Economic Development and Finance
Standing Committee Meeting Agenda
Monday, November 13, 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, Kansas, or virtually via a Zoom webinar.

Please click this URL to join. https://us02web.zoom.us/s/85147657079

Or One tap mobile:
+12532158782,85147657079# US (Tacoma)
+13462487799,85147657079# US (Houston)

Or join by phone:
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: 851 4765 7079
International numbers available: https://us02web.zoom.us/u/kcBu90Jy6X

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 November 13, 2023 Agenda

Item No. 1 - BLUE SHEET: ADDING NEW ITEM #4 TO COMMITTEE AGENDA

III. Approval of standing committee minutes from (no minutes available)

IV. Committee Agenda

Item No. 1 - RESOLUTION: ISSUANCE OF INDUSTRIAL REVENUE BONDS AND TO ADOPT PERFORMANCE AGREEMENT (CARNATION PARTNERS, LLC)

Synopsis: RESOLUTION—Adopt a resolution of intent to issue industrial revenue bonds in the amount not to exceed $11,500,000 to finance costs of acquiring, constructing, improving, and equipping a manufacturing facility for the benefit of Carnation Partners LLC, and to adopt a performance agreement, submitted by Jeff Conway, Assistant Counsel.

To adopt the resolution and performance agreement.

Tracking #: 212841

Item No. 2 - RESOLUTION: APPROVING AND AUTHORIZING THE MAYOR/CEO TO EXECUTE A SECOND AMENDMENT TO THE PERFORMANCE AGREEMENT (CRITERION DEVELOPMENT PARTNERS)

Synopsis: RESOLUTION—Adopt a resolution approving and authorizing the Mayor/CEO to execute a second amendment to the performance agreement with CPC Land Acquisition Company, LLC, submitted by Jeff Conway, Assistant Counsel.

To adopt the resolution and approve the performance agreement.

Tracking #: 212842

Item No. 3 - ORDINANCE: AUTHORIZING THE REMOVAL OF PROPERTY FROM PROJECT AREA A IN THE KANSAS SPEEDWAY REDEVELOPMENT DISTRICT

Synopsis: ORDINANCE—Adopt an ordinance authorizing the removal of property from Project Area A in the Kansas Speedway redevelopment district for the purpose of other development, submitted by Jeff Conway, Assistant Counsel.

To approve the ordinance.

Tracking #: 212843

Item No. 4 - ORDINANCE/RESOLUTION: COMMUNITY BENEFITS FUND

Synopsis: An Ordinance/Resolution creating a new Community Benefits Fund from moneys received as fees paid by developers who are receiving economic development incentives, submitted by Jeff Conway, Assistant Counsel.

To adopt the resolution and approve the ordinance.

Tracking #: 212855

V. Public Agenda

VI. Adjourn

AGENDA UPDATE
ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MEETING
MONDAY, NOVEMBER 13, 2023

IV. COMMITTEE AGENDA

NEW ITEM

Item No. 4 – ORDINANCE/RESOLUTION: COMMUNITY BENEFITS FUND
Synopsis: An Ordinance/Resolution creating a new Community Benefits Fund from moneys received as fees paid by developers who are receiving economic development incentives, submitted by Jeff Conway, Assistant Counsel.
Tracking #: 212855

212841

Report to

MEETING DATE	PRESENTER	DEPARTMENT
December 29, 2023	Jeffrey Conway, Assistant Counsel	Economic Development

AGENDA ITEM #
RESOLUTION: ISSUANCE OF INDUSTRIAL REVENUE BONDS AND TO ADOPT PERFORMANCE AGREEMENT (CARNATION PARTNERS, LLC)
BACKGROUND
RESOLUTION—Adopt a resolution of intent to issue industrial revenue bonds in the amount not to exceed \$11,500,000 to finance costs of acquiring, constructing, improving and equipping a manufacturing facility for the benefit of Carnation Partners LLC, and to adopt a performance agreement, submitted by Jeff Conway, Assistant Counsel.
RECOMMENDATION
Approve To adopt the resolution and performance agreement.
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS
not to exceed \$11,500.00 to finance vost of acquiring construction
IT/POLICY CONSIDERATIONS
none
PROCUREMENT CONSIDERATIONS
none
LEGAL CONSIDERATIONS
Jeff Conway has reviewed and is working on this item.
ATTACHMENTS
Resolution of Intent - Carnation Partners (UG), Notice of Public Hearing - Carnation Partners (UG), Performance Agreement - Carnation Partners (UG), CBA_Carnation_10272023_withLMW_signed, CBA_Carnation_10272023_withoutLMW_signed

Approved by Mayor and Administrator to add to agenda. Tyrone Garner 11-6-23

David Johnston, County Administrator Dated: 11/1/2023

11/3/2023

RESOLUTION NO. R-__-23

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT OF NOT TO EXCEED $11,500,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A MANUFACTURING FACILITY FOR THE BENEFIT OF CARNATION PARTNERS LLC AND ITS SUCCESSORS AND ASSIGNS

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

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

WHEREAS, Carnation Partners LLC, a Kansas limited liability company (together with permitted successors and assigns, the "Company"), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the Unified Government finance the cost of acquiring, purchasing, constructing, installing and equipping an approximately 56,700 square foot manufacturing facility located generally at 4500 Dover Street in the City of Kansas City, Kansas, as more fully described in the Application (collectively, the "Project") through the issuance of its industrial revenue bonds in one or more series in the principal amount of not to exceed $11,500,000 (the "Bonds"), and to lease the Project to the Company in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the Unified Government and its inhabitants that the Unified Government finance the costs of the Project by the issuance of the Bonds under the Act in a principal amount of not to exceed $11,500,000, said Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company; and

WHEREAS, to set forth certain terms of the Project and the proposed property tax abatement, the Unified Government desires to approve the Performance Agreement between the Unified Government and Company (the "Performance Agreement") and authorize the Mayor/CEO's execution thereof.

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

Section 1. Approval of Project The governing body of the Unified Government hereby finds and determines that the acquiring, constructing, improving and equipping of the Project will promote the general welfare and economic prosperity of the Unified Government and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas, and the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be generally located at 4500 Dover Street in the corporate boundaries of the Unified Government, as further described in the Application.

Section 2. Intent to Issue Bonds. The governing body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct and equip the Project out of the proceeds of the Bonds of the Unified Government in the principal amount of not to exceed $11,500,000, to be issued pursuant to the Act.

Section 3. Ad Valorem Tax Abatement. In consideration of the Company's decision to acquire, construct, improve and equip the Project, the Unified Government hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and taxes that may not be abated by the Unified Government under Kansas law, including the school district's capital outlay levy) for all property (including real property, building improvements, machinery and equipment) financed with the proceeds of the Bonds.

In consideration of the Unified Government's agreement to request such 100% abatement, the Company will agree to make payments in lieu of tax as set forth on **Exhibit A** hereto, and such amounts shall be set forth in the Performance Agreement and subject to adjustment as set forth therein. The Project shall be entitled to a 10-year tax abatement, with the first year of the abatement being the year beginning on the January 1 following the year the Bonds are issued.

Section 4. Performance Agreement. The Mayor/CEO is authorized and directed to execute and deliver the Performance Agreement between the Unified Government and the Company on behalf of, and as the act and deed of the Unified Government, in substantially the same form as presented to the governing body on this date with such corrections or amendments thereto as the Mayor/CEO, upon recommendation of the Chief Counsel of the Unified Government, may approve.

Section 5. Provision for the Bonds. Subject to the conditions of this Resolution of Intent (this "Resolution"), the Unified Government expresses its intent to (i) issue the Bonds to pay the costs of acquiring, constructing, improving and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be reasonably acceptable to the Company and determined by ordinance of the Unified Government (the "Ordinance"); (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the Unified Government and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 6. Conditions to Issuance. The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the Unified Government, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the Unified Government's policy relating to the issuance of industrial revenue bonds and ad valorem tax abatement; (iv) the passage and publication of an Ordinance authorizing the issuance of the Bonds; and (v) Company's payment of all of the costs of issuance related to the issuance of the Bonds.

Section 7. Sale of the Bonds. The sale of the Bonds shall be the sole responsibility of the Company; provided, however, arrangements for the sale of the Bonds shall be reasonably acceptable to the Unified Government.

Section 8. Limited Obligations of the Unified Government. The Bonds and the interest thereon shall be special, limited obligations of the Unified Government payable solely out of the amounts derived by the Unified Government under a lease agreement with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the trust estate to the trustee for the Bonds and in favor of the owners of the Bonds, all as provided in the Trust Indenture to be entered into between the Unified Government and the trustee for the Bonds (the "Indenture"). The Bonds shall not constitute a general obligation of the Unified Government, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Unified Government, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 9. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law and upon compliance with the other requirements of this Resolution, the Unified Government will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 10. No Reliance on Resolution. Kansas law provides that the Unified Government may only issue the Bonds by passage of an Ordinance and compliance with other state law requirements. The Unified Government has not yet passed an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be passed or that the Project will be approved.

Section 11. Termination of Resolution. This Resolution shall terminate upon termination of the Performance Agreement. Additionally, this Resolution shall terminate upon eighteen (18) months from the date of the adoption of this Resolution unless (i) the Bonds have been issued for the Project or (ii) a building permit has been issued by the Unified Government for the Project. The Unified Government, upon the written request of the Company, may extend this time period.

Section 12. Benefit of Resolution. This Resolution will inure to the benefit of the Unified Government and the Company. The Unified Government may, at the prior written request of the Company or as otherwise set forth in the Performance Agreement, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 13. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

Section 14. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Unified Government.

[Remainder of page intentionally blank.]

ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON NOVEMBER 30, 2023.

(SEAL) By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By: __________________________________
Monica Sparks,
Interim Unified Government Clerk

APPROVED AS TO FORM:

By: __________________________________
Office of Chief Counsel

EXHIBIT A

PAYMENT IN LIEU OF TAX SCHEDULE

Below is an approximate payment in lieu of tax (PILOT) schedule based on a facility square footage of 56,700, which may be adjusted as set forth in the Performance Agreement. Local, Minority, and Women Business Enterprise (L/M/W) goals will be further specified in the Performance Agreement or other separate agreement. PILOT payments do not include the school district's capital outlay levy that cannot be abated under Kansas law.

Year 1 PILOT	$71,802.37
Facility Square Footage	56,700
Annual Increase	2.00%
Annual Increase if LMW Failure	4.00%

Year[a]	**Annual PILOT**[b]	**Annual PILOT if L/M/WBE Failure**[b]
1	$71,802.37	$71,802.37
2	73,238.42	74,674.46
3	74,703.19	77,661.44
4	76,197.25	80,767.90
5	77,721.19	83,998.62
6	79,275.62	87,358.56
7	80,861.13	90,852.90
8	82,478.35	94,487.02
9	84,127.92	98,266.50
10	85,810.48	102,197.16

Business Category	Participation Percentage Goal Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

[a] Year 1 refers to calendar year beginning January 1 after issuance of Bonds.
[b] Does not include school district capital outlay levy.

(Published in *The Wyandotte Echo* on November 2, 2023)

**NOTICE OF PUBLIC HEARING ON ISSUANCE
OF INDUSTRIAL REVENUE BONDS**

Public notice is hereby given that the Commission of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") will conduct a public hearing on **Thursday, November 30, 2023,** at 7:00 p.m., or as soon thereafter as may be heard, regarding the proposed issuance by the Unified Government of its industrial revenue bonds in a principal amount not to exceed $11,500,000 (the "Bonds") and in regard to an exemption from ad valorem taxation for property constructed or purchased with the proceeds of the Bonds.

The public hearing will be held at City Hall, 701 N 7th Street, Kansas City, Kansas, 66101. Additional public hearing access information is available at www.wycokck.org/Departments/Clerks-Office/Engage-in-Public-Commission-Meeting or by contacting the Clerk's office via phone at (913) 573-5206 or via email at ugclerkrequest@wycokck.org. Public comment may also be submitted in advance of the public hearing by email to ugclerkrequest@wycokck.org, fax to (913) 573-5299, or mail to Unified Government Clerk's Office, 701 N. 7th Street, Suite 323, Kansas City, Kansas 66101.

The Bonds are proposed to be issued under authority of K.S.A. 12-1740 *et seq.*, as amended, to provide funds for acquiring, purchasing, constructing, installing and equipping an approximately 56,700 square foot manufacturing facility located generally at 4500 Dover Street in the City of Kansas City, Kansas (the "Project"). The Unified Government intends to base lease the facility and further intends to lease the facility to Carnation Partners LLC, a Kansas limited liability company, or its successors and assigns (the "Company").

The Company has requested a 10-year property tax abatement subject to certain payments in lieu of tax for the property constructed or purchased with the proceeds of the Bonds.

A copy of this Notice, together with a copy of the resolution of intent of the Unified Government to be considered for adoption, indicating the intent of the governing body of the Unified Government to issue the Bonds and a report analyzing the costs and benefits of such property tax exemption, are on file in the office of the Unified Government Clerk and available for public inspection during normal business hours.

