing, including all taxes, fees, or fines and including any interest and penalty thereon, by the Developer to the UG under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; (ii) all actual out of pocket costs incurred (and any interest or penalty thereon) by the UG in entering into, operating under, or enforcing this Agreement, including reasonable attorneys' fees, and all costs of pursuit of Developer (or any Affiliate (as defined in Annex 1)); (iii) indemnification of the UG for any indemnity obligation owed by Developer (or any Affiliate) to the UG, and any interest or penalty thereon; and (iv) any reimbursement due to the UG on account of any prior overpayment or over-reimbursement to Developer under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; and

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

4.10 Line Items. The parties hereby agree that increases or decreases in line item amounts in the columns labeled "CID Eligible Expenses", "TIF Eligible Expenses" or "Reardon Center Costs" in the Total Project Budget as set forth on **Exhibit H** may be made by Developer as long as: (a) no such increase represents more than a fifteen percent (15%) change per line item, unless otherwise approved by the County Administrator or his or her designee, and (b) prior to requesting reimbursement for any such line item

change(s), Developer provides the County Administrator's office with a modified Total Project Budget reflecting such change(s).

4.11 IRBs. Developer has requested IRB financing in order to pay certain Project Costs pursuant to K.S.A. 12-1741 *et seq*. Subject to all Applicable Laws and Requirements and subject further to compliance by Developer with all of the UG's requirements for the issuance of IRBs, the parties hereby agree that Developer may use IRB financing to obtain an exemption on sales taxes for construction materials, equipment and furnishings for the Project. However, the parties hereby understand and agree that IRB financing shall not be used for abatement of ad valorem taxes for the Project or the Project Site. Developer agrees to pay all costs and expenses related to the issuance of the IRBs, including without limitation the UG's IRB issuance fees.

ARTICLE 5. CLOSING

5.1 Closing. The terms "Closing" and "Closing Date" as used in this Agreement shall be deemed to mean the date on which Developer shall close on the acquisition of the Multi-Family Site and the execution and delivery of the Reardon Center Ground Lease. After satisfaction of the Closing Conditions set forth in Section 3.1 above, Developer shall provide written notice to the UG setting forth the proposed Closing Date and use commercially reasonable efforts to do so at least thirty (30) days in advance thereof. Upon receipt of Developer's written notice, the UG shall initiate the procedures necessary to cause the transfer of the Multi-Family Site. Notwithstanding anything herein to the contrary, the Closing Date must occur on or before the Drop Dead Date, or either party shall have the right to terminate this Agreement.

ARTICLE 6. CONSTRUCTION OF IMPROVEMENTS

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

6.2 Design and Plans and Specifications. Developer shall, as soon as practicable, provide the UG with plans and specifications for the Improvements (the "Plans and Specifications"), which Plans and Specifications shall include cost estimates for the Improvements, the design of which is compatible with the Development Plan, the Project Plan and all Applicable Laws and Requirements. Developer recognizes, stipulates and agrees that the Plans and Specifications will be presented to and subject to approval by the appropriate Government Authorities (as defined in Annex 1) in accordance with Applicable Laws and Requirements. Without the prior written approval of the appropriate Government Authorities, there shall be no Material Changes (as defined in Annex 1) to the Plans and Specifications subsequent to the initial approval.

6.3 General Contractor and Construction Documents. Developer shall select one or more general contractors (the "General Contractor") for the Improvements. Developer represents that its construction documents relative to the Improvements (the "Construction Documents") will require and provide for (a) the design, development, construction, equipping and completion of the Improvements (or applicable portion thereof) in accordance with this Agreement, the Development Plan, the Project Plan, the Plans and Specifications and all Applicable Laws and Requirements; (b) a guaranteed maximum price, or other commercially reasonable payment structure acceptable to Developer; and (c) guaranteed Substantial Completion not later than the Completion Date. Developer shall, as soon as practicable, provide the UG with a copy of the Construction Documents.

6.4 Changes or Amendments. Developer shall promptly deliver to the UG copies of all change orders or other changes or amendments to the Construction Documents that constitute a Material Change. Developer agrees with the UG that it will: (a) perform its duties and obligations under the Construction Documents in all material respects and (b) exert commercially reasonable efforts to enforce the obligations of all other parties thereunder.

6.5 Terms and Requirements for Improvements. The contracts for all Improvements in the Project shall comply with all Applicable Laws and Requirements. Any Material Changes to the Improvements require the prior approval of the UG in accordance with Applicable Laws and Requirements. The UG, or its designee, shall have the right to inspect, observe, and oversee the construction of the Improvements in order to ascertain and determine the requirements of this Agreement have been met. Developer shall obtain the UG's approval of all change orders relating to the Improvements that result in a Material Change.

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

6.7 Payment and Performance Bonds. If required by Applicable Laws and Requirements for the Improvements, the General Contractor shall be required under the Construction Documents to furnish and maintain in full force and effect performance and labor and material payment bonds in the full amount of the project cost, as set forth in the Construction Documents. The bonds shall be in form and substance and issued by a corporate surety reasonably satisfactory to Developer, Developer's lender, and the UG.

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

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

6.10 Commencement Date and Completion Date. Developer hereby agrees that, subject only to Force Majeure, Developer shall "commence construction" on (a) the Commercial Space, Multi-Family Space and Reardon Center on or before that date which is sixty (60) calendar days after the Closing Date (the "Commencement Date"). Developer further agrees that, subject only to Force Majeure, Developer shall achieve Substantial Completion on or before eighteen (18) months after the Commencement Date (the "Completion Date").

ARTICLE 7. USE AND OPERATION

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

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

(a) Use the Project only as follows: (i) use of the Commercial Space as first-class commercial space consisting of national chain retail restaurants and stores and/or high-quality, locally-owned restaurants, entertainment and shopping; (ii) use of the Multi-Family Space as described in Section 2.2(b) above; and (iii) use of the Reardon Center as an education and conference center as described in Section 2.2(c) above.

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

(c) Additionally, Developer hereby understands and agrees that the nature of the retail uses within the CID and TIF District were critical to the UG's creation of same. Accordingly, the parties hereby agree that the following uses shall be prohibited within the CID and TIF District, except as otherwise provided herein or with the prior written approval of the UG:

(i) Any use which is offensive by reason of odor, fumes, dust, smoke, noise, or pollution, or which constitutes a nuisance or is hazardous by reason of fire or explosion, or injurious to the reputation of the Project, as determined by the UG and Developer in their reasonable discretion.

(ii) A car wash facility.

(iii) A facility primarily used as a storage warehouse operation, mini-warehouse, or freight terminal.

(iv) A facility for the assembling, manufacturing, refining, or smelting, drilling, mining, exploring or the producing of oil, gases or other minerals.

(v) Any use which involves the long-term raising, breeding, and keeping of any animals or poultry, except for pets permitted in accordance with Developer's leasing policy for the Multi-Family Space.

(vi) Salvage or reclamation yards and the storage of inoperative vehicles.

(vii) Any pawn shop or "second hand" store; provided, however, that the foregoing restriction shall not in any way prohibit the operation of high quality antique or so-called vintage stores.

(viii) Any retail "dollar store" or similar concept store exclusively selling a variety of goods at specific price points which is a few dollars or less.

(ix) Any mobile home park, camp ground, trailer court, or labor camp; provided, however, that the foregoing restriction shall not be applicable to: (1) the temporary use of construction trailers during periods of construction, reconstruction or maintenance; or (2) trailers, delivery trucks or recreational vehicles of invitees, guests, and participants of the Project.

(x) Any dumping, disposing, incineration or reduction of garbage; provided, however, that this prohibition shall not be applicable to garbage compactors located near

the rear of any building within the CID and/or TIF District, or elsewhere within the CID and/or TIF District subject to the approved final Development Plan, the Project Plan, and in compliance with all Applicable Laws and Requirements.

(xi) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation (but this provision shall not restrict the absolute freedom of an owner of any portion within the CID and/or TIF District to determine its own selling prices nor shall it preclude second-hand sales or the conduct of periodic seasonal sales, promotional or clearance sales, all of which are specifically permitted).

(xii) Any central laundry, or laundromat; provided, however, this prohibition shall not be applicable to a drop-off and pickup facility, or a central laundry or laundromat that complies with Environmental Regulations (as defined in Annex 1) and other Applicable Laws and Requirements.

(xiii) Any automobile, truck or equipment dealerships of any kind, including without limitation, facilities with permanent sales, leasing or displays of any automobile, truck, trailer or recreational vehicle, except for in conjunction with promotions, displays, and other marketing activities (subject to Applicable Laws and Requirements).

(xiv) Any body shop repair operation, engine repair or vehicle repair facility for all vehicles, including motorcycles, unless ancillary to new vehicle sales (if such new vehicle sales are entirely interior or are approved by the UG under subparagraph (xii) above).

(xv) Any mortuary or funeral home.

(xvi) Any establishment selling or exhibiting pornographic materials or which sells drug-related paraphernalia or which exhibits either live or by other means to any degree, nude or partially clothed dancers or wait staff and/or any massage parlors or similar establishments; except that this provision shall not be deemed to preclude the operation within the CID and/or TIF District of either a nationally or regionally recognized high-quality book store, or a drug store or pharmacy, or a department within a retail store offering for sale its usual or customary inventory of books, magazines and/or related pharmaceutical materials.

(xvii) A nightclub, which shall be deemed to mean any bar, restaurant, club or other establishment that derives seventy percent (70%) or more of its gross receipts from the sale of alcoholic beverages.

(xviii) Any store selling tobacco products, CBD products, electronic or vapor smoking devices or paraphernalia; provided that this restriction is not intended to prohibit a grocery store, drug store, high-quality and reputable gas station or convenience store, or other businesses where such products are sold but are not relevant to the business's primary source of revenue.

(xix) Any hookah bars or other establishment with a primary focus on smoking.

(xx) Pay-day or title loan facilities.

(xxi) Any seasonal tax preparation facilities; provided, however, for purposes of clarity, nothing herein is intended to prohibit independent certified public accountants with office space in the Project.

(xxii) Any store or business that uses "street marketing" of any kind, including without limitation, inflatable signs or characters, people dressed in costume, holding signs or wearing sandwich-boards or otherwise advertising directly to pedestrians or vehicular traffic.