All persons having an interest in this matter will be given an opportunity to be heard at the time and place above specified.

Dated: November 2, 2023.

Monica Sparks
Interim Unified Government Clerk
701 N. 7th Street
Kansas City, Kansas 66101
(913) 573-8039

PERFORMANCE AGREEMENT

Dated as of November 30, 2023

BETWEEN THE

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

AND

CARNATION PARTNERS LLC

Prepared By:

Gilmore & Bell, P.C.
Kansas City, Missouri

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of November 30, 2023 (this **"Agreement"**), between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,** a municipal corporation organized and existing under the laws of the State of Kansas (the **"Issuer"**), and **CARNATION PARTNERS LLC**, a Kansas limited liability company, or assigns (the **"Company"**);

WITNESSETH:

WHEREAS, the Issuer is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the **"Act"**), to acquire, construct and improve certain facilities for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for said projects, and to issue revenue bonds for the purpose of paying the cost of any such facilities;

WHEREAS, pursuant to such authorization, the governing body of the Issuer has adopted a Resolution (the "Resolution") indicating the Issuer's intent to issue one or more series of taxable industrial revenue bonds in the principal amount of not to exceed $11,500,000 (the **"Bonds"**), for the purpose of acquiring, constructing, improving, installing, furnishing and equipping the Project and authorizing the Issuer to enter into this Agreement;

WHEREAS, the Issuer is authorized and empowered under the Act and K.S.A. 79-201a, as amended (the **"Abatement Statute"**) to exempt from ad valorem taxation all or any portion of the Project financed with the proceeds of the Bonds, subject to the limitations set forth in the Abatement Statute and this Agreement; and

WHEREAS, pursuant to the foregoing, the Issuer desires to enter into this Agreement with the Company in consideration of the Company's desire to acquire, construct, improve, install, furnish and equip the Project as more fully described in the hereinafter defined Application upon the terms and conditions hereinafter set forth and in the Lease Agreement to be entered into between the Issuer and the Company relating to the Project (the **"Lease Agreement"**).

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the Issuer and the Company hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. The following words and terms as used herein shall have the following meanings:

"Abatement Statute" means K.S.A. 79-201a, as amended.

"Ad valorem taxes" or **"ad valorem taxation"** means all property taxes imposed on real or personal property (including fixtures) and eligible for exemption pursuant to the Abatement Statute.

"Agreement" means this Performance Agreement between the Issuer and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

"Application" means the Application for Issuance of Industrial Revenue Bonds filed with the Issuer by the Company in connection with the request for the issuance of the Bonds, a copy of which is attached hereto as **Exhibit A**.

"Board of Tax Appeals" means the State of Kansas Board of Tax Appeals.

"Bond Financed Portion of the Project" means that portion of the Project financed in whole from the proceeds of the Bonds as evidenced by the requisitions submitted by the Company to the bond trustee in accordance with **Section 2.7** hereof.

"Bonds" means the Issuer's taxable industrial revenue bonds issued in relation to the Project in the maximum aggregate principal amount of $11,500,000.

"Company" means Carnation Partners LLC, a Kansas limited liability company, and its successors and assigns.

"Event of Default" means any Event of Default as described in **Section 5.1** hereof.

"Exempt Period" means the ten (10) calendar years beginning on the January 1 following the issuance of the Bonds.

"Exempt Property" means all Property that is exempt from taxation pursuant to K.S.A. 79-201(a) *Second* and/or *Twenty-Fourth* by reason that such property was constructed or purchased with the proceeds of the Bonds authorized by and in accordance with the Abatement Statute.

"Force Majeure" means acts of God, strikes, lockouts, 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 Issuer to timely approve the plans or construction documents relating to the Project, war, terrorism, pandemic 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.

"Future Facility Additions" means any additions, improvements or renovations to or equipping of the Bond Financed Portion of the Project following the receipt of a final certificate of occupancy for the final building comprising the Project. As used herein, **"Future Facility Additions"** shall never include any future additions, improvements or renovations to or equipping of the Project that are exempt from ad valorem taxes.

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

"Property" means all real and personal property subject to taxation pursuant to K.S.A. 79-101.

"Project" means acquiring, purchasing, constructing, installing and equipping an approximately 56,700 square foot manufacturing facility, as further described in **Section 3.3**, including land, buildings, structures, improvements and fixtures, machinery, and equipment, all that will be generally located at 4500 Dover Street in the City of Kansas City, Kansas.

"Project Costs" means all costs and expenses of every nature paid from proceeds of the Bonds and relating to the acquisition, construction, improvement, installation, furnishing and equipping of the Project.

"Project Site" means all of the real property described in **Exhibit B** attached hereto and by this reference made a part hereof.

"Tax Payment" means a payment-in-lieu of taxes to be paid by the Company in the amounts set forth in **Section 2.3** and **Exhibit C** hereof.

ARTICLE II

EXEMPTION; PAYMENTS IN LIEU OF TAX

Section 2.1. Exempt Property. During the Exempt Period, and so long as the Bonds are outstanding and the Company remains in compliance with this Agreement, the Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be and remain Exempt Property.

Section 2.2 Agreement to Make Tax Payments. The Company covenants and agrees that, for each calendar year during the Exempt Period that the Bond Financed Portion of the Project is Exempt Property, the Company will make a Tax Payment in lieu of ad valorem taxes to the County Treasurer. For each such calendar year, 50% of the Tax Payment with respect to such calendar year shall be due and payable on or before the date that the first installment of ad valorem taxes for real property are due (and in any event, not later than December 20th), and the balance of such Tax Payment with respect to such calendar year shall be due and payable on or before the date that the second installment of ad valorem taxes for real property are due (and in any event, not later than May 10th of the immediately succeeding calendar year).

Section 2.3. Amount of Tax Payment. The Tax Payments shall be in the amounts shown in **Exhibit C**. The parties acknowledge that such Tax Payments do not include special assessments, if any, and the school district's capital outlay levy that cannot be abated under Kansas law and that the Tax Payments are subject to adjustment as set forth in **Exhibit C**.

Section 2.4. Term of Agreement. This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article V** hereof), shall terminate upon the later of (i) the expiration of the Exempt Period or (ii) the date of the final Tax Payment.

Section 2.5. No Abatement of Special Assessments and Certain Property Taxes. The Issuer and the Company hereby agree that the Abatement Statute and any tax abatement with respect to the Project shall not apply to special assessments and property taxes that cannot be abated under Kansas law. In the event special assessments are ever abated, the Company hereby agrees that 100% of the amount of such abated special assessments shall be paid to the Issuer at the times and in the manner that Tax Payments are paid to the Issuer pursuant to this Agreement.

Section 2.6. Obligation of Issuer to Effect Tax Abatement. The Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be Exempt Property during the Exempt Period and agrees to make filings required by the Wyandotte County Board of Commissioners or the Board of Tax Appeals; provided, however, the Issuer shall not be liable for any failure of the Board of Tax Appeals to effect the exemption permitted by the Abatement Statute. The Issuer covenants that it will not knowingly take any action that the Issuer has knowledge may cause the Bond Financed Portion of the Project to no longer be Exempt Property. In the event the Bond Financed Portion of the Project is determined to no longer be Exempt Property, the Issuer shall, at the Company's request, cooperate with the Company in all reasonable ways to cause the Bond Financed Portion of the Project to be Exempt Property, including cooperating with the Company in any related litigation. The Company agrees to pay to the Issuer the costs that the Issuer incurs (including legal fees and expenses) in cooperating with the Company in the manner required by this Section.

Section 2.7. Compliance. Within ten (10) business days following the request of the Issuer, the Company shall provide the Issuer with (i) copies of the requisitions submitted by the Company to the bond trustee in accordance with the Lease Agreement for the preceding calendar year, (ii) a list containing a brief description and the amount of all costs of the Bond Financed Portion of the Project, and (iii) the total costs of the Project, all in such reasonable detail as the Issuer shall request.

Section 2.8. Value of the Project Not Determined by Bonds. The Issuer and the Company acknowledge that it is not the intent of the parties that the principal amount of the Bonds be used for the purpose of determining the appraised value of the Project or any portion thereof for tax purposes.

Section 2.9. Classification; Limitation on Company's Right To Protest. If the Project Site is not currently classified as commercial, the Company acknowledges that the county appraiser may reclassify the Project Site to commercial as a result of the issuance of the Bonds. During the term of this Agreement, the Company agrees that it will not, without the written consent of the Issuer, (i) seek to change the classification of all or any portion of the Project Site from commercial to another classification, or (ii) contest the reclassification of all or any portion of the Project Site to commercial.

Except as set forth in the preceding paragraph, nothing in this Agreement shall be construed to limit or in any way restrict the ability of the Company to utilize any provision of Kansas law to appeal, protest or otherwise contest any property tax valuation, assessment or similar action with respect to the Project Site or any portion thereof.

Section 2.10. Credits for Tax Payments; No Duplicate Tax Liability. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive as a credit against its obligations to pay the Tax Payments, the amount of any ad valorem taxes (other than special assessments and property taxes that cannot be abated under Kansas law) paid by the Company to the County to the extent that the amounts paid to the County include any taxes due with respect to the Exempt Property.

Section 2.11. No Abatement on Appraised Value of Future Facility Additions. In the event any Future Facility Additions are determined to be Exempt Property as a result of the issuance of the Bonds, this Agreement or for any other reason, so long as this Agreement remains in effect, the Company hereby agrees that 100% of the amount of such abated ad valorem taxes attributable to the Future Facility Additions shall be paid to the Issuer at the times and in the manner that Tax Payments are paid to the Issuer pursuant to this Agreement. This provision shall not be construed as restricting the Company from applying to the Issuer or to any other governmental entity for any future tax abatement in connection with the Future Facility Additions.

Section 2.12. Tax Abatement Order; Adjustment of Tax Payment. The Issuer and the Company acknowledge that, prior to the Bond Financed Portion of the Project being determined to be Exempt Property, an order from the Board of Tax Appeals approving tax abatement on the Bond Financed Portion of the Project for the Exempt Period must be obtained. In the event the Board of Tax Appeals issues an order stating that less than 100% of the Bond Financed Portion of the Project is Exempt Property, the parties agree that the Tax Payment shall be decreased by an amount necessary to result in the sum of the new Tax Payment plus the payment of ad valorem taxes by the Company with respect to the Bond Financed Portion of the Project is equal to the original Tax Payment. In the event the Board of Tax Appeals issues an order stating that none of the Bond Financed Portion of the Project is Exempt Property, then the Tax Payment shall be reduced to $0.

Notwithstanding the foregoing, if (i) the entire Bond Financed Portion of the Project is not determined to be Exempt Property, or (ii) the Board of Tax Appeals issues an order that less than 100% of the Bond Financed Portion of the Project is Exempt Property, and such determination or order is a result of the Company's failure to comply with the terms and provisions of this Agreement (after any applicable notice and cure period), the Issuer shall be under no obligation to decrease the Tax Payment as provided in this Section. Furthermore, in no event shall the Issuer be under any obligation to make any payment to the Company as a result of the Board of Tax Appeals determining that less than 100% of the Bond Financed Portion of the Project is Exempt Property. Notwithstanding any provisions herein to the contrary, in no event shall the Company be liable for the payment of any amounts, including the Tax Payments, which are in the aggregate greater than the amount of ad valorem taxes on the Project in the event there is no abatement of the same.

Section 2.13. Determination of Appraised Value and Assessments. The Company acknowledges that the county appraiser independently determines the appraised value of Property. The Company further acknowledges that the Issuer does not have input in or in any way control the determination of the appraised value of Property or the assessment of Property, and that the Issuer cannot and is not attempting to bind the county appraiser or any other governmental authority with respect to a determination of the appraised value of the Bond Financed Portion of the Project.

ARTICLE III

COVENANTS OF THE COMPANY

Section 3.1. Construction. The Project will be constructed, equipped, and operated (or caused to be operated) in a manner that is consistent with the description of the Project herein. In the event the Project is constructed, equipped, or operated in a manner that the Issuer determines, in its reasonable discretion, is materially inconsistent with the description of the Project herein, the Issuer reserves the right to declare an Event of Default in accordance with **Section 5.1** hereof.

Section 3.2. Completion Date. Subject only to Force Majeure, the Company agrees to commence construction on or before July 1, 2024, and substantially complete construction of the Project on or before December 31, 2025. "Commence construction" shall mean that the Company has entered into a contract with a licensed contractor for the construction of the Project and the Issuer has issued a building permit therefor. "Substantially complete," for purposes of this Section, shall mean that the Project can be occupied or utilized for its intended purpose as a manufacturing facility, as evidenced by receipt by the Company of a temporary certificates of occupancy for the Project. The parties agree that the governing body of the Issuer will consider an ordinance authorizing the issuance of the Bonds on or about such time, but in no event will the Bonds be issued later than December 31, 2025.

Section 3.3. Development of Project. The Company covenants that the Project, including all buildings, parking facilities, and other improvements constituting the Project, shall be developed, constructed, completed, and operated (or caused to be operated) on the Project Site in substantial accordance and compliance with the terms and conditions of this Agreement and the final site plan approval from the Issuer's Planning Commission, and this Agreement shall not be construed to waive such Planning Commission's discretion in approving or disapproving the same. On and subject to the terms and provisions set forth in this Agreement, Company shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Project, and shall operate (or cause to be operated) and use the Project in the manner described herein. The parties further agree as follows:

(a) The Project shall be designed, developed, and constructed as an approximately 56,700 square foot industrial and manufacturing facility as generally depicted in **Exhibit E** attached hereto, though the parties acknowledge the depiction in **Exhibit E** is subject to modification pursuant to the Issuer's planning process.

(b) Company stipulates and agrees that its signage shall be subject to all applicable laws and requirements of the Issuer and any special use permits granted by the Issuer's governing body.

(c) The Project shall include parking improvements containing at least the number of spaces required by the Issuer's applicable laws and requirements.

(d) The Company's plans for landscaping on the Project Site shall be considered in accordance with all applicable laws and requirements of the Issuer and the Issuer's approval thereof will not be unreasonably withheld.

Section 3.4. Maintenance and Use. The Company shall cause the Project and 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 industrial and manufacturing space in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Company specifically understands and agrees that the Issuer shall not undertake or have any obligation under this Agreement for snow or ice removal on sidewalks located at or adjacent to the Project.

Section 3.5. Inspection. The Company agrees that the Issuer and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least 48 hours advance notice and to the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site to examine and inspect the Project and the records of the Company which demonstrate compliance with this Agreement, including, but not limited to, inspections necessary to confirm compliance with **Section 3.3**.

Section 3.6. Compliance with Laws. The Project will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and regulations and all other applicable laws, rules and regulations.

Section 3.7. Employment Certification. Beginning on March 1 in the calendar year following the issuance of Bonds, and on each March 1 thereafter and at any other time that the Issuer may request, for the term of this Agreement, the Company shall provide a written certification to the Issuer stating the total number of full-time employees employed at the Project (based upon the Company's actual knowledge of the full-time employees employed by the subtenants occupying the Project).

Section 3.8. Payment of Fees and Reimbursement or Payment of Costs.

(a) The Company agrees to pay to the Issuer the standard fees charged by the Issuer in connection with tax abatement projects and the issuance of industrial revenue bonds. These fees include, but are not limited to, an initial application fee (which the Issuer agrees has been paid in full), a service fee that is due at the time of issuance of the Bonds and an annual administrative fee. The Company acknowledges receipt of a fee schedule from the Issuer and acknowledges that the fee schedule may be adjusted or amended by the Issuer at any time.

(b) The Company agrees to promptly reimburse the Issuer, within ten (10) business days following receipt by the Company of an invoice from the Issuer and reasonable supporting documentation, for any amounts that the Issuer pays to any other party as a result of the Issuer pursuing, obtaining or maintaining the tax abatement granted to the Company pursuant to this Agreement. These costs shall include, but shall not be limited to, all fees and expenses for filings with the Board of Tax Appeals (including the application fee and annual administration fee), legal notice publication expenses, and the costs and expenses of the Issuer's legal counsel. The Company agrees that the Issuer may, in lieu of seeking reimbursement from the Company, forward any invoice received by the Issuer to the Company, which invoice is for a cost which the Issuer could seek reimbursement from the Company pursuant to this paragraph, and the Company agrees to promptly pay such invoice and to promptly provide the Issuer with evidence of such payment.

Section 3.9. Abatement of Property. The Abatement Statute provides that, with certain exceptions, any property constructed or purchased in part with the proceeds of revenue bonds issued under the authority of the Act is exempt from taxation for a period of up to ten years to the extent of the value of that portion of the property financed by the revenue bonds. The tax abatement commences in the year following the year in which the Bonds are issued.

Company understands that property will be exempt under the Abatement Statute only if such property is purchased or reimbursed with the proceeds of the Bonds. In order to be purchased or reimbursed with Bond proceeds, the trustee for the Bonds must receive a requisition request from the Company and must make a draw on the Bonds and use the money to either (a) pay, or (b) reimburse the Company for the cost of the property, which the parties acknowledge and agree may be documented via book entry.

The Abatement Statute also provides that if property purchased with proceeds of the Bonds is used in any retail enterprise identified under the NAICS sectors 44 and 45 (**"Prohibited NAICS"**), the property will not be exempt from taxation, unless the property is a facility used exclusively to house the headquarters or back office operations of a prohibited retail enterprise.

The Abatement Statute further provides that property purchased with bond proceeds is not exempt from taxation if the property is (i) a swine production facility (as described in K.S.A. 12-1749b), (ii) property located in a redevelopment project area established under the authority of K.S.A. 12-1770 or (iii) a poultry or rabbit confinement facility (as described in K.S.A. 17-5903).

Company hereby represents that the NAICS code for the Project is not included within the list of Prohibited NAICS and agrees that during the term of the tax abatement, the property purchased with the proceeds of the Bonds will not be used in any of the Prohibited NAICS. Company understands that if any property purchased with the proceeds of the Bonds is used in a Prohibited NAICS, that property will not be subject to property tax abatement under Kansas law.

Company represents that the Project is not, and will not become, a swine production facility, a poultry or rabbit confinement facility, an owner-occupied housing facility, or inventory, and that the Project is not located in a redevelopment project area as defined in K.S.A. 12-1770 *et seq.*

Section 3.10. Solid Waste Services. Until termination of this Agreement, the Company agrees that it and all of its tenants, subtenants, operators and licensees shall exclusively use the solid waste services of the Unified Government for the Project. This requirement shall not apply to the Company or any user if the Company or user demonstrates that solid waste services provided by the Issuer are inadequate to serve such user's reasonable needs.

Section 3.11. LBE/MBE/WBE Employment Opportunity Goals. The Company agrees to comply with the goals set forth on **Exhibit D** in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses. The Company hereby understands and agrees that if it shall fail to use Best Efforts to meet the LBE/MBE/WBE goals set forth on **Exhibit D** for the Construction (as those terms are defined therein) of the Project, then the Tax Payments shall be increased as set forth in **Exhibit C**. The parties agree that failure to use Best Efforts to meet the LBE/MBE/WBE goals set forth on **Exhibit D** shall not cause an Event of Default hereunder, and the Issuer's sole remedy will be increasing the amount of Tax Payments as set forth in **Exhibit C**.

ARTICLE IV

SALE AND ASSIGNMENT

Except as otherwise provided herein, the Company will not, without the prior written consent of the Issuer, (a) assign, sell, lease, or otherwise transfer the Project Site, the Project, or equipment that comprises 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. The Issuer 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 Issuer as to whether the proposed assignee has sufficient financial wherewithal and experience to successfully complete and/or operate the Project according to the terms hereof. If an assignment is approved by the Issuer, the assignee shall assume and agree to pay and perform each and all of terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree that the Company may do any of the following without written consent of the Issuer:

(a) The Company may grant a mortgage, leasehold mortgage, or other security on the Project to a lender in order to finance construction of the Project or refinance the Project, including, but not limited to, collateral assignment of all or any portion of its rights or obligations under this Agreement or any other documents entered into in connection with the Bonds.

(b) The Company may terminate this Agreement, and thereafter freely sell, assign, transfer or mortgage.

(c) The Company, upon written notice to the Issuer, may freely sell, assign, lease or transfer all or any portion of the Project or Project Site, and/or its rights or obligations under this Agreement and any other documents entered into in connection with the Bonds (including, without limitation, the Resolution), to an entity managed by or under common control of or by the Company or one or more of its principals.

Upon the sale, assignment, or transfer of the Project as set forth herein, the Company (as assignor) shall be relieved of all further liability occurring on and after the effective date of such disposition, except as may be otherwise set forth in the Lease Agreement.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" hereunder:

(a) the Company shall fail to perform any of its obligations hereunder;

(b) the Company shall breach any covenant contained herein or any representation of the Company contained herein or in the Application shall prove to be materially false or erroneous; or

(c) the Company shall be in default under the Lease Agreement.

Section 5.2. Remedies on Default. Upon the occurrence of an Event of Default hereunder, the Company shall be given 60 days (or such longer period as the Issuer and the Company may agree), following written notice by the Issuer to the Company of the occurrence of such Event of Default, to cure such Event of Default; provided that, if such Event of Default is of a nature that it cannot reasonably be cured within 60 days, then such occurrence will not constitute an Event of Default so long as Company: (a) commences to cure such failure within such 60-day period; and (b) diligently pursues such cure to completion. If such Event of Default is not cured within such time, this Agreement may be terminated by written notice to the Company from the Issuer. Such termination shall be effective immediately following delivery of such written notice. Upon the termination of this Agreement, the Company shall make a payment to the Issuer (or as the Issuer may otherwise direct) in an amount equal to the sum of (i) all due but unpaid Tax Payments attributed to prior calendar years, (ii) the pro rata total Tax Payments that would be due with respect to the current calendar year, (iii) the pro rata amount of any taxes that would be due for the remaining portion of the current calendar year assuming the Bond Financed Portion of the Project was not Exempt Property, and (iv) the amount of any costs and attorneys' fees incurred by the Issuer as a result of such Event of Default and in enforcing this Agreement.

Section 5.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Kansas law on overdue ad valorem taxes from the date such payment was first due. In addition, amounts payable hereunder in lieu of ad valorem taxes that are not paid when due shall be subject to the same penalties imposed by Kansas law on overdue ad valorem taxes.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Notice and Waiver of Company. The Issuer reserves the right to grant tax abatement for projects that are located adjacent to or in the proximity of the Project or for projects that are located elsewhere within the Issuer but are similar to the Project in amounts that are above or below the amounts set forth herein. The Company acknowledges and agrees that the Tax Payment, the Exempt Period and the other terms of the tax abatement granted by the Issuer with respect to such other projects may be more favorable than the terms provided for in this Agreement. As a condition to the Issuer entering into this Agreement, the Company waives any claim it may have against the Issuer as a result of the Issuer granting tax abatement to other projects with terms that are more favorable than the terms provided for in this Agreement. Additionally, the Company agrees that it will not request that the Issuer modify this Agreement because the Issuer plans to grant or has granted tax abatement to another project or projects on terms that are more favorable than the terms provided for in this Agreement. Upon the occurrence of the Company's breach of its obligations set forth in this Section to waive any claim it may have against the Issuer as described above, the Issuer shall have the right to immediately terminate this Agreement and the associated tax abatement and require that the Company pay to the Issuer the amounts specified in **clauses (i)** through **(iv)** of **Section 5.2**.

Section 6.2. Severability. If for any reason any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 6.3. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Kansas.

Section 6.4. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.5. Waiver. The Issuer and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the Issuer under the Lease Agreement. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 6.6. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be given to or filed with the Issuer and the Company as set forth below:

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

with a copy to:

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

And a copy to:

Gilmore & Bell, P.C.
Kevin Wempe
2405 Grand Blvd., Suite 1100
Kansas City, Missouri 64108
Telephone: 816-221-1000
Email: kwempe@gilmorebell.com

and to the Company at:

Vince Ismert
Carnation Partners LLC
3100 Brinkerhoff Road
Kansas City, Kansas 66115
Telephone: (913) 222-1500
Email: vince.ismert@striemco.com

with a copy to:

Curt Petersen
Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, Missouri 64112
Telephone: (913) 234-7458
Email: cpetersen@polsinelli.com

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

Section 6.7. Further Assurances. The parties each agree to do, execute, acknowledge and deliver any and all other documents and instruments and to take all such further action as shall be reasonably necessary or reasonably required in order to fully carry out this Agreement and to fully consummate and effect the transactions contemplated hereby.

Section 6.8. Authority, etc. Each party to this Agreement represents and warrants to each other party as follows: (i) that such party has the requisite power and authority to enter into and perform this Agreement; (ii) that this Agreement has been duly authorized by all necessary action on the part of such party; (iii) that the execution and delivery and performance by each party of this Agreement will not conflict with or result in a violation of such party's organizational documents or any judgment, order or decree of any court or arbiter to which such party is bound; and (iv) that this Agreement constitutes the valid and binding obligation of such party, and is enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, creditor's rights and other similar laws.