(xxiii) Any precious metals facilities, except for and excluding high quality jewelry stores that purchase precious metals as an ancillary part of their business operations.

(xxiv) A flea market.

(xxv) Any use not permitted by the applicable zoning ordinance of the UG.

The foregoing list of prohibited uses is not intended to supplant the requirements and/or prohibition of uses stated within the UG's Code of Ordinances. The UG's Commission may grant variances to the restrictions set forth in this Section 7.2(c) from time to time in its sole and absolute discretion. At Closing, or within thirty (30) days thereafter, Developer and the UG shall execute a document which shall memorialize the restrictions set forth in this Section 7.2(c) and record the same against the real property within the CID and/or TIF District, which restrictions shall be effective and run with the land for the Term of this Agreement. The UG shall consent to additional reasonable development, use and maintenance covenants for the Project Site to ensure the ongoing, high-quality use of the Project.

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

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

7.5 Compliance. Developer shall conduct its affairs and carry on its business and operations in such a manner as to materially comply with all Applicable Laws and Requirements, and to observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Government Authorities applicable to the conduct of its business and operations and the ownership of the Project; provided, however, that nothing contained in this Agreement shall require Developer to comply with, observe and conform to any such law, order, regulation or requirement of any Government Authorities so long as the validity thereof shall be contested by Developer in good faith by appropriate proceedings, and provided that Developer shall have set aside on its books adequate reserves

in accordance with GAAP or secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of Developer to meet its obligations under this Agreement. Developer agrees to promptly pay any and all fees and expenses associated with any safety, health or other inspections required under this Agreement or imposed by Applicable Laws and Requirements, unless contested in good faith with the assurances provided in the preceding sentence.

7.6 Payment of Taxes and Other Charges. During the Term, Developer and each successor owner within the Project shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon parcels owned by the Developer or upon any income therefrom, including, but not limited to, any taxes, assessments, or other governmental charges levied, assessed or imposed on the Project, the Project Site, and/or the Improvements. Ad valorem property taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which such amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to make ad valorem property tax payments shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer or each relevant successor parcel owner. Additionally, Developer hereby understands and agrees that if Developer shall fail to timely pay its ad valorem property taxes for a parcel, then Developer's access to the IRB financing and disbursements from the CID Fund, TIF Fund, TGT Fund and UG Contribution for the Project shall be suspended until such taxes are paid in full. Nothing herein is intended to restrict Developer's right to file property tax appeals as long as such taxes are paid under protest when the subject property taxes are due and owing during the pendency of an appeal.

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

7.8 Liens and Encumbrances. During the Term, except for a Permitted Mortgage (as defined in Annex 1), Developer shall not create or incur or permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Project, or any part thereof, and shall promptly cause to be discharged, challenged or terminated all mortgages, liens, security interests, charges and encumbrances that are not Permitted Encumbrances or a Permitted Mortgage. Notwithstanding the foregoing, any Permitted Mortgage shall be subject to the terms and conditions of this Agreement, including without limitation, Section 7.2 of this Agreement.

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

7.10 Insurance. During the Term, Developer shall maintain or cause to be maintained insurance with respect to the portions of the Project which it owns and operates covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation, general liability and employee dishonesty) and in such amounts as, in the reasonable judgment of Developer, are adequate to protect Developer, the UG and the Project, but in no event in an amount less than that required by the Insurance Specifications attached hereto as **Exhibit J**, and made a part hereof, or as otherwise required by the terms of the Transaction Documents. Each policy or other contract for such insurance shall: (i) name the UG as an additional insured (with respect to liability insurance and only in an amount equal to Five Hundred Thousand Dollars ($500,000)), and (ii) contain an

agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least thirty (30) days after written notice of cancellation to Developer and each other insured, additional insured, loss payee and mortgage payee named therein. The rights of the UG to any insurance proceeds shall be subject and subordinate to the rights of any Permitted Mortgagee (as defined in Annex 1).

7.11 Damage, Destruction or Condemnation. The parties hereby agree as follows:

(a) In the event of damage to or destruction of any portion of the Improvements resulting from fire or other Casualty (as defined in Annex 1) during the Term, or in the event any portion of the Improvements is condemned or taken for any public or quasi-public use or title thereto is found to be deficient during the Term, the net proceeds of any insurance relating to such damage or destruction, the net proceeds of such condemnation or taking, or the net proceeds of any realization on title insurance shall be paid into, and used in accordance with, a construction escrow agreement satisfactory to the UG and Developer ("Casualty Escrow").

(b) If, at any time during the Term, the Improvements or any part thereof shall be damaged or destroyed by a Casualty (the "Damaged Facilities"), Developer shall proceed as promptly as possible to repair, restore and replace the Damaged Facilities as nearly as possible to their condition immediately prior to the Casualty and shall be entitled to draw upon the Casualty Escrow for payment of such costs.

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

(d) In the event of a Casualty that occurs on or after the date that is ten (10) years after the date of Substantial Completion of the Project, and if (i) the Damaged Facilities consist of the Commercial Space, and/or Multi-Family Space only (not including the Reardon Center), and (ii) insurance proceeds are not available or sufficient to rebuild such Damaged Facilities, then Developer may terminate this Agreement by notice to the UG, in which case (x) Developer's access to the Pay-Go TIF Financing, Pay-Go CID Financing, and any IRB financing shall be immediately terminated, and (y) Developer shall demolish such Damaged Facilities, and return the portions of the Project Site upon which the Damaged Facilities are demolished, with all rubble and debris removed and such property shall thereafter be landscaped, seeded and maintained as green space until the same is redeveloped. The parties hereby specifically agree that nothing herein shall be deemed to allow Developer to terminate and fail to repair, restore and replace the Reardon Center or any Private Infrastructure (to the extent the same is owned or maintained by Developer), Parking Improvements or other Improvements related thereto during the Term.

7.12 Indemnity. Developer shall pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense arising out of: (a) the acquisition of the Project Site; (b) the design, construction and completion of the Project by Developer; (c) the use or occupation of the Project by Developer or anyone acting by, through or under it; (d) damage or injury, actual or claimed, of whatsoever kind or character occurring after Closing, to persons or property occurring or allegedly occurring in, on or about the Project; (e) any breach, default or failure to perform by Developer under this Agreement following any notice and cure period provided herein; (f) any act by an employee of the UG at the Project Site which are within or under the

control of Developer or pursued for the exclusive benefit of or on behalf of Developer; and (g) any claims or challenges related to the legality of the approval of, or terms contained in the planning, zoning, platting or other governmental approvals necessary for this Project, this Agreement, the Development Plan, the Project Plan, the CID, the TIF District, the formation of the CID and imposition of the CID Sales Tax and the terms thereof, the formation of the TIF District and collection of the Incremental Sales Tax and Incremental Real Property Taxes and the terms thereof, and of the public financing structure contemplated by this Agreement. Developer shall also pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Developer in any action or proceeding brought by reason of any such claim, demand, expense, penalty or fine. If any action or proceeding is brought against the UG or its governing board members, directors, officers, employees or agents by reason of any such claim or demand, Developer, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the UG or its governing body members, directors, officers, employees or agents. Notwithstanding the foregoing, no party benefited by this indemnity shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by such party's own respective willful and malicious acts or omissions or gross negligence. The foregoing covenants contained in this Section 7.12 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement.

7.13 Prohibition on Sales, Etc. Except for Permitted Encumbrances and a Permitted Mortgage, which are hereby permitted without any further approval of the UG, and except as otherwise provided herein, during the Term, Developer will not, without the prior written consent of the UG: (a) assign, sell, lease, mortgage or otherwise transfer the Project Site, the Improvements or equipment that comprise the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. Any such assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG shall be an "Approved Assignment" and the assignee, purchaser, lessee, mortgagee or transferee shall be an "Assignee". The UG shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the UG as to whether the proposed Assignee has sufficient financial wherewithal and experience to successfully complete the Project according to the terms hereof. If there is an Approved Assignment, the Assignee shall assume and agree to pay and perform each and all of the terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree as follows:

(a) Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without the prior written approval of the UG, make leases of the residential units within the Multi-Family Space;

(b) Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without any further approval of the UG, make leases of portions of the Commercial Space to reputable retail tenants (the foregoing shall not include long-term ground leases, which shall require UG approval);

(c) Without any further approval of the UG, Developer may transfer all or a portion of the Multi-Family Site, and/or all or any portion of Developer's rights and/or obligations under this Agreement, to a transferee entity provided that the Controlling Person or Entity of such transferee entity is also the Controlling Person or Entity of the Developer, and provided that such transferee entity: (i) assumes or guarantees all of Developer's obligations under this Agreement with respect to all portions of the Project or this Agreement so transferred to such transferee entity, and (ii) remains liable jointly and severally with Developer therefor (an "Affiliate Transfer").

Developer shall deliver to the UG notice of any Affiliate Transfer within fifteen (15) days following such transfer. For purposes hereof, the term "Controlling Person or Entity" with respect to any entity means a Person or entity who, under Applicable Laws and Requirements, possesses all authority and power necessary to lawfully act on behalf of and bind such entity, over the objection of all other holders of any other interest in such entity, to fulfill the obligations of Developer under this Agreement;

(d) The parties acknowledge and agree that it is Developer's intent to enter into the Reardon Center Management Agreement to provide for the operation of the Reardon Center by Manager for an initial term of three (3) years. The parties further agree as follows:

(i) The Reardon Center Management Agreement shall provide for the UG's use of the Reardon Center for UG events as set forth in Section 2.3(c)(i). The obligations set forth in the Reardon Center Management Agreement may not be assigned or transferred without the prior written approval of the UG, and upon such UG approval, the obligations pertaining to the UG's use of the Reardon Center shall apply to any such transferee or assignee. The UG shall have the right to review and approve (in writing) the Reardon Center Management Agreement.