Section 6.9. Electronic Storage and Transactions. The parties agree that the transactions described herein may be conducted and related documents may be stored by electronic means. All closing documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents (or documents executed by electronic transmission) 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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the date first above written.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By: ________________________________
Monica Sparks,
Interim Unified Government Clerk

APPROVED AS TO FORM:

By: ________________________________
Office of Chief Counsel

CARNATION PARTNERS LLC
a Kansas limited liability company

By:____

Name:____

Title:____

EXHIBIT A

APPLICATION FOR THE ISSUANCE OF INDUSTRIAL REVENUE BONDS

EXHIBIT B

PROJECT SITE

TRACT 1:

A TRACT OF LAND IN THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 30, TOWNSHIP 11 SOUTH, RANGE 25 EAST OF THE SIXTH PRINCIPAL MERIDIAN IN KANSAS CITY, WYANDOTTE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 30; THENCE NORTH 87 DEGREES 38'36" EAST 331.30 FEET (330.00 FEET BY DEED), ALONG THE SOUTH LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 30, TO A POINT ON THE EAST LINE OF A CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 3580 AT PAGE 125; THENCE NORTH 2 DEGREES 10 MINUTES 47 SECONDS WEST 638.00 FEET, ALONG SAID EAST LINE TO THE "TRUE POINT OF BEGINNING"; THENCE SOUTH 87 DEGREES 38'36" WEST 132.63 FEET, PARALLEL WITH THE SOUTH LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 30, TO A POINT ON THE WEST LINE OF SAID CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 3580 AT PAGE 125; THENCE NORTH 2 DEGREES 11'24" WEST 682.27 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 30; THENCE NORTH 87 DEGREES 22'49" EAST 132.76 FEET (132.00 FEET BY DEED), ALONG SAID NORTH LINE, TO A POINT ON THE EAST LINE OF SAID CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 3580 AT PAGE 125; THENCE SOUTH 2 DEGREES 10'47" EAST 682.88 FEET, ALONG SAID EAST LINE, TO THE "TRUE POINT OF BEGINNING" OF THE TRACT HEREIN DESCRIBED.

AND

A TRACT OF LAND IN THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 30, TOWNSHIP 11 SOUTH, RANGE 25 EAST OF THE SIXTH PRINCIPAL MERIDIAN IN KANSAS CITY, WYANDOTTE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 SAID SECTION 30; THENCE NORTH 87 DEGREES 38'36" EAST 198.78 FEET (198.00 FEET BY DEED), ALONG THE SOUTH LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 30, TO A POINT ON THE EAST LINE OF A CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 4188 AT PAGE 688; THENCE NORTH 2 DEGREES 11'24" WEST 638.00 FEET ALONG SAID EAST LINE, TO THE "TRUE POINT OF BEGINNING"; THENCE SOUTH 87 DEGREES 38'36" WEST 130.63 FEET PARALLEL WITH THE SOUTH LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 30, TO A POINT ON THE WEST LINE OF SAID CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 4188 AT PAGE 688; THENCE NORTH 2 DEGREES 11'59" WEST 681.67 FEET, TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE

SOUTHWEST 1/4 OF SAID SECTION 30; THENCE NORTH 87 DEGREES 22'49" EAST 130.75 FEET (130.00 FEET BY DEED) ALONG SAID NORTH LINE, TO A POINT ON THE EAST LINE OF SAID CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 4188 AT PAGE 688; THENCE SOUTH 2 DEGREES 11'24" EAST 682.27 FEET, ALONG SAID EAST LINE, TO THE "TRUE POINT OF BEGINNING" OF THE TRACT HEREIN DESCRIBED.

AND

A TRACT OF LAND IN PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 11, RANGE 25 EAST OF THE 6TH PRINCIPAL MERIDIAN IN THE CITY OF KANSAS CITY, WYANDOTTE COUNTY, KANSAS, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

(NOTE: THE BEARING SYSTEM IN THE FOLLOWING DESCRIPTION IS BASED ON GRID NORTH, KANSAS STATE PLANE COORDINATE SYSTEM NAD 83)

COMMENCING AT A POINT 32.00 FEET WEST AND 20.00 FEET NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 30, SAID POINT BEING ON THE RIGHT-OF-WAY LINE OF GIBBS ROAD, AS NOW ESTABLISHED; THENCE NORTH 02 DEGREES 12 MINUTES 19 SECONDS WEST 220.00 FEET; THENCE SOUTH 87 DEGREES 38 MINUTES 36 SECONDS WEST 233.13 FEET TO A POINT ON THE WEST LINE OF A CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 3060 AT PAGE 607; THENCE NORTH 02 DEGREES 13 MINUTES 41 SECONDS WEST 398.0O FEET, ALONG SAID WEST LINE, TO THE "TRUE POINT OF BEGINNING"; THENCE NORTH 02 DEGREES 13 MINUTES 41 SECONDS WEST 681.52 FEET, ALONG SAID WEST LINE, TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 30; THENCE NORTH 87 DEGREES 40 MINUTES 39 SECONDS EAST 265.56 FEET, ALONG SAID NORTH LINE, TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 30; THENCE NORTH 87 DEGREES 22 MINUTES 49 SECONDS EAST 68.39 FEET, ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 30, TO THE EAST LINE OF SAID CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 3060 AT PAGE 607; THENCE SOUTH 02 DEGREES 11 MINUTES 59 SECONDS EAST 681.67 FEET ALONG SAID EAST LINE; THENCE SOUTH 87 DEGREES 38 MINUTES 36 SECONDS WEST 333.61 FEET TO THE "TRUE POINT OF BEGINNING" OF THE TRACT HEREIN DESCRIBED.

AND

A TRACT OF LAND IN PART OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 11 SOUTH, RANGE 25 EAST OF THE 6TH PRINCIPAL MERIDIAN IN THE

CITY OF KANSAS CITY, WYANDOTTE COUNTY, KANSAS, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

(NOTE: THE BEARING SYSTEM IN THE FOLLOWING DESCRIPTION IS BASED ON GRID NORTH, KANSAS STATE PLANE COORDINATE SYSTEM NAD 83.)

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 30; THENCE NORTH 87 DEGREES 38 MINUTES 36 SECONDS EAST 662.78 FEET, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 30, TO THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 5, "DOMVILLE SUBDIVISION", A SUBDIVISION OF LAND IN KANSAS CITY, WYANDOTTE COUNTY, KANSAS ACCORDING TO THE RECORDED PLAT THEREOF; THENCE NORTH 02 DEGREES 17 MINUTES 09 SECONDS WEST 638.00 FEET, ALONG SAID SOUTHERLY PROLONGATION AND ALONG SAID EAST LINE AND THE EAST LINE OF LOT 4, "DOMVILLE SUBDIVISION", A SUBDIVISION OF LAND IN KANSAS CITY, WYANDOTTE COUNTY, KANSAS, ACCORDING TO THE RECORDED PLAT THEREOF, TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF BERRY ROAD, AS NOW ESTABLISHED, SAID POINT ALSO BEING THE "TRUE POINT OF BEGINNING"; THENCE NORTH 02 DEGREES 19 MINUTES 24 SECONDS WEST 350.00 FEET, ALONG THE EAST LINE OF LOTS 16 AND 17, "DICKSLIGH ADDITION", A SUBDIVISION OF LAND IN KANSAS CITY, WYANDOTTE COUNTY, KANSAS, ACCORDING TO THE RECORDED PLAT THEREOF, TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF DOVER STREET, AS NOW ESTABLISHED; THENCE NORTH 02 DEGREES 20 MINUTES 17 SECONDS WEST 331.76 FEET TO THE NORTHWEST CORNER OF A CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 4028 AT PAGE 603, SAID POINT BEING ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 30; THENCE NORTH 87 DEGREES 40 MINUTES 39 SECONDS EAST 399.24 FEET, ALONG SAID NORTH LINE, TO THE NORTHEAST CORNER OF SAID CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 4028 AT PAGE 603; THENCE SOUTH 02 DEGREES 13 MINUTES 41 SECONDS EAST 681.52 FEET, ALONG THE EAST LINE OF SAID CERTAIN TRACT OF LAND CONVEYED BY WARRANTY DEED RECORDED IN BOOK 4028 AT PAGE 603; THENCE SOUTH 87 DEGREES 38 MINUTES 36 SECONDS WEST 398.02 FEET, ALONG A LINE PARALLEL WITH SAID SOUTH LINE, TO THE "TRUE POINT OF BEGINNING" OF THE TRACT HEREIN DESCRIBED.

EXCEPT ANY PART USED OR DEDICATED FOR STREETS, ROADS OR PUBLIC RIGHTS OF WAY.

Tax Parcel No. 915250

TRACT 2:

PARCEL I:

THE EAST 2 ACRES OF THE WEST 3 ACRES OF THE SOUTH 5 ACRES OF THE WEST 11 ACRES OF THE EAST 15 ACRES OF THE WEST 25 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 11, RANGE 25 EAST OF THE SIXTH PRINCIPAL MERIDIAN LESS THAT PART TAKEN OR USED FOR HIGHWAY PURPOSES, ALL IN WYANDOTTE COUNTY, KANSAS.

PARCEL II:

THE NORTH 6 ACRES OF THE EAST 11 ACRES OF THE WEST 21 ACRES OF THE SOUTHEAST ONE QUARTER OF THE SOUTHWEST ONE QUARTER OF SECTION 30, TOWNSHIP 11, RANGE 25, KANSAS CITY, WYANDOTTE COUNTY, KANSAS.

LESS AND EXCEPT THE FOLLOWING DESCRIBED TRACT OF LAND:

A TRACT OF LAND BEGINNING AT A POINT ON THE NORTH LINE OF, AND 693 FEET WEST OF THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 11 SOUTH, RANGE 25 EAST, WYANDOTTE COUNTY, KANSAS; THENCE WEST ON SAID NORTH LINE A DISTANCE OF 203.01 FEET; THENCE SOUTH 12 DEGREES 24 MINUTES 35 SECONDS EAST A DISTANCE OF 304.96 FEET; THENCE SOUTH 1 DEGREES 30 MINUTES 49 SECONDS WEST A DISTANCE OF 428.53 FEET; THENCE SOUTH 89 DEGREES 52 MINUTES 44 SECONDS EAST A DISTANCE OF 145.2 FEET, MORE OR LESS; THENCE NORTH 00 DEGREES 16 MINUTES 58 SECONDS EAST A DISTANCE OF 726.57 FEET TO THE POINT OF BEGINNING:

ALSO LESS AND EXCEPT THE FOLLOWING DESCRIBED TRACT OF LAND:

A TRACT OF LAND IN THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 11 SOUTH RANGE 25 EAST, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE, 489.99 FEET EAST OF THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER SECTION; THENCE SOUTHEASTERLY. 305.0 FEET ALONG THE WESTERLY RIGHT OF WAY LINE OF THE PROPOSED HIGHWAY, THENCE NORTHWESTERLY TO A POINT ON SAID NORTH LINE, 50.0 FEET WEST OF THE PLACE OF BEGINNING, THENCE EAST, 50.00 FEET ALONG SAID NORTH LINE TO THE PLACE OF BEGINNING, LESS ANY OTHER PART, IF ANY, TAKEN OR USED FOR HIGHWAY OR ROAD PURPOSES.

PARCEL III:

THE WEST 1 ACRE OF THE SOUTH 5 ACRES OF THE WEST 11 ACRES OF THE EAST 15 ACRES OF THE WEST 25 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 11, RANGE 25, IN KANSAS CITY. WYANDOTTE COUNTY, KANSAS, EXCEPT THAT PART THEREOF IN ROAD.

Tax Parcel No. 915229

EXHIBIT C

TAX PAYMENT SCHEDULE

Tax Payments (or "PILOTs") shall be as set forth below. Tax Payments shown below do not include the school district's capital outlay levy that cannot be abated under Kansas law.

Year 1 PILOT	$71,802.37
Facility Square Footage	56,700
Annual Increase	2.00%
Annual Increase if LMW Failure	4.00%

Year[a]	**Annual PILOT**[b]	**Annual PILOT if L/M/WBE Failure**[b]
1	$71,802.37	$71,802.37
2	73,238.42	74,674.46
3	74,703.19	77,661.44
4	76,197.25	80,767.90
5	77,721.19	83,998.62
6	79,275.62	87,358.56
7	80,861.13	90,852.90
8	82,478.35	94,487.02
9	84,127.92	98,266.50
10	85,810.48	102,197.16

Business Category	Participation Percentage Goal Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

[a] Year 1 refers to calendar year beginning January 1 after issuance of Bonds.
[b] Does not include school district capital outlay levy.

EXHIBIT D

<u>LBE/MBE/WBE PARTICIPATION AGREEMENT</u>

THIS LBE/MBE/WBE PARTICIPATION AGREEMENT (the "**Agreement**"), by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the "**UG**") and Carnation Partners LLC (the "**Developer**"), sets forth procedures and goals for the utilization of local business, minority and women enterprises in connection with the development of an approximately 56,700 square foot manufacturing development in Kansas City, Kansas (the "**Project**"), as defined below.

I. <u>SCOPE</u>

A. These procedures are applicable to the Construction (as defined below) of the Project, as further described in that certain Performance Agreement between the UG and Developer, dated November 30, 2023 (the "**Performance Agreement"**), whether performed by or on behalf of Developer, including, but not limited to, all aspects of Construction of the Project and related facilities including labor, materials and supplies, and construction related services whether undertaken by or on behalf of Developer, but not including Specialized Services.

II. <u>DEFINITIONS</u>

A. "Construction" means all aspects of the construction of 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) Specialized Services; and (ii) Professional Services.

B. "Contractor" means the Proposer selected by the Developer for the Project.

C. "Local Business Enterprise" (or "LBE") means a business headquartered or which maintains a Substantial Local Office 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 and it is determined and assigned based upon the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

D. "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.

E. "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.

F. "Project" means the Construction of a new manufacturing facility and as legally described in <u>Exhibit 1</u> to this Agreement.

G. **"Proposer"** means a construction firm that submits a proposal in response to a solicitation for proposals issued by Developer with respect to the Construction of the Project or with respect to the annual operations of the Project.

G. **"Specialized Services"** means expertise, services, or products that are only available through sole source providers or national vendors or are unique to the business of the Project.

H. "**Substantial Local Office**" means an office operated and financially supported by a firm that has sufficient space, staff and equipment to carry on the local business of the firm and that is engaged in significant, on-going local involvement with the business community in Wyandotte County, KS. The term "Substantial Local Office" shall specifically exclude any office that has been established for the sole purpose of participating in a specific Project.

I. **"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. GOALS FOR LBE/MBE/WBE PARTICIPATION.

Developer and its Contractor will use Best Efforts to meet the LBE/MBE/WBE participation percentage goals listed in the below chart based upon the total cost of the Construction of the Project. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. 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 quotas or set asides.

Business Category	Participation Percentage Goal – Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

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, the Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs.

IV. ELIGIBILITY FOR CREDIT

A. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification by the Kansas Department of Commerce, the City of Kansas City, Missouri, the State of Missouri, the Missouri Department of Transportation, the MidAmerica Minority Business Development Council, and/or the Women's Business Enterprise National Council or any other applicable or appropriate public or private entity or other entity mutually acceptable to the UG and the Developer (each, an "approved" business) may be counted towards the participation goals in Section III above.

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

V. CONSTRUCTION UTILIZATION

A. The goals set forth in Section III may be met by the expenditure of dollars with approved LBE, MBE and/or WBE businesses, contractors, labor suppliers, regular dealers, manufacturers, material suppliers, subcontractors, software vendors, consultants, other Construction-related products, suppliers, and/or services, or through joint ventures with approved LBEs, MBEs or WBEs. The participation of certified LBE, MBE and/or WBE Proposers may count toward a goal for which they qualify.

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

C. 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 counted both for MBE and WBE participation. However, a certified MBE or WBE that also qualifies as an LBE <u>may</u> also be counted towards the LBE goal. For additional clarification purposes, a qualified LBE, which also certified as an MBE or WBE, shall be counted toward both the LBE <u>and</u> the MBE or WBE goals in the Developer's sole discretion.

D. The LBE, MBE, or 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 agreement with such LBE, MBE or WBE. Brokering is not credited.

VI. CONTRACT AWARD COMPLIANCE PROCEDURES

A. <u>Solicitation Documents</u>. The solicitation documents, for each contract for which goals are established, shall contain a description of the requirements set forth in this Agreement and the LBE, MBE, and WBE goals. Upon request by the UG, Developer shall submit the solicitation documents and the bid list to the UG.

B. <u>Subcontractor Relations – Documentation of Subcontracting Agreements</u>. All subcontracting services for LBE, MBE and/or WBE businesses shall be evidenced by an agreement which shall include 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.

C. <u>Best Efforts</u>. For each LBE/MBE/WBE participation percentage goal that is not achieved, Developer shall be deemed to have used "**Best Efforts**" to meet such goal(s) if Developer shall have taken substantially all of 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/or 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, and WBE participation, where feasible;

vi. Developer is 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 history;

viii. 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 and any other organization or persons, as identified by the UG, that provide assistance in the recruitment of LBEs, MBEs, and WBEs.

Failure by Developer to take all of the foregoing actions shall not be determinative that Developer has not used its Best Efforts. The parties acknowledge that all of the foregoing actions may not apply to every scope of the Project.

VII. UG'S ASSISTANCE TO PROJECT

The UG shall use its best efforts to provide assistance to Developer and its agents so that Developer may fulfill its participation goals as set forth in this Agreement. The Developer assumes all responsibility for using Best Efforts to meet the goals and complying with the procedures and processes set forth herein. Examples of such assistance by the UG include but are not limited to:

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

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

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

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

E. frequently reviewing Developer and the Contractor and any other contractor or subcontractor performance and LBE, MBE, and/or WBE participation on the Project;

F. providing advice relative to utilization and compliance matters;

G. conducting compliance reviews and audits of LBE, MBE, and WBE and participation;

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

I. reviewing complaints from LBEs, MBEs, WBEs, and any other interested persons regarding these goals and procedures with Developer and its agents; and

J. assisting in the Developer's development of forms to document compliance with these procedures.

VIII. DEVELOPER COMPLIANCE; RECORDS AND REPORTS.

A. Records. Developer shall maintain those records as may reasonably be required to demonstrate compliance (and/or its Best Efforts to comply) with the goals and procedures set forth in this Agreement. These records shall be made available to the UG at Developer's offices during business hours and upon reasonable advance notice.

B. Construction Utilization Plan Reports. Developer shall provide the UG with information sufficient to document the participation under this Agreement, which may include periodically providing the Construction Utilization Plan as set forth on Exhibit 2. Such information may include 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/or WBE; and a brief description of the work to be performed by each such LBE, MBE and/or WBE.

C. Remedies. If, after review of the Developer's construction and related reports by the Unified Government Contract Compliance Department, the UG determines that the participation goals contained in this Agreement for the Construction of the Project have not been met, and that the Best Efforts described herein have not been met, then the UG shall have, as its sole and exclusive remedies: such remedy as set forth in Section 3.11 of the Performance Agreement; and (ii) UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects undertaken by the Company in the UG.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ______________________________

County Administrator

Date: ______________________________

CARNATION PARTNERS LLC

By: __________________________________

Name: __________________________________

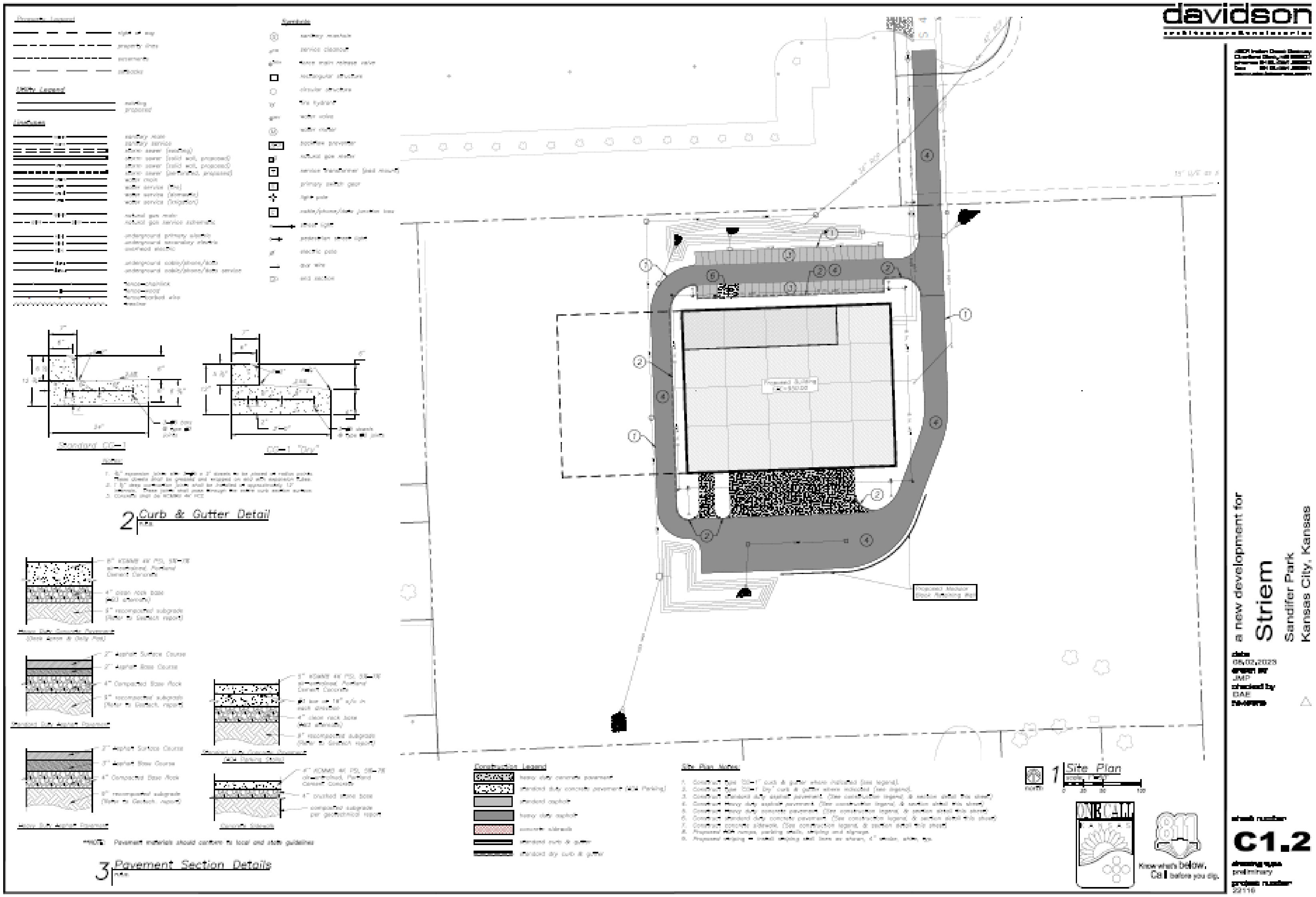
Title: __________________________________

Date: __________________________________

EXHIBIT 1
Legal Description – Link

EXHIBIT 2
Construction Utilization Plan

EXHIBIT E


davidson
a new development for
Striem
Sandifer Park
Kansas City, Kansas
2 Curb & Gutter Detail
3 Pavement Section Details
1 Site Plan
Proposed Building
C1.2

A Tax Abatement Cost-Benefit Analysis of Carnation Partners, LLC (or assigns)(With L/M/W) for the Unified Government of Kansas City/Wyandotte County

Completed by

Municipal Consulting, LLC

10/27/2023

CONTENTS:

ABOUT THIS REPORT:

This report uses data that was collected from the firm involved and budget reports from each of the taxing entities where the project is to be located. This data is summarized on pages 4 and 5. In addition, various calculations were applied to the data using rates and information gathered from the current economic and financial conditions.

DEFINITIONS USED:

- **Rate of Return**: Incentives and tax abatements granted by the taxing entities are equivalent to a public investment in the firm. Comparing these investments to the various benefits received over the 10-year project period by the public entity produces an average annual rate of return for the period. Generally, a rate of return that exceeds the entity's cost of capital would be considered a favorable investment.

- **Net Present Value:** This is the amount that a future series of payments is worth today, given an assumed discount rate. The only way to accurately compare payments to be made or received in the future to the dollar value at present is with Net Present Value. Generally a positive net present value represents an acceptable investment opportunity.
- **Benefit - Cost Ratio**: Typically referred to as the "Cost-Benefit Ratio," this is the ratio of the public entity benefits received over the 10-year project life to the public costs incurred over the same period. If the ratio is above 1.0, then the benefits exceed the costs, and if it is less than 1.0, the costs exceed the benefits. Generally, a public entity would like to have a Benefit-to-Cost ratio of 1.3 or better in order to grant a tax abatement and/or other incentives. However, the governing body may take into account the other economic benefits of the project in making that decision.

DISCLAIMER:

This report is prepared using a variety of assumptions regarding discount rate, inflation rate, and other economic variables. It also uses information submitted by the firm based on its best estimates of what they expect to occur in the next decade. Future business results and economic factors are not and cannot be guaranteed. Therefore, we provide no guarantee on the future performance of the firm, or that conditions within the taxing entities will remain as they are today. The governing body should make its decision on the best information presented, while fully recognizing that future performance could be substantially different.

COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	2.84	18%
Wyandotte County	2.57	16%
Turner USD 202	3.15	22%
KC Community College	2.02	10%
USD 202 Rec Comm	2.03	6.87%
State of Kansas	7.30	63%

Each of the taxing entities has a positive benefit-to-cost ratio in excess of the desired 1.3. This report assumes that the Unified Government will approve a 55% property tax abatement for 10 years and the firm will receive a sales tax exemption on construction materials and machinery and equipment. This report assumes that the existing sales tax rates for the city, county and state will remain the same. The proposed average salary of the new jobs is 117% the county average wage and we adjusted retail spending estimates accordingly. A PILOT payment which includes the existing property tax is included in this analysis.