(ii) The UG will provide a one-time contribution of One Million Dollars ($1,000,000) from the Reardon Center Maintenance Fund to pay for the Reardon Center Costs (the "UG Contribution"). In exchange for the UG Contribution, Developer agrees to provide the UG with use of and access to the Reardon Center as generally described in Section 2.3(c)(i). If the UG's use of the Reardon Center is interrupted or denied, the UG may refuse to approve any further Certificate(s) of Expenditures or make any further reimbursements of CID Eligible Expenses, TIF Eligible Expenses and/or Reardon Center Costs until the UG's use of the Reardon Center is restored. The UG Contribution will be reimbursed to Developer as set forth in Section 4.8 of this Agreement, provided that the UG shall not disburse to Developer any reimbursements for the UG Contribution unless and until the conditions precedent set forth below have been satisfied as determined by the UG in its sole discretion:

a. the UG has approved Certificate(s) of Expenditure for the Reardon Center Costs which are to be reimbursed with the UG Contribution; and

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

(e) In the event that Developer desires to replace the Manager, any such change shall be approved in writing by the UG's County Administrator, which approval shall not be unreasonably withheld, conditioned or delayed. Further, the parties acknowledge and agree that Developer may enter into management agreements for other components of the Project, including without limitation the Multi-Family Space and the Commercial Space, with experienced management companies selected by Developer and approved in writing by the UG's County Administrator (including any changes to or replacements of such managers), which approval shall not be unreasonably withheld, conditioned or delayed.

7.14 Utilities. During the Term, all utility and utility services used by Developer in, on or about the Project shall be paid (or caused to be paid) for by Developer, and Developer shall, at no cost to the UG, procure any and all permits, licenses or authorizations necessary in connection therewith.

7.15 Access. During the Term, Developer hereby recognizes, acknowledges and agrees that the UG, and its duly authorized representatives and agents, shall have the right to enter the Project at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or, to the extent Developer has failed to cure any breach within applicable notice and cure periods, to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the construction and operation of the Project. Except as otherwise provided in this Agreement, the UG shall pay all costs it incurs under this provision. Nothing contained in this Section 7.15 shall restrict or impede the right of the UG to enter the Project pursuant to any Applicable Laws and Requirements.

7.16 Environmental Matters. Developer hereby agrees that by Closing on the acquisition of any portion of the Project Site, Developer shall assume responsibility for the costs of any remediation of any environmental conditions upon such portion of the Project Site. Further, Developer shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance (as defined in Annex 1) in, upon, under, over or from the Project in violation of any Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulations; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation; and shall comply with all other Environmental Regulations which are applicable to the Project. Developer shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees incurred by the UG (prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Project, whether or not Developer is responsible therefor, it being the intent of Developer and the UG that the UG shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances, which arises subsequent to Closing. The foregoing covenants contained in this Section 7.16 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate (as defined in Annex 1) plus two percent (2%), or, if less, the maximum rate permitted by law, and shall be payable on demand.

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

ARTICLE 8. SPECIAL PROVISIONS

8.1 Special Agreements of Developer.

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

(b) During the Term, Developer agrees to actively participate in the civic, charitable, educational, philanthropic and economic development of the Kansas City, Kansas/Wyandotte

County community in activities of its choice. Without limiting the generality of the foregoing, Developer specifically agrees that during the Term, Developer shall be an active, dues-paying member in good standing with the KCK Area Chamber of Commerce and the Wyandotte Economic Development Council. Developer further agrees to encourage its commercial tenants and transferees, including Manager, to join and become dues-paying members of the Wyandotte Economic Development Council.

(c) Developer shall not change the name of the Reardon Center without the prior written consent of the UG. In addition, the UG shall have the right to review and approve any sponsor of the Reardon Center with naming rights prior to the execution of any such naming rights agreement with such sponsor; provided, however, such approval shall not be unreasonably withheld, delayed or conditioned.

8.2 LBE/MBE/WBE Employment Opportunity Goals. Developer agrees to use its Best Efforts to comply with the goals set forth in **Exhibit K** (as the term "Best Efforts" is defined therein), attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses.

ARTICLE 9. DEFAULT AND REMEDIES

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

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

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

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

(d) Developer breaches the representations and warranties set forth in this Agreement and fails to cure or correct same within fifteen (15) days following Developer's receipt of written notice from the UG specifying such breach;

(e) Developer breaches any of the terms of the Reardon Center Ground Lease and fails to cure or correct the same within thirty (30) days following Developer's receipt of written notice from the UG specifying such breach.

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

9.2 Rights and Remedies. Upon the occurrence and continuance of a Developer default, subject to any applicable notice and cure periods as described in Section 9.1 above, the UG shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(a) Whenever any default by Developer shall have occurred and be continuing, subject to applicable cure periods as set forth above, the UG may: (i) refuse to approve any further Certificate of Expenditures or make any further reimbursements of CID Eligible Expenses, TIF Eligible Expenses and/or Reardon Center Costs unless and until such default is cured by Developer; (ii) refuse to approve any further IRB financing; (iii) terminate Developer's access to the Pay-Go CID Financing; (iv) terminate Developer's access to the Pay-Go TIF Financing; (v) terminate Developer's access to the TGT Grant; (vi) withhold the UG Contribution unless and until such default is cured by Developer; (vii) terminate this Agreement, and/or (viii) use any remedies provided to the UG under the Transaction Documents. The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions.

(b) The UG may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the specific performance of the duties and obligations of the Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the UG under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the UG resulting from such Developer default.

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

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

(e) Notwithstanding the foregoing or anything in this Agreement to the contrary, the parties hereby expressly acknowledge and agree that, under no circumstances, will Developer ever be liable for any remote or consequential damages including without limitation lost tax revenues, arising out of or in any way related to this Agreement.

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

In the event of such default, Developer may take such actions, or pursue such remedies, as exist hereunder or at law or in equity; and if Developer is the prevailing party in an action to enforce its remedies hereunder, Developer shall be entitled, subject to Applicable Laws and Requirements, to reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of Developer in connection with the enforcement of such actions or remedies.

ARTICLE 10. MISCELLANEOUS

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

10.2 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, strikes, lockouts, unavailability of sufficient trade laborers, materials, or financing due to global pandemic, such as COVID-19, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate Government Authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the UG to timely approve the Plans and Specifications, the Construction Documents, war, terrorism or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section10.2 shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

10.3 Covenants of Parties.

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

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

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

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

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

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

(b) Representations and Warranties of the UG.

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

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

(iii) No Consents. Except as set forth in Section 3.1(b)-(e), no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by the UG of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by the UG of this Agreement or the consummation of the transactions contemplated hereby.

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

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

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

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

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

10.8 Execution of Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Hand signatures transmitted by electronic mail in portable document format (PDF) or similar format shall also be permitted as binding signatures to this Agreement.

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

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

10.11 Notices. All notices required or desired to be given hereunder shall be in writing and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered for all purposes if (i) delivered by nationally recognized overnight delivery service; (ii) delivered by electronic mail (with follow up within two (2) business days by United States Mail or by nationally recognized overnight delivery service); or (iii) delivered in person, in each case if addressed to the parties set forth below:

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

with a copy to:

Patrick Waters, Esq.
The Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 961
Kansas City, Kansas 66101
Telephone: (913) 573-5060
Email: pwaters@wycokck.org

And a copy to:

David Johnston
County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, 9th Floor
Kansas City, Kansas 66101
Telephone: (913) 573-5030
Email: djohnston@wycokck.org

And a copy to:

Todd A. LaSala and Anna M. Krstulic
Stinson LLP
1201 Walnut Street, Suite 2900
Kansas City, Missouri 64106
Telephone: (816) 842-8600
Email: todd.lasala@stinson.com, anna.krstulic@stinson.com

and to Developer at:

Lanier United, LLC
11817 Brookwood Street
Leawood, Kansas 66211
Attn: Willie Lanier, Jr.
Telephone: (816) 665-4712
e-mail: wlanier@lanierunited.com

with a copy to:

Wesley O. Fields
Bryan Cave Leighton Paisner LLP
1200 Main Street, Suite 3800
Kansas City, Missouri 64105
Telephone: (816) 374-3200
Email: wofields@bclplaw.com

All notices given by: (i) nationally recognized overnight delivery service, or (ii) electronic mail, and followed up by regular United States mail or nationally recognized overnight delivery service in accordance with the above procedures, shall be deemed duly given one (1) business day after they are so delivered. All notices given in person shall be deemed duly given when delivered.

10.12 Real Estate Commissions. Each party hereby agrees to indemnify and hold harmless the other from and against: (i) any and all losses, liens, claims, judgments, liabilities, reasonable costs, expenses or damages (including reasonable attorneys' fees and court costs) of any kind or character arising out of or resulting from any duty or responsibility to pay any commission or make any other payment by either Developer or the UG; or (ii) arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Developer or on its behalf, or by the UG or on its behalf, with any other broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. Notwithstanding anything to the contrary contained herein, this Section 10.12 shall survive the Closing or any termination of this Agreement.

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

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

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

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

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

UG:

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:_____
Tyrone A. Garner, Mayor

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on _____, 2023, by Tyrone A. Garner as Mayor of the Unified Government of Wyandotte County/Kansas City, Kansas.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires

_____

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

DEVELOPER:

LANIER UNITED, LLC, a Kansas limited liability company

By: _____
Willie Lanier, Jr., Manager

STATE OF _____)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2023 by Willie Lanier, Jr., as Manager of Lanier United, LLC, a Kansas limited liability company.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires

_____

ANNEX 1
DEFINITIONS

"Affiliate" means any person, entity or group of persons or entities which controls Developer, which Developer controls or which is under common control with Developer. As used herein, the term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise. However, the parties understand and agree that the term "Affiliate" shall not include passive investors or capital partners without day to day operational control of the Project.

"Affiliate Transfer" means a transfer by Developer of all or a portion of the Project Site, and/or all or any portion of Developer's rights and/or obligations under this Agreement, to a transferee entity whose Controlling Person or Entity is also the Controlling Person or Entity of the Developer, as described in Section 7.13(c).

"Agreement" means this Downtown Campus Development Agreement by and between the UG and Developer.

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

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

"Assignee" means the assignee, purchaser, lessee, mortgagee, or transferee of an Approved Assignment, as described in Section 7.13.

"Base Year Assessed Valuation" means the assessed valuation of all real properties within the boundaries of the TIF District on the date of publication of the TIF Ordinance, as described in Section 4.3(a)(ii).

"Base Year Revenues" means the aggregate amount of sales and use taxes imposed pursuant to K.S.A. 12-187 *et seq*., limited to 1% of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax) and the UG's share of the current Wyandotte County 1% sales tax, which is currently 93.84%, for the twelve (12) month period preceding the date of publication of the TIF Ordinance, as described in Section 4.3(a)(i).

"BPU" means the Kansas City Board of Public Utilities.

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

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

"Certificate of Expenditures" means those certain certificates submitted by Developer in accordance with Section 4.8 and on the form set forth in **Exhibit I**.

"CID" means the community improvement district encompassing the Reardon Center Site and other property outside of the Reardon Center Site, as described in Recital D, and legally described and generally depicted in the CID Ordinance attached hereto as **Exhibit B**.

"CID Act" means K.S.A. § 12-6a26 *et seq.*, as amended.

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

"CID Cap" means the limitation on CID Proceeds available to Developer for reimbursement of CID Eligible Expenses through Pay-Go CID Financing, as described in Section 4.2(d)(ii).

"CID Collection Period" means the period that commenced on October 1, 2013 when the CID Sales Tax was first imposed within the CID up to and concluding upon that date which is the earlier of (i) the date that Developer has been reimbursed for all CID Eligible Expenses by Pay-Go CID Financing in an amount equal to the CID Cap, or (ii) September 30, 2035, as described in Section 4.2(d)(i).

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

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

"CID Ordinance" means Ordinance No. O-37-13 passed by the UG pursuant to the CID Act on June 6, 2013 to approve the CID, as described in Recital D and a copy of which is attached hereto as **Exhibit B**.

"CID Proceeds" means the revenues received from imposition of the CID Sales Tax, less the CID Administrative Fee, as described in Section 4.2(b).

"CID Sales Tax" means the sales tax of two percent (2%) imposed within the CID on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable, as described in Recital D and Section 4.2(a).

"Closing" and "Closing Date" means the date on which Developer shall close on the acquisition of the Multi-Family Site and the execution and delivery of the Reardon Center Ground Lease, as set forth in Section 5.1.

"Closing Conditions" means the conditions precedent to Closing, as set forth in Section 3.1.

"Commence Construction" and "Commencement of Construction" means the issuance of the appropriate permits for demolition of existing buildings on the Project Site and construction of the Improvements and Developer's undertaking of a continuous program of construction for the Improvements, as described in Section 2.3(b).

"Commencement Date" means the date by which Developer shall "commence construction" of the Commercial Space, Multi-Family Space and Reardon Center, as described in Section 6.10.

"Commercial Space" means approximately 7,500 square feet of commercial for neighborhood retail, restaurant, entertainment and/or office uses as described in Recital A and Section 2.2(a).

"Completion Date" means the date by which Developer shall achieve Substantial Completion of the Commercial Space, Multi-Family Space and Reardon Center, as described in Section 6.10.

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

"Controlling Person or Entity" means a person or entity who, under Applicable Laws and Requirements, possesses all authority and power necessary to lawfully act on behalf of and bind such entity, over the objection of all other holders of any other interest in such entity, to fulfill the obligations of Developer under the Agreement, as described in Section 7.13(c).

"Damaged Facilities" means any part or the whole of the Project to the extent that the same is damaged or destroyed by a Casualty, as described in Section 7.11(b).

"Deed" means the quitclaim deed by which the UG conveys the Multi-Family Site to Developer, as described in Section 2.3.

"Developer" means Lanier United, LLC, a Kansas limited liability company.

"Development Plan" means the final site plan approvals for the Improvements (or portion(s) thereof), as described in Section 2.2.

"DOR" means the Kansas Department of Revenue.

"Drop Dead Date" means the date certain by which all Closing Conditions must be met or waived and Closing must occur, as set forth in Section 3.2.

"Due Diligence Period" means the period of one hundred twenty (120) days after the Effective Date in which Developer shall complete its Investigations, as described in Section 2.3(a).

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

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

"50/50 Limitation" means the limitation on the reimbursement to Developer of CID Eligible Expenses from Pay-Go CID Financing and the reimbursement of TIF Eligible Expenses from Pay-Go TIF Financing, as described in Section 4.5.

"Force Majeure" is defined in Section 10.2.

"GAAP" means generally accepted accounting principles.

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

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

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

"Improvements" means those certain improvements that are contemplated to be constructed in the Project, as described in Section 2.2 and generally depicted in **Exhibit F**.

"Incremental Real Property Taxes" means that amount of Real Property Taxes collected from the real property within the TIF District that is in excess of the amount of Real Property Taxes collected from the Base Year Assessed Valuation of the real property within the TIF District, as described in Section 4.3(a)(ii).

"Incremental Sales Tax" means that amount of sales and use taxes received by the UG from the TIF District, which are imposed pursuant to K.S.A. 12-187 *et seq*., limited to 1% of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax) and the UG's share of the current Wyandotte County 1% sales tax, which is currently 93.84%, which exceeds the Base Year Revenues, as described in Section 4.3(a)(i).

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

"Investigations" means the Developer's inspections of the Project Site, including the right to non-invasive testing of same, as described in Section 2.3(a).

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

"Manager" means the experienced meeting space operator approved by the UG, as described in Section 2.2(c).

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

"Multi-Family Site" means the portion of the Reardon Center Site needed for construction of the Multi-Family Space and Commercial Space, as described in Section 2.3.

"Multi-Family Space" means 85 to 100 apartment units and associated amenities, as described in Recital A and Section 2.2(b).

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

"Pay-Go CID Financing" means a method of financing pursuant to which certain CID Eligible Expenses are paid and/or reimbursed without notes or bonds, and the costs are reimbursed as CID Proceeds are deposited in the CID Fund, as described in Section 4.2(d).

"Pay-Go TIF Financing" means a method of financing pursuant to which certain TIF Eligible Expenses are paid and/or reimbursed without notes or bonds, and the costs are reimbursed as Sales Tax TIF Proceeds and/or Property Tax TIF Proceeds are deposited into the TIF Fund, as described in Section 4.3(b).

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

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

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

"Permitted Uses" means (i) use of the Commercial Space as first-class commercial space consisting of national chain retail restaurants and stores and/or high-quality, locally-owned restaurants, entertainment and shopping; (ii) use of the Multi-Family Space as described in Section 2.2(b); and (iii) use of the Reardon Center as an education and conference center as described in Section 2.2(d); all as described in Section 7.2(a).

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

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

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

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

"Private Infrastructure" means all of the infrastructure improvements, which may include, without limitation, site work, lighting, sewer, stormwater and water main improvements, and irrigation systems, necessary to support the Improvements in the Project other than the Public Infrastructure, as described in Section 2.2(d).

"Project" means the design, development, and construction of the Improvements on the Project Site, as described in Section 2.2.

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

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

"Project Site" means Reardon Center Site and the Multi-Family Space and Commercial Space, collectively, as described in Recital A, legally described on **Exhibit A-1** and generally depicted on **Exhibit A-2**.

"Property Tax TIF Proceeds" means the revenues received from the Incremental Real Property Taxes, less the TIF Administrative Fee, as described in Section 4.3(a)(v).

"Purchase Price" means the One Hundred Dollars ($100.00) to be paid by Developer to the UG at Closing for the Multi-Family Site, as described in Section 2.3.

"Real Property Taxes" means all taxes levied on an ad valorem basis upon land and Improvements within the TIF District, as described in Section 4.3(a)(ii).

"Reardon Center" means approximately 7,500 square feet of first-class multi-purpose banquet/meeting space with capacity to seat 325 people for community events and programs, as described in Recital A and Section 2.2(c).

"Reardon Center Costs" means those certain Project Costs related to demolition and site improvement and hard construction costs for the Reardon Center, identified on **Exhibit H** attached hereto and eligible for payment or reimbursement pursuant to Applicable Laws and Requirements, including K.S.A. 12-1693 *et seq.* and the UG's charter ordinances, as described in Section 4.4.

"Reardon Center Ground Lease" means the ground lease on the portion of the Reardon Center Site which is needed for construction of the Reardon Center, pursuant to which the UG will ground lease certain real property (and the Improvements thereon) to Developer, as described in Section 2.3(c).

"Reardon Center Management Agreement" means the separate agreement between Developer and Manager providing for management and operation of the Reardon Center to be approved by the UG, as described in Section 2.2(c) and Section 7.13(d).

"Reardon Center Site" means approximately 1.56 acres of real property located at 510 and 520 Minnesota Avenue in Kansas City, Kansas, as described in Recital A.

"Remediation Extension" means the extension of Developer's right to terminate this Agreement beyond expiration of the Due Diligence Period in the event that any environmental remediation of the Project Site undertaken by the UG (in the UG's sole discretion) extends beyond the Due Diligence Period, in which event Developer's right to terminate will expire ten (10) days after the completion of any such remediation by the UG, as described in Section 2.3(a).

"Resolution of Intent" means that certain master resolution of intent indicating the UG's intention to grant to Developer the IRB financing, as described in Sections 3.1(d) and 4.10.

"Reversionary Interest" means the right of reversion in favor of the UG pertaining to the Multi-Family Site in the event that Developer fails to meet certain conditions, as described in Section 2.3(b).

"Reversionary Interest Notice" means the written notice of default provided by the UG to Developer in order to exercise the Reversionary Interest, as described in Section 2.3(b).

"Sales Tax TIF Proceeds" means the revenues received from the Incremental Sales Tax, less the TIF Administrative Fee, as described in Section 4.3(a)(iv).

"State" means the State of Kansas.

"Section 108 Loan" means a loan pursuant to Section 108 of the Housing and Community Development Act of 1974, as described in Section 3.1(a).

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

"Term" means the term of this Agreement, as described in Section 7.1.

"TGT Fund" means the separate fund and account established by the UG for collection of the TGT Grant collected within the CID, as described in Section 4.4(c).

"TGT Grant" means the UG's agreement to use its home rule authority under Article 12, Section 5 of the Constitution of the State of Kansas to pledge up to One Million Dollars ($1,000,000) of the UG's transient guest taxes generated within the CID during the Term of this Agreement for reimbursement to Developer for the Reardon Center Costs outside of the CID Act and structure, as described in Section 4.4(b).

"TIF" means tax increment financing.

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

"TIF Administrative Fee" means the annual administrative fee for the TIF Fund, as described in Section 4.3(d).

"TIF Cap" means the limitation on TIF Proceeds available to Developer for reimbursement of TIF Eligible Expenses through Pay-Go TIF Financing, as described in Section 4.3(b)(ii).

"TIF Collection Period" means the period that commences on the date that the Project Plan is approved by the UG's Commission up to and concluding upon that date which is twenty (20) years from the date that the Project Plan was approved, as described in Section 4.3(b)(i).