If you have any questions or comments, you may reach me with the contact information below.

Steve Robb

R. Steven Robb
Sole Owner
Municipal Consulting, LLC
Cell: 620-704-6495 E-Mail: steverobb@ckt.net
2207 N. Free King Hwy, Pittsburg, KS 66762-8418

COST-BENEFIT ANALYSIS PROJECT SUMMARY		
PROJECT NAME:		**Carnation Partners, LLC (or assigns)(With L/M/W)**
DATE:		10/27/2023
GOVERNMENTAL ENTITIES INVOLVED:		
CITY:		**City of Kansas City**
COUNTY:		**Wyandotte County**
SCHOOL DISTRICT:		**Turner USD 202**
SPECIAL TAXING DISTRICT #1		**KC Community College**
SPECIAL TAXING DISTRICT #2		**USD 202 Rec Comm**
STATE:		**State of Kansas**
INFLATION RATE:	2.00%	
DISCOUNT RATE	7.25%	

The project involves purchase of about 15 acres and construction of a 56,700 sq. ft. facility to manufacture oil separators, solid interceptors, chemical waste tanks and other accessories for commercial establishments. The project is expected to create 34 new jobs with an average salary above the county average salary. The project is to be located at 4412-4414 Gibbs Road in Kansas City, Kansas. The applicant is requesting 55% property tax abatement for 10 years with a graduated payment in lieu of taxes.

Carnation Partners, LL(0

Column1	Column2	Column3	Column4	Column6	Column7	Column11
Community Data Inputs:						
	City of Kansas City	Wyandotte County	Turner USD 202	KC Community College	USD 202 Rec Comm	State
Mill Levy	38.476593	37.328383	54.349367	27.375176	6.980480	1.500
Sales Tax	1.625%	1.000%	n/a	n/a	n/a	6.50%
Transient Guest Tax	8.00%	0.00%	n/a	n/a	n/a	n/a
Enterprise Rev/HsHld	$56.40	n/a	n/a	n/a	n/a	n/a
Franchise Fees/HsHld	$0.00	n/a	n/a	n/a	n/a	n/a
Other Revenues/Res.	$60.17	$59.24	n/a	$104.11	$6.61	$2,462.21
Marg. Cost/Res./Student	$100.03	$37.66	$1,674.93	$65.00	$2.00	$942.66
Other Revenues/Worker	$55.97	$55.10	n/a	$96.83	$6.15	$2,086.08
Marginal Cost/New Worker	$93.04	$35.03	n/a	$60.45	$1.86	$798.66
State Funding/Pupil	n/a	n/a	$12,236.61	n/a	n/a	$10,800
Federal Funding/Pupil	n/a	n/a	$4,512.71	n/a	n/a	$6,197
Visitor Daily Spending	$50.00	$50.00				$75.00
Average Hotel Room Rate	$125	$125	Total Mill Levy:	166.009999		n/a
Retail Pull Factor	0.94	0.96				n/a
Percent of County Share	90.50%	100.00%				n/a
Ann. Local Per Capita Sales Tax	$294	$184				n/a
Ann. State Per Capita Sales Tax	$1,051	$1,075				$1,779
Annual Per Capita Retail Sales	$16,176	$16,535				$27,367
Average Household Size	2.68	2.67				2.49
Avg. Wage-All Occupations	$58,250	$58,250				$52,850

Carnation Partners, LLC (c 0

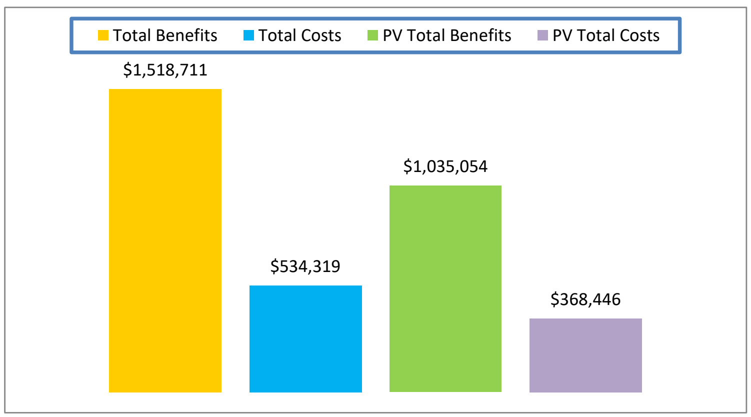
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
Firm Data Inputs:														
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Investment in Land			$2,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,000,000
Investment in Building			$8,500,000											
Investment in M & E			$500,000											
Contingencies & Soft Costs			$500,000											
Total Project Investment			$11,500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City Incentive of Sales Tax Exemption			$6,484	County Sales Tax Exemption		$3,990	State Sales Tax Exemption		$234,244			Total Sales Tax Exemption:		$244,718
		Growth	**Const. Per.**	**Yr. 1**	**Yr. 2**	**Yr. 3**	**Yr. 4**	**Yr. 5**	**Yr. 6**	**Yr. 7**	**Yr. 8**	**Yr. 9**	**Yr. 10**	**Total**
Sales		0.00%		$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$12,000,000
Purchases		0.00%		$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$600,000
Net Enterprise Rev - Firm		2.00%	$0	$2,475	$2,549	$3,000	$2,704	$2,785	$2,869	$2,955	$3,044	$3,135	$3,229	$28,744
Net Enterprise Rev-Employees		2.00%	$0	$169	$279	$359	$419	$432	$445	$458	$472	$486	$500	$4,018
PILOT- City			$0	$16,642	$16,975	$17,314	$17,660	$18,014	$18,374	$18,741	$19,116	$19,499	$19,889	$182,223
PILOT - County			$0	$16,145	$16,468	$16,797	$17,133	$17,476	$17,826	$18,182	$18,546	$18,917	$19,295	$176,786
PILOT - State			$0	$649	$662	$675	$688	$702	$716	$731	$745	$760	$775	$7,104
PILOT - School			$0	$23,507	$23,977	$24,457	$24,946	$25,445	$25,954	$26,473	$27,002	$27,542	$28,093	$257,396
PILOT - Comm. Coll.			$0	$11,840	$12,077	$12,319	$12,565	$12,816	$13,073	$13,334	$13,601	$13,873	$14,150	$129,648
PILOT- Rec Comm			$0	$3,019	$3,080	$3,141	$3,204	$3,268	$3,333	$3,400	$3,468	$3,537	$3,608	$33,059
New Employees				15.0	9.0	6.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	34
New to the City			20%	3.0	1.8	1.2	0.8	0.0	0.0	0.0	0.0	0.0	0.0	7
New to the County			40%	6.0	3.6	2.4	1.6	0.0	0.0	0.0	0.0	0.0	0.0	14
New to the State				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
New students in K-12				1.5	0.9	0.6	0.4	0.0	0.0	0.0	0.0	0.0	0.0	3
New employee average salary				$68,000	$70,040	$72,141	$74,305	$76,535	$78,831	$81,196	$83,631	$86,140	$88,725	N/A
Tax Abatement-Land				55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	N/A
Tax Abatement-Bldg.				55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	N/A
Visitors		0.0%	0	150	150	150	150	150	150	150	150	150	150	1,500
				City	**County**	**State**								

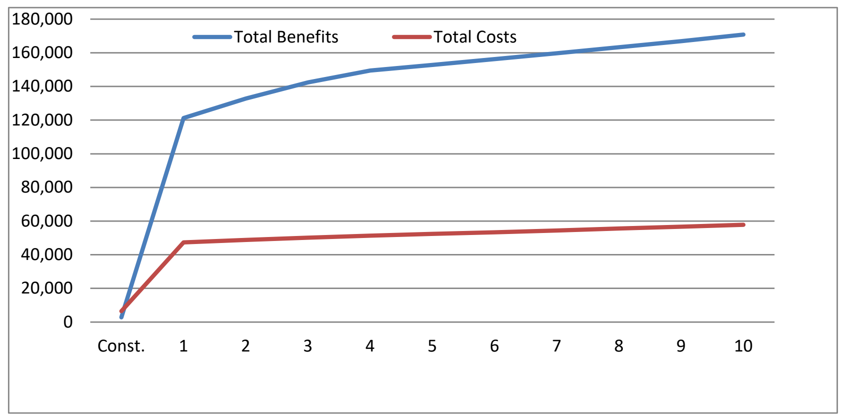
		City	County	State
Percentage of sales taxable in the		0%	0%	0%
Percentage of purchases taxable in the		100%	100%	100%
Assumed Inflation Rate		2.00%		

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
COST-BENEFIT ANALYSIS PROJECT SUMMARY				0				
PROJECT NAME:		**Carnation Partners, l**		0				
DATE:		10/27/2023						
Entity	**Total Benefits**	**Total Costs & Incentives**	**Net Benefits**	**Net Present Value of Net Benefits**	**NPV of Incentives & Taxes Abated**	**Ratio of NPV of Net Benefits to NPV of Incentives and Taxes Abated**	**Actual Benefit to Actual Cost Ratio**	**Avg. Annual Rate of Return**
City of Kansas City	$1,518,711	$534,319	$984,392	$666,608	$356,430	1.87	2.84	18%
Wyandotte County	$1,316,409	$511,888	$804,521	$546,441	$343,493	1.59	2.57	16%
Turner USD 202	$2,145,676	$680,357	$1,465,319	$995,012	$428,069	2.32	3.15	22%
KC Community College	$807,887	$400,790	$407,097	$279,367	$267,018	1.05	2.02	10%
USD 202 Rec Comm	$202,408	$99,703	$102,706	$70,818	$67,862	1.04	2.03	7%
State of Kansas	$1,855,298	$254,117	$1,601,180	$1,002,022	$247,886	4.04	7.30	63%

SUMMARY OF COSTS AND BENEFITS FOR:	**City of Kansas City**	
PROJECT:	**Carnation Partners, LLC (or assigns)(With L/M/W)**	
DATE:	10/27/2023	
DISCOUNT RATE:	7.25%	
Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:		**2.84**
Ratio of Present Value of Total Benefits to Present Value of Total Costs:		**2.81**
(Typical desired ratio would be 1.3 to 1)	**Average ROI**	**18.42%**

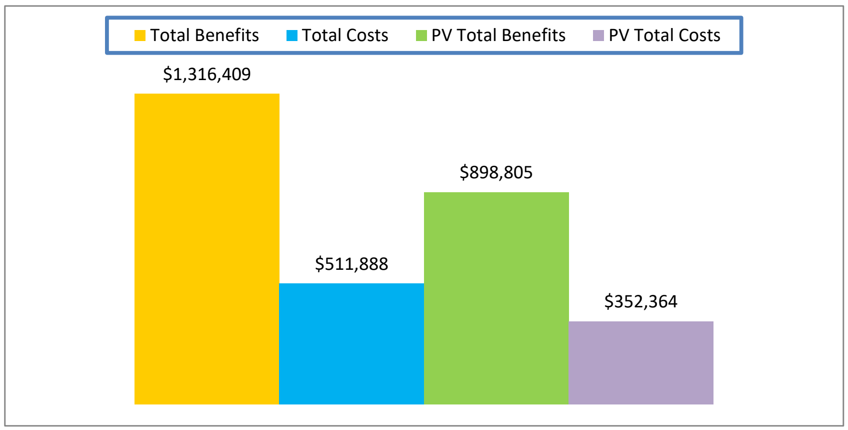
Year	Sales and Transient Guest Taxes	New Property Taxes	Enterprise Revenues	PILOT Payment	Other City Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various City Services	Incentives	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	2,813	0	0	0	0	2,813	2,813	0	6,484	0	6,484	6,484	-3,671	-3,671	-3,671	6,484
1	16,119	84,649	3,324	16,642	481	121,214	113,020	799		46,557	47,356	44,154	73,858	70,187	68,866	43,409
2	25,251	86,341	3,528	16,975	784	132,880	115,522	1,304		47,488	48,792	42,418	84,088	154,275	73,104	41,285
3	31,934	88,068	4,080	17,314	1,000	142,397	115,427	1,662		48,438	50,100	40,611	92,297	246,572	74,816	39,264
4	36,948	89,830	3,866	17,660	1,156	149,461	112,963	1,922		49,406	51,328	38,794	98,133	344,705	74,169	37,342
5	38,016	91,626	3,982	18,014	1,179	152,818	107,693	1,960		50,394	52,355	36,895	100,463	445,167	70,798	35,514
6	39,116	93,459	4,102	18,374	1,203	156,253	102,670	1,999		51,402	53,402	35,089	102,851	548,019	67,581	33,775
7	40,248	95,328	4,225	18,741	1,227	159,769	97,884	2,039		52,430	54,470	33,371	105,299	653,318	64,512	32,122
8	41,414	97,235	4,351	19,116	1,251	163,367	93,323	2,080		53,479	55,559	31,738	107,808	761,126	61,585	30,550
9	42,614	99,179	4,351	19,499	1,276	166,920	88,906	2,122		54,549	56,670	30,184	110,250	871,375	58,722	29,054
10	43,851	101,163	4,617	19,889	1,302	170,821	84,834	2,164		55,640	57,804	28,707	113,017	984,392	56,127	27,632
Total	$358,324	$926,878	$40,427	$182,223	$10,860	$1,518,711	$1,035,054	$18,052	$6,484	$509,783	$534,319	$368,446	$984,392	$984,392	$666,608	$356,430