"TIF District" means the TIF District established by the UG pursuant to the TIF District Ordinance and the TIF Act, as described in Recital E, legally described in **Exhibit D-1**, and generally depicted in **Exhibit D-2**.

"TIF District Ordinance" means Ordinance No. O-16-20 passed by the UG pursuant to the TIF Act on or about March 26, 2020 to approve the TIF District, as described in Recital E and a copy of which is attached hereto as **Exhibit C**.

"TIF Eligible Expenses" means those certain Project Costs identified by Developer which may be reimbursed with TIF Proceeds if and to the extent that such Project Costs are related to demolition and site improvement and hard construction costs, located within the TIF District, agreed upon by the parties and identified on **Exhibit H** attached hereto, and eligible for payment or reimbursement pursuant to the TIF Act, as described in Section 4.3.

"TIF Proceeds" means the Sales Tax TIF Proceeds and the Property Tax TIF Proceeds, as described in Section 4.3.

"TIF Project Ordinance" means the ordinance passed by the UG pursuant to the TIF Act to approve the Project Plan, as described in Recital F and a copy of which will be attached hereto as **Exhibit E**.

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

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

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

"UG Contribution" means the payment by the UG to Developer for the UG's use of the Reardon Center, as described in Section 7.13(d)(ii).

"UG Parties" means the UG and its agents, officers, contractors and employees, as described in Section 2.3(a).

INDEX OF EXHIBITS

Exhibit A-1	The Project Site – Legal Description
Exhibit A-2	The Project Site – Map
Exhibit B	CID Ordinance
Exhibit C	TIF District Ordinance
Exhibit D-1	TIF District – Legal Description
Exhibit D-2	TIF District – Map
Exhibit E	TIF Project Ordinance
Exhibit F	Improvements – Depiction
Exhibit G	Public Infrastructure
Exhibit H	Total Project Budget
Exhibit I	Form of Certificate of Expenditures
Exhibit J	Insurance Specifications
Exhibit K	LBE/MBE/WBE Goals and Requirements

EXHIBIT A-1

PROJECT SITE – LEGAL DESCRIPTION

All of Lot 9, Center City, a subdivision in the City of Kansas City, Wyandotte County, Kansas, recorded in the Wyandotte County Register of Deeds Office in Book 33, Page 56, identified as Parcel #216205 and more commonly known as 600 State Avenue; and

All of Lot 4, Replat of Parcel 3, Center City, a subdivision in the City of Kansas City, Wyandotte County, Kansas, recorded in the Wyandotte County Register of Deeds Office as Document #2016R-01402 in Book 45, Page 5, identified as Parcel #412303 and more commonly known as 500 Minnesota Avenue.

EXHIBIT A-2

PROJECT SITE – MAP

Reardon Center – 500 Minnesota Ave. (Parcel ID # 412303)

EXHIBIT B

CID ORDINANCE

B 0 6 6 7 5 7
Tx:4041041

2013R-09481
NANCY BURNS
REGISTER OF DEEDS
WYANDOTTE COUNTY, KS
RECORDED ON
07/02/2013 08:42:00 AM
REC FEE: 14.00
TECHNOLOGY FEE: 10.00
PAGES: 5

(Published in The Wyandotte Echo on June 13, 2013)

ORDINANCE NO. 0-37-13

AN ORDINANCE AUTHORIZING THE CREATION OF THE DOWNTOWN HOTEL COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF KANSAS CITY, KANSAS; AUTHORIZING THE MAKING OF CERTAIN PROJECT IMPROVEMENTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH PROJECT IMPROVEMENTS; LEVYING A 2.0% CID SALES TAX AND PROVIDING FOR THE METHOD OF FINANCING THE SAME.

WHEREAS, K.S.A. 12-6a26 *et. seq.* (the "Act") authorizes the governing body of any city or county to create community improvement districts to finance projects within such defined area of the city or county and to levy a community improvement district sales tax and/or levy special assessments upon property within the district to finance projects; and

WHEREAS, a petition (the "Petition") was filed with the Unified Government Clerk on April 5, 2013, proposing the creation of the Downtown Hotel Community Improvement District (the "CID") under the Act, the imposition of a community improvement district sales tax in order to pay the costs of projects as described in the Petition (the "Projects"); and

WHEREAS, the Petition was signed by the required number of owners of record, whether resident or not, as required by the Act; and

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") intends to create the CID and to levy a community improvement district sales tax in an amount equal to 2.0% as requested in the Petition (the "CID Sales Tax"); and

WHEREAS, the Act provides that prior to creating any community improvement district and imposing a community improvement district sales tax, the governing body shall, by resolution, direct and order a public hearing on the advisability of creating such community improvement district and the construction of such community improvement district projects therein, and to give notice of the hearing by publication at least once each week for two (2) consecutive weeks in the official Unified Government newspaper and by certified mail to all property owners within the proposed community improvement district, the second publication to be at least seven (7) days prior to the hearing and such certified mail sent at least ten (10) days prior to such hearing; and

WHEREAS, the Governing Body adopted Resolution No. R-37-13 on May 2, 2013 (the "Resolution") directing that a public hearing on the proposed CID within the Unified Government be held on June 6, 2013, declaring its intent to impose a community improvement district sales tax, and requiring that the Unified Government Clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, the Resolution was mailed (by certified mail) to all property owners within the proposed CID on May 14, 2013, and published once each week for two (2) consecutive weeks in *The Wyandotte Echo*, the official Unified Government newspaper, on May 9, 2013 and May 16, 2013; and

WHEREAS, on June 6, 2013, the governing body of the Unified Government conducted a public hearing on the advisability of the proposed CID; and

WHEREAS, the Governing Body hereby finds and determines it to be advisable to create the Downtown Hotel Community Improvement District and set forth the boundaries thereof, authorize community improvement district projects relating thereto, approve the estimated costs of such community improvement district projects and approve the method of financing the same, all in accordance with the provisions of the Act.

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

SECTION 1. Creation of Community Improvement District; Boundaries. That the Governing Body hereby finds and determines that it is advisable to create, in accordance with the provisions of the Act, the Downtown Hotel Community Improvement District within the Unified Government to be referred to as the Downtown Hotel Community Improvement District. A legal description of the boundaries of the proposed Downtown Hotel Community Improvement District is set forth on **Exhibit A,** attached hereto and incorporated by reference herein. A map generally outlining the boundaries of the proposed Downtown Hotel Community Improvement District is attached as **Exhibit B**, attached hereto and incorporated by reference herein.

SECTION 2. Authorization of Community Improvement District Projects and Estimated Costs.

(a) The general nature of the CID Project is the improvement of the hotel, parking garage and convention center located between 5th and 6th Street and between Minnesota Avenue and State Avenue, including, but not limited to, the acquisition, improvement, construction, renovation, rehabilitation, maintenance, restoration, replacement, renewal, repair and installation, of buildings, structures, parking garages, personal property and fixtures, utility systems and communication systems and infrastructure and on-going maintenance and repair within the boundaries of the CID in accordance with the Act.

(b) The total estimated cost of the Projects to be funded by the CID is $3,2231,000, plus associated financing costs, such as interest, reserves, and any costs associated with the issuance of bonds.

SECTION 3. Method of Financing.

(a) In order to provide funds to finance the costs of the Project, it is advisable to impose, in accordance with the provisions of the Act, a community improvement district sales tax within the Downtown Hotel Community Improvement District in an amount of **2.0%** on the selling of tangible personal property at retail or rendering or furnishing services within the Downtown Hotel Community Improvement District (the "CID Sales Tax"). The Unified Government shall receive its administrative service fee of CID Sales Tax to reimburse the Unified Government for administrative costs in connection with the CID and the CID Sales Tax.

(b) There will be no special assessments in connection with the CID.

(c) The estimated cost of the proposed Projects, plus financing costs such as interest, reserves, and any costs associated with the issuance of bonds will be financed by through a combination of general obligation bonds, special obligation revenue bonds and pay-as-you-go financing, as defined in the Act.

SECTION 4. Imposition of Community Improvement District Sales Tax. In order to provide for the payment of the Projects, the Governing Body of the Unified Government hereby imposes the CID

Sales Tax within the CID in an amount of **2.0%** on the selling of tangible personal property at retail or rendering or furnishing services taxable pursuant to the provisions of the Kansas retailers' sales tax act within the CID with such CID Sales Tax to commence on July 1, 2013 or such other date as shall be approved by ordinance of the Unified Government.

SECTION 5. Segregation of Sales Tax Revenues. All revenues derived from the collection of the CID Sales Tax shall be deposited into a special fund of the Unified Government to be designated as the Downtown Hotel Community Improvement District Sales Tax Revenue Fund (the "Revenue Fund'). Such revenues shall be used to pay the costs of the Projects and the Unified Government's administrative fee.

SECTION 6. Effective Date. This Ordinance shall take effect and be in force from and after its passage, approval and publication in the official Unified Government newspaper.

PASSED by the governing body of the Unified Government on June 6, 2013 and **APPROVED AND SIGNED** by the Mayor/CEO.

Mayor/CEO

[SEAL]

ATTEST:

Unified Government Clerk

EXHIBIT A

LEGAL DESCRIPTION OF THE DOWNTOWN HOTEL COMMUNITY IMPROVEMENT DISTRICT

The following property located in Wyandotte County, Kansas City, Kansas:

Beginning at the point of intersection of the North right-of-way line of Minnesota Avenue and the West right-of-way line of 5th Street as they now exist;

thence North along the West right-of-way line of 5th Street to the intersection of the South right-of-way line of State Ave and the West right-of-way line of 5th Street;

thence West along said South right-of-way line of State Ave, a distance of 600.30 feet more or less to the Northwest corner of Parcel 3, CENTER CITY, a subdivision in Kansas City, Wyandotte County, Kansas;

thence South 02 degrees 11 minutes 43 seconds East a distance of 123.22 feet more or less;

thence North 87 degrees 47 minutes 43 seconds East a distance of 20.00 feet more or less;

thence South to a point on the North face of the building located at the Southwest corner of Parcel 3, CENTER CITY;

thence East along said building face to the Northeast corner of said building;

thence South along the East face of said building to a point on the North right-of-way line of Minnesota Avenue;

thence East along said North right-of-way of Minnesota Avenue to the Point of Beginning.

EXHIBIT B
MAP OF DOWNTOWN HOTEL COMMUNITY IMPROVEMENT DISTRICT

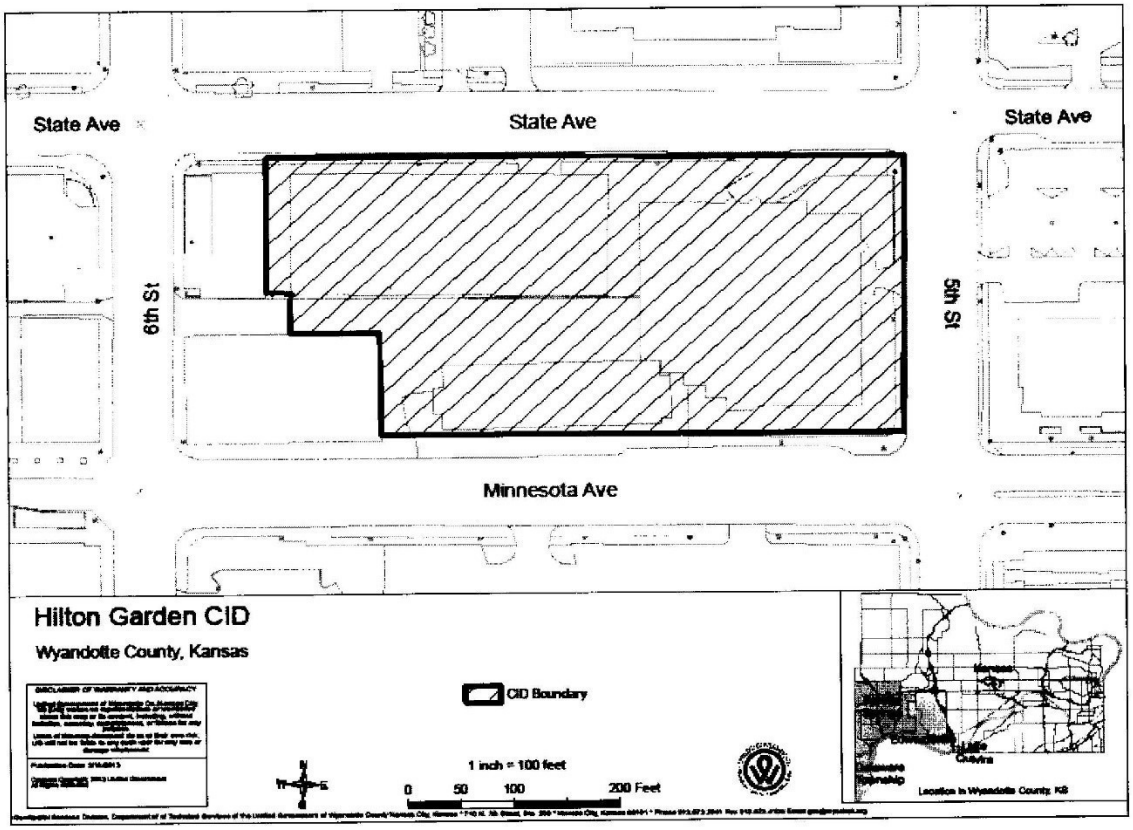


EXHIBIT C

TIF DISTRICT ORDINANCE

(Published in ***The Wyandotte Echo*** on April 2, 2020)

ORDINANCE NO. O-10-20

AN ORDINANCE MAKING FINDINGS AND ESTABLISHING A REDEVELOPMENT DISTRICT PURSUANT TO K.S.A. 12-1770 ET SEQ., AND AMENDMENTS THERETO.

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 *et seq.*, as amended (the "Act"), the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") is authorized to establish redevelopment districts within a defined area of the Unified Government which is an area within the Unified Government that was designated as an enterprise zone prior to July 1, 1992, and is therefore an "eligible area" as said term is defined in the Act; and

WHEREAS, the Board of Commissioners of the Unified Government (the "Governing Body") adopted Resolution No. R-5-20 on February 13, 2020, calling for a public hearing considering the establishment of a redevelopment district to be held by the Governing Body on March 26, 2020; and

WHEREAS, notice of the public hearing was given as required by the Act; and

WHEREAS, the public hearing was held on March 26, 2020 and closed on the same day.

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

SECTION 1. The Governing Body hereby finds that the real property described in **Exhibits A and B** (the "Redevelopment District") attached hereto is an eligible area for being designated as a redevelopment district pursuant to the Act because the real property is an area within the Unified Government that was designated as an enterprise zone prior to July 1, 1992.

SECTION 2. The Governing Body hereby finds that the real property described in **Exhibits A and B** includes only areas designated in the notice of public hearing given as required by the Act and Resolution No. R-5-20, and that all required notices under the Act were properly and timely given.

SECTION 3. The Governing Body hereby finds that the conservation, development or redevelopment of the Redevelopment District is necessary to promote the general and economic welfare of the Unified Government.

SECTION 4. The Governing Body hereby establishes the Redevelopment District, which shall consist of a single project area depicted on the map attached hereto as **Exhibit A**. The district plan is hereby approved, and consists of buildings and facilities to be constructed within the Redevelopment District generally described as follows, without limitation:

> Commercial uses, mixed use commercial retail, multifamily residential uses, recreational uses, a multi-purpose banquet/meeting space, and any other commercial structure or use (including but not limited to, office, non-profit, governmental, or community use), and including such associated site work, infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), other associated and appurtenant structures and facilities, and any other items allowable under the Act.

SECTION 5. The Mayor/CEO, County Administrator, and other officers, agents and employees of the Unified Government are hereby further authorized and directed to take such further action as may be appropriate or desirable to accomplish the purpose of this Ordinance.

SECTION 6. This Ordinance shall take effect and be in force from and after its passage and publication as provided by law.

PASSED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS 26TH DAY OF MARCH, 2020.

Mayor/CEO

(SEAL)

Unified Government Clerk

TIF District Ordinance (Downtown Campus)

CORE/0501343.0168/158395993.1

EXHIBIT A

MAP OF PROPOSED REDEVELOPMENT DISTRICT
AND PROPOSED PROJECT AREA

CORE/0501343.0168/158395993.1

EXHIBIT B

LEGAL DESCRIPTION OF REDEVELOPMENT DISTRICT

All that part of Parcels 3 and 8 and all of Parcel 9, Center City, a subdivision in the City of Kansas City, Wyandotte County, Kansas, according to the recorded plat thereof, together with the West ½ of North 6th Street from the South right-of-way line of State Avenue to the South right-of-way line of Nebraska Avenue, as both streets are now established, and together with the South ½ of Nebraska Avenue from the center line of North 6th Street, West 422.00 feet more or less to the East wall line of a building to the South and together with the East ½ of said North 6th Street from the North right-of-way line of State Avenue, as now established to the South right-of-way line of said State Avenue and together with the South ½ of said State Avenue from the East right-of-way line of said North 6th Street to the center line of North 5th Street, and together with the West ½ of North 5th Street from the South right-of-way line of said State Avenue to the center line of Minnesota Avenue, as both streets are now established, together with the North ½ of Minnesota Avenue from the West right-of-way line of Minnesota Avenue, West 260.00 feet, more or less, to the East wall line of a building to the North, described as follows:

BEGINNING at the intersection of the center line of said North 5th Street and the center line of said Minnesota Avenue;

thence South 87 degrees 48 minutes 09 seconds West, on the center line of said Minnesota Avenue, a distance of 260.24 feet, to a point being on the Southerly prolongation of the East wall line of an existing building;

thence North 02 degrees 11 minutes 51 seconds West, on said prolongation and the East wall of said existing building, a distance of 117.37 feet, to a point;

thence South 87 degrees 48 minutes 09 seconds West, on the North face of said existing building, a distance of 8.58 feet, to a point;

thence North 02 degrees 11 minutes 51 seconds West, on the East face of said existing building, a distance of 12.99 feet, to a point;

thence South 87 degrees 48 minutes 09 seconds West, on the North face of said existing building, a distance of 49.69 feet, to a point;

thence North 02 degrees 11 minutes 51 seconds West, departing the North face of said existing building, a distance of 184.14 feet, to a point on the South right-of-way line of said State Avenue, as now established;

thence South 87 degrees 47 minutes 14 seconds West, on said South right-of-way line, a distance of 476.74 feet, to a point being the intersection of said South right-of-way line and the West right-of-way line of said North 6th Street, as now established;

thence North 02 degrees 11 minutes 51 seconds West, departing said South right-of-way line and on said West right-of-way line, a distance of 100.00 feet, to a point being the intersection of said West right-of-way line and the North right-of-way line of said State Avenue, as now established;

thence South 87 degrees 47 minutes 14 seconds West, on said North right-of-way line, a distance of 150.04 feet, to the Southwest corner of said Parcel 9 and the Southeast corner of Lot 50, Block 109, Wyandotte City, a subdivision in the City of Kansas City, Wyandotte County, Kansas, according to the recorded plat thereof;

thence North 02 degrees 11 minutes 27 seconds West, departing said North right-of-way line and on the West line of said Parcel 9 and the East line of said Lot 50, a distance of 122.88 feet, to the Northeast corner of said Lot 50 and the South line of a vacated alley 18.00 feet in width as shown on the plat of said Wyandotte City;

thence South 87 degrees 47 minutes 34 seconds West, on the South line of said Alley and the North line of Lots 50, 49, 48, 47, 46, 45, 44, 43 and 42, a distance of 225.09 feet, to the Northwest corner of said Lot 42;

thence North 02 degrees 11 minutes 27 seconds West, departing said South line, a distance of 190.88 feet, to a point on the center line of said Nebraska Avenue;

thence North 87 degrees 47 minutes 59 seconds East, on the center line of said Nebraska Avenue, a distance of 415.11 feet, to a point being the intersection of the center line of said Nebraska Avenue and the center line of said North 6th Street;

thence South 02 degrees 11 minutes 43 seconds East, departing the center line of said Nebraska Avenue and on the center line of said North 6th Street, a distance of 313.69 feet, to a point being on the Westerly prolongation of the North right-of-way line of said State Avenue, as now established;

thence North 87 degrees 47 minutes 14 seconds East, departing the center line of said North 6th Street, a distance of 40.00 feet, to a point being the intersection of said North right-of-way line and the East right-of-way line of said North 6th Street, as now established;

thence South 02 degrees 11 minutes 43 seconds East, departing said North right-of-way line, a distance of 40.00 feet, to a point being on the center line of said State Avenue;

thence North 87 degrees 47 minutes 14 seconds East, on the center line of said State Avenue, a distance of 715.37 feet, to a point being the intersection of the center line of said State Avenue and the center line of said North 5th Street;

thence South 02 degrees 10 minutes 50 seconds East, departing the center line of said State Avenue and on the center line of said North 5th Street, a distance of 364.59 feet, to the POINT OF BEGINNING, containing 5.70 acres, more or less.