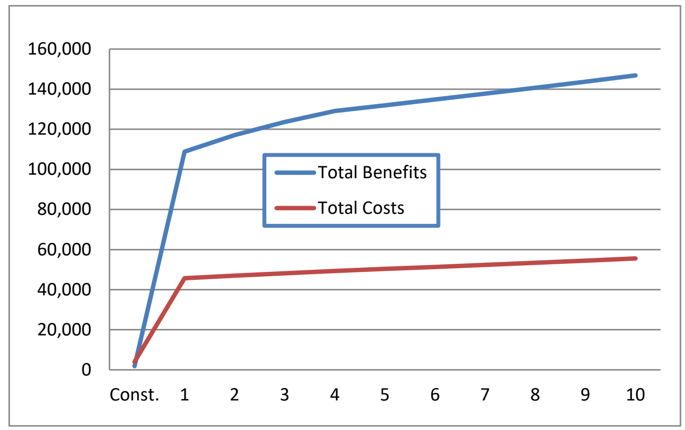




SUMMARY OF COSTS AND BENEFITS FOR:					Wyandotte County			Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:						2.57
PROJECT:	Carnation Partners, LLC (or assigns)(With L/M/W)							Ratio of Present Value of Total Benefits to Present Value of Total Costs:						2.55
DATE:	10/27/2023				DISCOUNT RATE:		7.25%	(Typical desired ratio would be 1.3 to 1)				Average ROI		15.72%

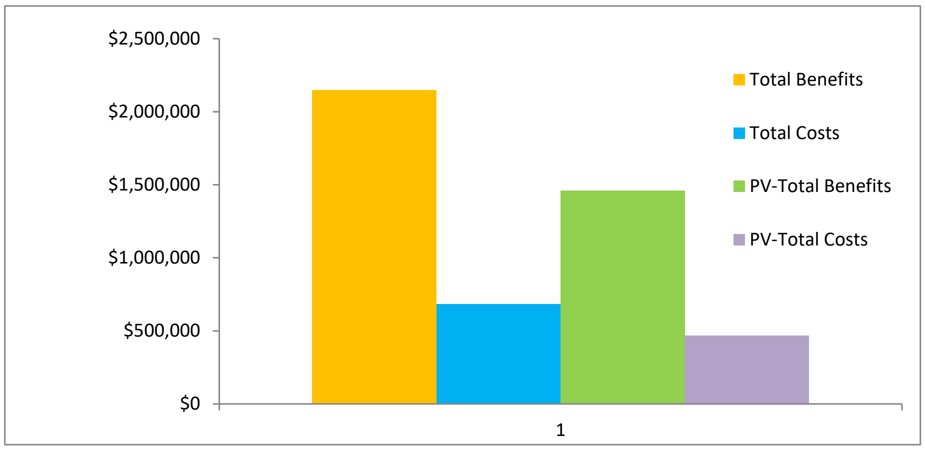
Year	Sales Taxes	New Property Taxes	PILOT Payment	Other County Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various County Services	Incentives	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	1,836	0	0	0	1,836	1,836	0	3,990	0	3,990	3,990	-2,154	-2,154	-2,154	3,990
1	9,621	82,122	16,145	928	108,817	101,461	590	0	45,167	45,757	42,664	63,060	60,906	58,797	42,114
2	15,338	83,765	16,468	1,514	117,085	101,790	963	0	46,071	47,033	40,889	70,052	130,957	60,901	40,053
3	19,519	85,440	16,797	1,931	123,687	100,261	1,227	0	46,992	48,219	39,087	75,467	206,425	61,174	38,092
4	22,653	87,149	17,133	2,232	129,167	97,625	1,419	0	47,932	49,351	37,300	79,816	286,240	60,325	36,227
5	23,312	88,892	17,476	2,276	131,957	92,992	1,447	0	48,891	50,338	35,474	81,619	367,859	57,518	34,454
6	23,991	90,670	17,826	2,322	134,809	88,580	1,476	0	49,868	51,345	33,737	83,464	451,323	54,842	32,767
7	24,691	92,483	18,182	2,368	137,724	84,378	1,506	0	50,866	52,371	32,086	85,353	536,676	52,292	31,163
8	25,411	94,333	18,546	2,416	140,705	80,377	1,536	0	51,883	53,419	30,515	87,286	623,963	49,862	29,638
9	26,153	96,220	18,917	2,464	143,753	76,567	1,567	0	52,921	54,487	29,021	89,266	713,228	47,546	28,187
10	26,917	98,144	19,295	2,513	146,870	72,939	1,598	0	53,979	55,577	27,601	91,293	804,521	45,338	26,807
Total	$219,442	$899,218	$176,786	$20,963	$1,316,409	$898,805	$13,328	$3,990	$494,570	$511,888	$352,364	$804,521	$804,521	$546,441	$343,493

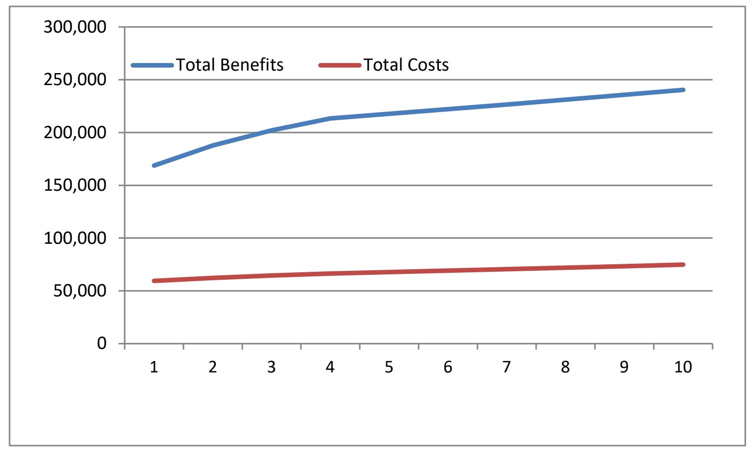




SUMMARY OF COSTS AND BENEFITS FOR:	Turner USD 202	**Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:**	**3.15**
PROJECT:	**Carnation Partners, LLC (or assigns)(With L/M/W)**	**Ratio of Present Value of Total Benefits to Present Value of Total Costs:**	**3.14**
DATE: 10/27/2023	**DISCOUNT RATE:** 7.25%	(Typical desired ratio would be 1.3 to 1) **Average ROI**	**21.54%**

Year	New Property Taxes	PILOT Payment	District Capital Outlay Taxes	Additional State, Federal and Other Funding	Total Benefits	Net Present Value of Total Benefits	Additional Marginal Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	103,546	23,507	16,023	25,626	168,702	157,298	2,512	56,950	59,463	55,443	109,240	109,240	101,855	53,100
2	105,617	23,977	16,343	41,822	187,760	163,233	4,100	58,089	62,189	54,066	125,570	234,810	109,167	50,501
3	107,729	24,457	16,670	53,324	202,180	163,887	5,228	59,251	64,479	52,267	137,701	372,510	111,621	48,029
4	109,884	24,946	17,004	61,642	213,475	161,346	6,043	60,436	66,479	50,246	146,996	519,506	111,100	45,678
5	112,081	25,445	17,344	62,875	217,745	153,448	6,164	61,645	67,809	47,786	149,936	669,442	105,662	43,442
6	114,323	25,954	17,690	64,132	222,099	145,936	6,287	62,878	69,165	45,447	152,934	822,376	100,490	41,315
7	116,609	26,473	18,044	65,415	226,541	138,793	6,413	64,135	70,548	43,222	155,993	978,369	95,571	39,293
8	118,942	27,002	18,405	66,723	231,072	131,999	6,541	65,418	71,959	41,106	159,113	1,137,482	90,892	37,370
9	121,320	27,542	18,773	68,058	235,694	125,537	6,672	66,726	73,399	39,094	162,295	1,299,778	86,443	35,540
10	123,747	28,093	19,149	69,419	240,408	119,392	6,806	68,061	74,867	37,180	165,541	1,465,319	82,212	33,801
Total	$1,133,798	$257,396	$175,445	$579,037	$2,145,676	$1,460,869	$56,768	$623,589	$680,357	$465,857	$1,465,319	$1,465,319	$995,012	$428,069





SUMMARY OF COSTS AND BENEFITS FOR: KC Community College

PROJECT: Carnation Partners, LLC (or assigns)(With L/M/W)

DATE: 10/27/2023

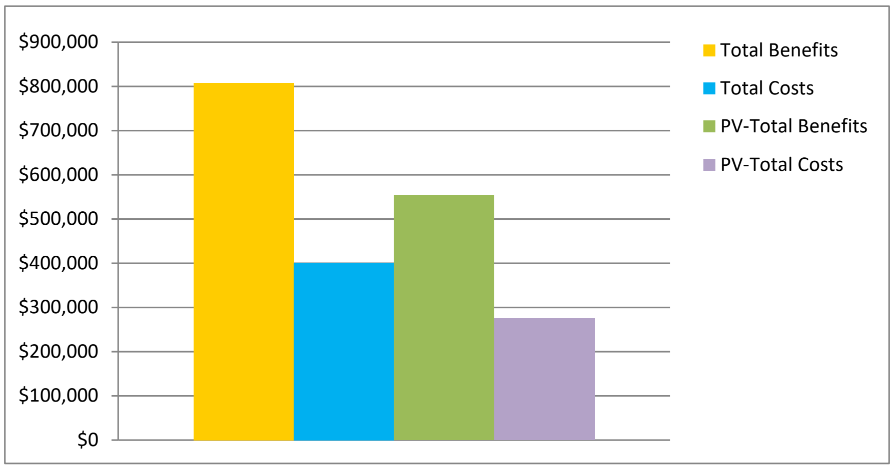
DISCOUNT RATE: 7.25%

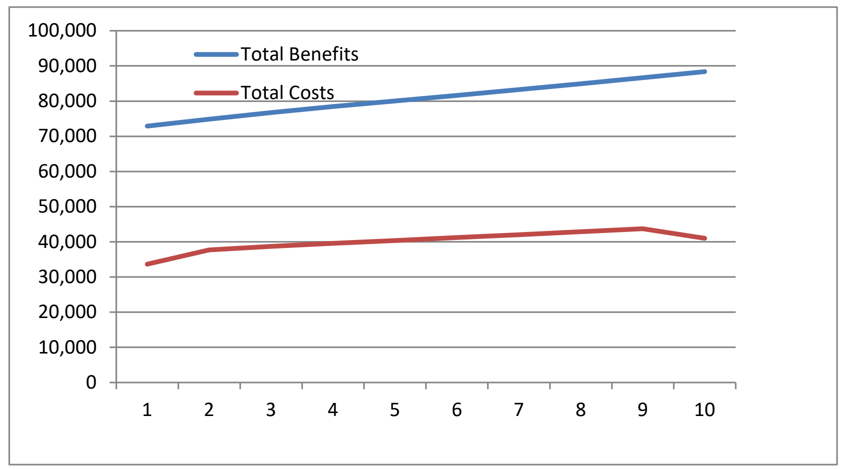
Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.02

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.02

(Typical desired ratio would be 1.3 to 1) **Average ROI** 10.16%

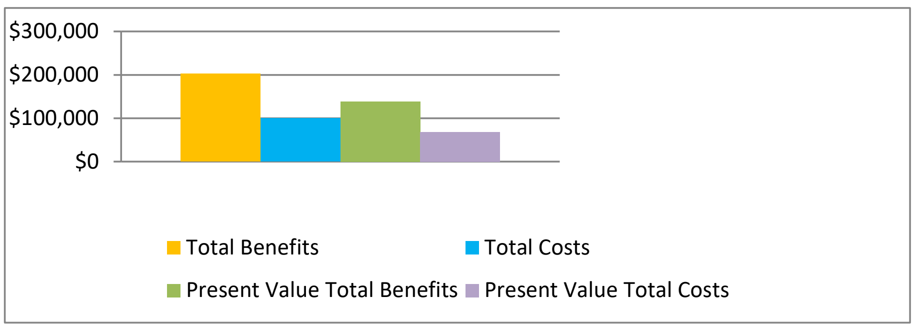
Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	60,225	11,840	832	72,897	67,969	519	33,124	33,643	31,369	39,254	39,254	36,601	30,885
2	61,430	12,077	1,357	74,864	65,085	847	36,858	37,705	32,780	37,159	76,413	32,305	32,043
3	62,658	12,319	1,730	76,707	62,179	1,080	37,595	38,675	31,350	38,032	114,445	30,829	30,475
4	63,912	12,565	2,000	78,477	59,313	1,249	38,347	39,596	29,927	38,881	153,326	29,387	28,983
5	65,190	12,816	2,040	80,046	56,410	1,274	39,114	40,388	28,462	39,659	192,985	27,948	27,564
6	66,494	13,073	2,081	81,647	53,649	1,299	39,896	41,195	27,069	40,452	233,437	26,580	26,215
7	67,824	13,334	2,123	83,280	51,022	1,325	40,694	42,019	25,743	41,261	274,698	25,279	24,932
8	69,180	13,601	2,165	84,946	48,525	1,352	41,508	42,860	24,483	42,086	316,784	24,041	23,711
9	70,564	13,873	2,208	86,645	46,149	1,379	42,338	43,717	23,285	42,928	359,712	22,865	22,551
10	71,975	14,150	2,253	88,378	43,890	1,406	39,586	40,992	20,358	47,385	407,097	23,533	19,659
Total	$659,451	$129,648	$18,789	$807,887	$554,192	$11,730	$389,061	$400,790	$274,825	$407,097	$407,097	$279,367	$267,018