EXHIBIT D-1

TIF DISTRICT – LEGAL DESCRIPTION

All that part of Parcels 3 and 8 and all of Parcel 9, Center City, a subdivision in the City of Kansas City, Wyandotte County, Kansas, according to the recorded plat thereof, together with the West ½ of North 6th Street from the South right-of-way line of State Avenue to the South right-of-way line of Nebraska Avenue, as both streets are now established, and together with the South ½ of Nebraska Avenue from the center line of North 6th Street, West 422.00 feet more or less to the East wall line of a building to the South and together with the East ½ of said North 6th Street from the North right-of-way line of State Avenue, as now established to the South right-of-way line of said State Avenue and together with the South ½ of said State Avenue from the East right-of-way line of said North 6th Street to the center line of North 5th Street, and together with the West ½ of North 5th Street from the South right-of-way line of said State Avenue to the center line of Minnesota Avenue, as both streets are now established, together with the North ½ of Minnesota Avenue from the West right-of-way line of Minnesota Avenue, West 260.00 feet, more or less, to the East wall line of a building to the North, described as follows:

BEGINNING at the intersection of the center line of said North 5th Street and the center line of said Minnesota Avenue;

thence South 87 degrees 48 minutes 09 seconds West, on the center line of said Minnesota Avenue, a distance of 260.24 feet, to a point being on the Southerly prolongation of the East wall line of an existing building;

thence North 02 degrees 11 minutes 51 seconds West, on said prolongation and the East wall of said existing building, a distance of 117.37 feet, to a point;

thence South 87 degrees 48 minutes 09 seconds West, on the North face of said existing building, a distance of 8.58 feet, to a point;

thence North 02 degrees 11 minutes 51 seconds West, on the East face of said existing building, a distance of 12.99 feet, to a point;

thence South 87 degrees 48 minutes 09 seconds West, on the North face of said existing building, a distance of 49.69 feet, to a point;

thence North 02 degrees 11 minutes 51 seconds West, departing the North face of said existing building, a distance of 184.14 feet, to a point on the South right-of-way line of said State Avenue, as now established;

thence South 87 degrees 47 minutes 14 seconds West, on said South right-of-way line, a distance of 476.74 feet, to a point being the intersection of said South right-of-way line and the West right-of-way line of said North 6th Street, as now established;

thence North 02 degrees 11 minutes 51 seconds West, departing said South right-of-way line and on said West right-of-way line, a distance of 100.00 feet, to a point being the intersection of said West right-of-way line and the North right-of-way line of said State Avenue, as now established;

thence South 87 degrees 47 minutes 14 seconds West, on said North right-of-way line, a distance of 150.04 feet, to the Southwest corner of said Parcel 9 and the Southeast corner of Lot 50, Block 109, Wyandotte City, a subdivision in the City of Kansas City, Wyandotte County, Kansas, according to the recorded plat thereof;

thence North 02 degrees 11 minutes 27 seconds West, departing said North right-of-way line and on the West line of said Parcel 9 and the East line of said Lot 50, a distance of 122.88 feet, to the Northeast corner of said Lot 50 and the South line of a vacated alley 18.00 feet in width as shown on the plat of said Wyandotte City;

thence South 87 degrees 47 minutes 34 seconds West, on the South line of said Alley and the North line of Lots 50, 49, 48, 47, 46, 45, 44, 43 and 42, a distance of 225.09 feet, to the Northwest corner of said Lot 42;

thence North 02 degrees 11 minutes 27 seconds West, departing said South line, a distance of 190.88 feet, to a point on the center line of said Nebraska Avenue;

thence North 87 degrees 47 minutes 59 seconds East, on the center line of said Nebraska Avenue, a distance of 415.11 feet, to a point being the intersection of the center line of said Nebraska Avenue and the center line of said North 6th Street;

thence South 02 degrees 11 minutes 43 seconds East, departing the center line of said Nebraska Avenue and on the center line of said North 6th Street, a distance of 313.69 feet, to a point being on the Westerly prolongation of the North right-of-way line of said State Avenue, as now established;

thence North 87 degrees 47 minutes 14 seconds East, departing the center line of said North 6th Street, a distance of 40.00 feet, to a point being the intersection of said North right-of-way line and the East right-of-way line of said North 6th Street, as now established;

thence South 02 degrees 11 minutes 43 seconds East, departing said North right-of-way line, a distance of 40.00 feet, to a point being on the center line of said State Avenue;

thence North 87 degrees 47 minutes 14 seconds East, on the center line of said State Avenue, a distance of 715.37 feet, to a point being the intersection of the center line of said State Avenue and the center line of said North 5th Street;

thence South 02 degrees 10 minutes 50 seconds East, departing the center line of said State Avenue and on the center line of said North 5th Street, a distance of 364.59 feet, to the POINT OF BEGINNING, containing 5.70 acres, more or less.

EXHIBIT D-2

TIF DISTRICT – MAP

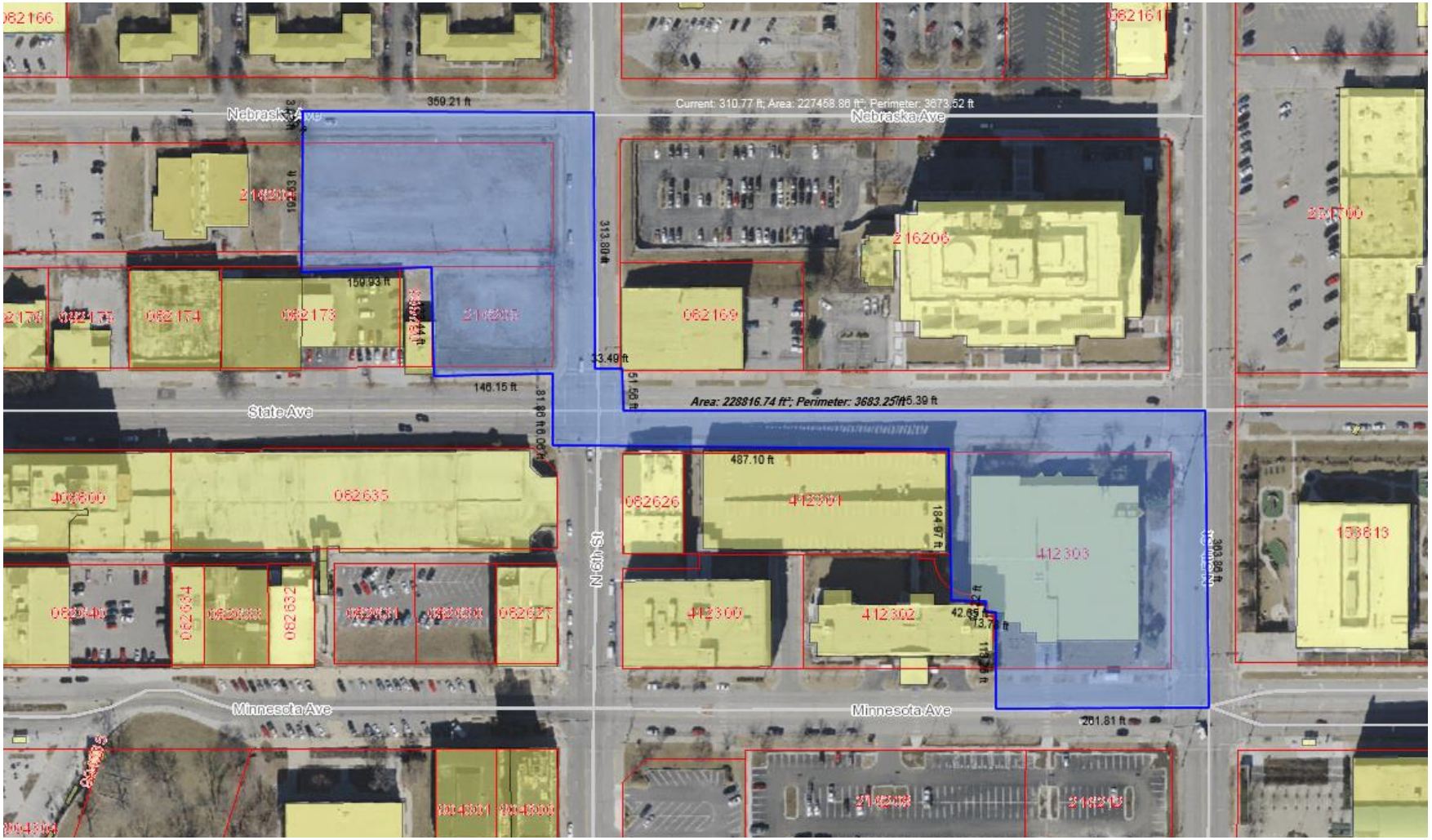


EXHIBIT E

TIF PROJECT ORDINANCE

[To be attached.]

EXHIBIT F

IMPROVEMENTS – DEPICTION

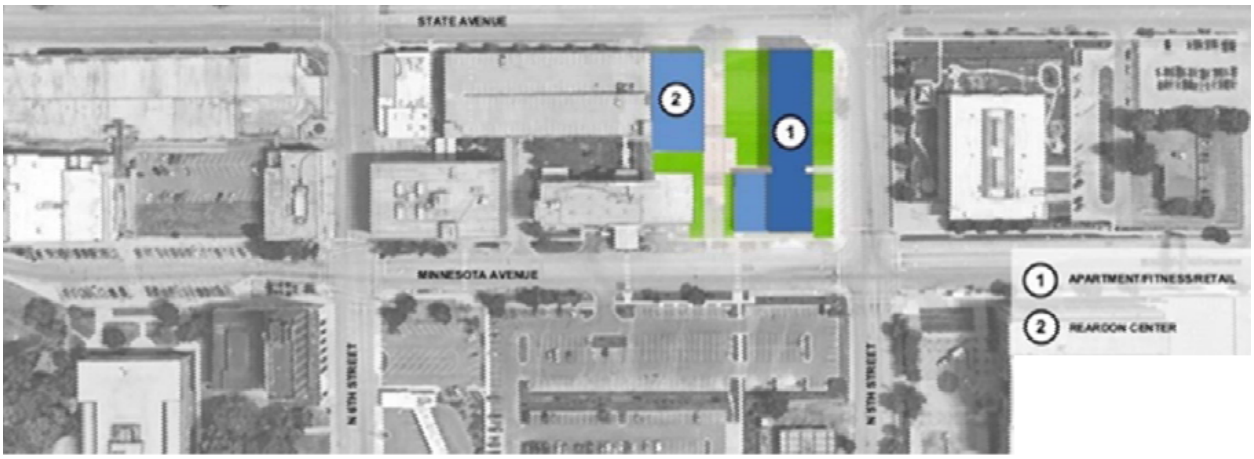


EXHIBIT G

Reserved

EXHIBIT H

TOTAL PROJECT BUDGET

Lanier United KCK Development

Downtown Campus

As of: 3/29/2023

Estimated Project Costs

Description	Total Costs		TIF Eligible	CID Eligible	TGT Eligible	UG Grant (from Reardon Center Maint. Fund)
PROPERTY ACQUISITION						
Acquisition/ Relocation/Lease Buyout	$10		$10	$10		
Title issues, right of way easement, traffic signalization easement	$25,000		$25,000	$25,000		
	$25,010		**$25,010**	**$25,010**		
SITE COSTS						
Clearing & Grubbing	$250,000		250,000	250,000		
Excavation and Demo	$1,000,000		$1,000,000	$1,000,000		
Embankment			$0	$0		
Fine Grading	$100,000		$100,000	$100,000		
Regular Duty Pavement	$50,000		$50,000	$50,000		
Heavy Duty Asphalt Pavement			$0	$0		
Heavy Duty Concrete	$50,000		$50,000	$50,000		
Curb & Gutter	$50,000		$50,000	$50,000		
Storm Sewer	$150,000		$150,000	$150,000		
Inlets / Junction Boxes			$0	$0		
Water Main	$250,000		$250,000	$250,000		
Fire Hydrants	$10,000		$10,000	$10,000		
Sanitary Sewer	$120,000		$120,000	$120,000		
Sanitary Sewer Manholes	$24,000		$24,000	$24,000		
Site Lighting	$50,000		$50,000	$50,000		
Landscaping	$250,000		$250,000	$250,000		
Utility Easement Relocation	$50,000		$50,000	$50,000		
Erosion Control	$5,000		$5,000	$5,000		
Irrigation	$5,000		$5,000	$5,000		
Site Survey	$15,000			$15,000		
Site Engineering	$50,000			$50,000		
Geotechnical Engineering	$20,000			$20,000		
Site Construction Testing	$40,000			$40,000		
Contingency	$507,800			$507,800		
Total On-Site Costs	$3,046,800		$2,414,000	$3,046,800		
BUILDING AND PARKING CONSTRUCTION COSTS						
Apartment	$17,380,000		$14,549,000	$17,380,000		
Reardon Center	$2,000,000		$2,000,000	$2,000,000	$2,000,000	$2,000,000
Structured Parking (60 spaces for Apts.)	$0		$0	$0	$0	$0
FF&E	$600,000		$600,000	$600,000	$600,000	$600,000
Contingency	$999,000		$999,000	$999,000		
Total Building Construction Costs	**$20,979,000**		**$18,148,000**	**$20,979,000**	**$2,600,000**	**$2,600,000**
PROFESSIONAL SERVICES AND SOFT COSTS						
Architectural Services & Design Costs	$700,000		$700,000	$700,000	$700,000	$700,000
Legal Services	$225,000		$225,000	$225,000		
Permits	$50,000		$50,000	$50,000		
Engineering Services	$110,000		$110,000	$110,000	$110,000	$110,000
Total Professional and Soft Costs	$1,085,000		$1,085,000	$1,085,000	$1,085,000	$1,085,000
TOTAL ESTIMATED PROJECT COSTS[1]	**$25,135,810**		**$21,672,010**	**$25,135,810**	**$4,495,000****	**$4,495,000****
		Caps	**$4,250,000**	**$3,337,002**	**$1,000,000**	**$1,000,000**
CID and TIF Percentages and Cap	**Cap ---31%**		**16.91%**	**13.28%**		
TOTAL PUBLIC/PRIVATE RATIO (incl. TGT and UG Contribution)	**Public -- 38% Private – 62%**					

[1] The foregoing does not include any Costs of Financing, City Expenses or any Cost of Additional Required Improvements, all of which shall be reimbursable to the Developer in accordance with the TIF Plan.

**** Only Services and Soft Costs attributable to the Reardon Center portion of the Project are eligible.**

EXHIBIT I

Form of Certificate of Expenditures

CERTIFICATE OF EXPENDITURES

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

Attention: County Administrator

Re: DOWNTOWN CAMPUS

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Amended and Restated Downtown Campus Development Agreement dated as of _____, 2023 (the "Agreement") between the Unified Government and the Developer.

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

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

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

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

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

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

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

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

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

Dated this ____ day of _____, 20____.

LANIER UNITED, LLC, a Kansas limited liability company

By: _____

Name: _____

Title: _____

Approved for Payment this ____ day of _____, 20_____:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: _____

Title: _____

SCHEDULE I
TO
CERTIFICATE OF EXPENDITURES

Description of Project Costs	Cost	Payee	Designate as Redevelopment Project Costs

Total Costs:

EXHIBIT J

INSURANCE SPECIFICATIONS

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

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

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

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

5. Special Perils Form Property Insurance. Developer will purchase on a replacement cost basis. Deductibles and limits will be standard to those in the industry, and the policy shall include an "Agreed Amount" endorsement. Earthquake and flood insurance, as well as fired vessel, boiler and machinery, and underground collapse, may be required by the UG as additional perils, but only to the extent required by Developer's lender for the Project.

EXHIBIT K

LBE/MBE/WBE GOALS AND REQUIREMENTS

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

I. SCOPE

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

II. DEFINITIONS

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

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

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

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

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

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

F. **"Minority Business Enterprise or MBE"** means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is

under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

G. "Professional Services" means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development, and construction of the Project but specifically excluding: (i) professional services that have historically been sourced and performed at the holding company level by Developer (such as legal and accounting services, for example); (ii) Specialized Services; (iii) Construction; and (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement.

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

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

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

III. DESIGN, DEVELOPMENT, AND CONSTRUCTION OF THE PROJECT

A. GOALS FOR LBE/MBE/WBE PARTICIPATION.

1. Project Design, Development, and Construction Goals.

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

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

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award

of an individual contract are equal, Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs. The Developer shall strive to meet each individual goal listed.

2. Contract Specific Goals.

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

3. Eligibility for Credit.

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

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

4. Construction Workforce.

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

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

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

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

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

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

B. DEVELOPMENT AND PROJECT UTILIZATION PLANS.

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

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

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

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

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

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

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

for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

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

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

2. Evaluation of Project Utilization Plans.

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

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

C. CONTRACT AWARD COMPLIANCE PROCEDURES.

1. Solicitation Documents.

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

2. Developer's Report of Solicitation Results.

Within seven (7) working days after the date set for receipt of proposals by each solicitation issued for Developer for the construction of the Project, the Project Manager shall submit to the UG, on a form provided or approved by the UG, a Report of Solicitation Results (the "Report") fully describing all proposals received in response to the solicitation. The Report shall: (1) state

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

3. <u>UG Review of Developer's Report of Solicitation Results.</u>

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

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

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

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

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

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

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

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

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

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

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

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

4. Signed Contracts.

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

D. SUBCONTRACTOR RELATIONS.

1. Documentation of Subcontracting Agreements.

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

2. Documentation of Schedules.

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

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

3. Substitutions, Additions, or Deletions.

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

IV. UG'S ASSISTANCE TO DEVELOPER

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

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

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

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

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

E. recommending contract specific goals, as appropriate;

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

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

H. providing advice relative to utilization and compliance matters;

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

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

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

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

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

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

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

V. DEVELOPER COMPLIANCE RECORDS AND REPORTS.

A. RECORDS.

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

B. DEVELOPMENT AND PROJECT UTILIZATION PLAN REPORTS.

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

C. REMEDIES.

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

If, after reviewing Developer's Reports, the UG believes that the participation goals contained in this Exhibit have not been met, and that the Best Efforts described herein have not been met, then the UG shall inform Developer of this determination in writing. If, within thirty (30) days following its receipt of said written determination from the UG, Developer fails to demonstrate to the UG's reasonable satisfaction that either: (i) the goals contained in this Exhibit have been met; or (ii) the goals contained in this Exhibit may not have been met but the Best Efforts described herein have been met, then the UG shall have the right to reduce the CID Cap and TIF Cap by an amount equal to two and one-half percent (2.5%) (applied separately to Construction and Professional Services) as the UG's sole and exclusive remedy for such failure. The UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS	**LANIER UNITED, LLC**
By:_____	By:_____
David Johnston	Name:_____
County Administrator	Title:_____
Date:_____, 2023	Date:_____, 2023

Attachment A

Unified Government **Date:_____**

Project Utilization Plan

Project Name:_____

Bid Package	Estimated Contract Value	Estimated LBE Value	Estimated LBE %	Estimated MBE Value	Estimated MBE %	Estimated WBE Value	Estimated WBE %	Total Combined Value	Total Combined %

DIVERSITY TOTAL	**0**			**0**	**#DIV/0!**	**0**	**#REF!**		

Attachment B

LBE/MBE/WBE Utilization Report

LBE/MBE/WBE - UTILIZATION REPORT

CONSTRUCTION

Month, Year

APPLICABLE TRADES

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

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

Attachment C

LBE/MBE/WBE COMPLIANCE

SUMMARY REPORT

EXPENDITURES FOR REPORTING PERIOD

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

MINORITY AND WOMEN EMPLOYEES

List the name, address, trade, classification, date hired, sex and ethnic origin for each minority/women employed by your company.

Name & Address	Trade	Classification	Date Hired	Sex	Ethnic Origin