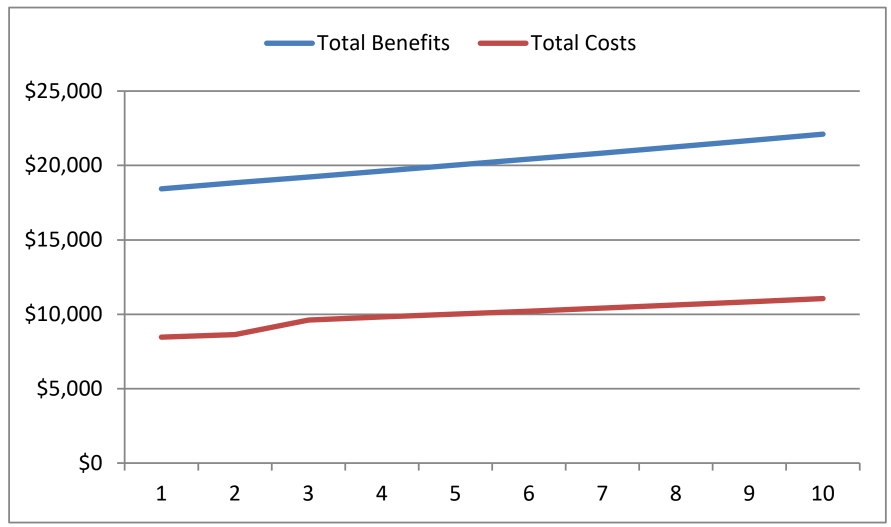




SUMMARY OF COSTS AND BENEFITS FOR:	**USD 202 Rec Comm**	**Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:**	**2.03**
PROJECT:	**Carnation Partners, LLC (or assigns)(With L/M/W)**	**Ratio of Present Value of Total Benefits to Present Value of Total Costs:**	**2.04**
DATE: 10/27/2023	**DISCOUNT RATE:** 7.25%	(Typical desired ratio would be 1.3 to 1) **Average ROI**	**6.87%**

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$15,357	$3,019	$53	$18,429	$17,183	$16	$8,446	$8,462	$7,890	$9,967	$9,967	$9,293	$7,875
2	$15,664	$3,080	$86	$18,830	$16,370	$26	$8,615	$8,641	$7,513	$10,189	$20,155	$8,858	$7,490
3	$15,977	$3,141	$110	$19,229	$15,587	$33	$9,586	$9,620	$7,798	$9,609	$29,764	$7,789	$7,771
4	$16,297	$3,204	$127	$19,628	$14,835	$38	$9,778	$9,817	$7,419	$9,811	$39,576	$7,416	$7,390
5	$16,623	$3,268	$130	$20,021	$14,109	$39	$9,974	$10,013	$7,056	$10,008	$49,583	$7,053	$7,029
6	$16,955	$3,333	$132	$20,421	$13,418	$40	$10,173	$10,213	$6,711	$10,208	$59,791	$6,707	$6,685
7	$17,295	$3,400	$135	$20,829	$12,761	$41	$10,377	$10,417	$6,382	$10,412	$70,203	$6,379	$6,357
8	$17,640	$3,468	$138	$21,246	$12,137	$42	$10,584	$10,626	$6,070	$10,620	$80,824	$6,067	$6,046
9	$17,993	$3,537	$140	$21,671	$11,543	$42	$10,796	$10,838	$5,773	$10,833	$91,656	$5,770	$5,750
10	$18,353	$3,608	$143	$22,104	$10,978	$43	$11,012	$11,055	$5,490	$11,049	$102,706	$5,487	$5,469
Total	$168,155	$33,059	$1,193	$202,408	$138,920	$360	$99,342	$99,703	$68,102	$102,706	$102,706	$70,818	$67,862

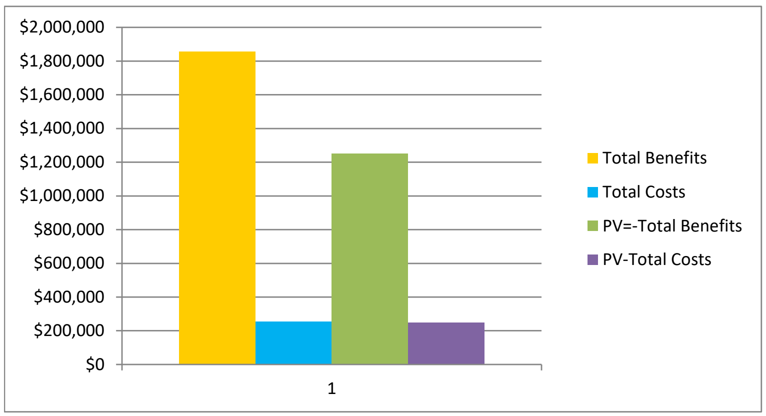


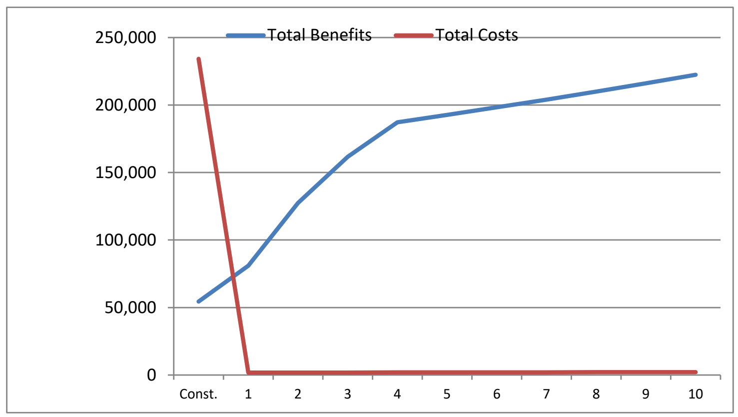


10/27/2023

SUMMARY OF COSTS AND BENEFITS FOR:	State of Kansas	Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	7.30
PROJECT:	Carnation Partners, LLC (or assigns)(With L/M/W)	Ratio of Present Value of Total Benefits to Present Value of Total Costs:	5.04
DATE: #########	DISCOUNT RATE: 7.25%	(Typical desired ratio would be 1.3 to 1) Average ROI	63.01%

Year	Sales Taxes	New Property Taxes	Corporate and Personal Income Taxes	PILOT Payment	Other State Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various State Services	Cost of Educating New Students	Property Taxes Abated	Incentives	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Present Value of Taxes Abated and Incentives
Const.	11,934	$0	42,500	0	0	54,434	54,434	0	$0	$0	$234,244	234,244	234,244	-179,810	-179,810	-179,810	234,244
1	55,570	$3,300	21,420	649	0	80,939	75,467	0	0	$1,815	0	1,815	1,692	79,124	-100,686	73,775	1,692
2	88,210	$3,366	35,300	662	0	127,538	110,878	0	0	$1,851	0	1,851	1,609	125,687	25,001	109,269	1,609
3	112,084	$3,433	45,449	675	0	161,641	131,026	0	0	$1,888	0	1,888	1,531	159,752	184,753	129,496	1,531
4	129,980	$3,502	53,054	688	0	187,225	141,506	0	0	$1,926	0	1,926	1,456	185,299	370,052	140,050	1,456
5	133,750	$3,572	54,646	702	0	192,670	135,778	0	0	$1,965	0	1,965	1,384	190,706	560,758	134,393	1,384
6	137,631	$3,643	56,285	716	0	198,276	130,283	0	0	$2,004	0	2,004	1,317	196,272	757,030	128,966	1,317
7	141,628	$3,716	57,974	731	0	204,049	125,012	0	0	$2,044	0	2,044	1,252	202,005	959,035	123,760	1,252
8	145,743	$3,791	59,713	745	0	209,992	119,957	0	0	$2,085	0	2,085	1,191	207,907	1,166,942	118,766	1,191
9	149,983	$3,866	61,504	760	0	216,114	115,108	0	0	$2,127	0	2,127	1,133	213,987	1,380,929	113,976	1,133
10	154,352	$3,944	63,350	775	0	222,420	110,459	0	0	$2,169	0	2,169	1,077	220,251	1,601,180	109,382	1,077
Total	$1,260,866	$36,134	$551,194	$7,104	$0	$1,855,298	$1,249,908	$0	$0	$19,874	$234,244	$254,117	$247,886	$1,601,180	$1,601,180	$1,002,022	$247,886





* The development agreement calls for 100% of the state's 6.5% sales tax on sales from the project area to go toward retiring the Star bonds for the project.

Carnation Partners, LLC (or assigns)(With L/M/W)

Other Economic Impacts of the Project

	In the First Year	Over 10 Years
Permanent jobs created	15	34
Construction jobs created	8	0
Number of New Residents in the Community	8	18
Number of Additional Students in the Local School District	2	3
Increase in Local Personal Incomes	$1,020,000	$24,223,532
Increase in Local Retail Sales	$1,417,631	$31,786,416
Increase in the Community's Property Tax Base	$8,500,000	$8,500,000

Estimated Property Tax Revenue after the abatement period ends:

City	$103,186
County	$100,107
School	$145,753
Comm. Coll.	$73,414
Rec Comm	$19,476
State	$4,023
Total	$445,959

Carnation Partners, LLC (or assigns)(Wit

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Overall Cost-Benefit Summary

	DIRECT REVENUES									DIRECT COSTS		INDIRECT COSTS		
TAXING ENTITY	Sales Taxes	PILOT Payment	New Property Taxes	School Federal & State Funding	Corporate & Personal Income Taxes	City Utilities & Franchise Fees	TOTAL DIRECT REVENUES	ALL INDIRECT REVENUES	TOTAL ALL REVENUES	Property Taxes Abated	Cost of Educating New Students	ALL INDIRECT COSTS	TOTAL COSTS	NET BENEFITS
City of Kansas City	358,324	182,223	926,878			40,427	1,507,852	10,860	**1,518,711**	509,783	0	18,052	**527,835**	**990,876**
Wyandotte County	219,442	176,786	899,218				1,295,445	20,963	**1,316,409**	494,570	0	13,328	**507,898**	**808,511**
Turner USD 202		257,396	1,309,243	579,037			2,145,676		**2,145,676**	623,589	56,768	0	**680,357**	**1,465,319**
KC Community College		129,648	659,451				789,099	18,789	**807,887**	389,061	0	11,730	**400,790**	**407,097**
USD 202 Rec Comm		33,059	168,155				201,215	1,193	**202,408**	99,342		360	**99,703**	**102,706**
State of Kansas	1,260,866	7,104	36,134	0	551,194		1,855,298	0	**1,855,298**	19,874	0	0	**19,874**	**1,835,424**
TOTALS	$1,838,632	$786,216	$3,999,079	$579,037	$551,194	$40,427	$7,794,584	$51,805	**$7,846,389**	$2,136,218	$56,768	$43,470	**$2,236,456**	**$5,609,933**

A Tax Abatement Cost-Benefit Analysis of Carnation Partners, LLC (or assigns)(Without L/M/W) for the Unified Government of Kansas City/Wyandotte County

Completed by

Municipal Consulting, LLC

10/27/2023

CONTENTS:

ABOUT THIS REPORT:

This report uses data that was collected from the firm involved and budget reports from each of the taxing entities where the project is to be located. This data is summarized on pages 4 and 5. In addition, various calculations were applied to the data using rates and information gathered from the current economic and financial conditions.

DEFINITIONS USED:

- **Rate of Return**: Incentives and tax abatements granted by the taxing entities are equivalent to a public investment in the firm. Comparing these investments to the various benefits received over the 10-year project period by the public entity produces an average annual rate of return for the period. Generally, a rate of return that exceeds the entity's cost of capital would be considered a favorable investment.

- **Net Present Value:** This is the amount that a future series of payments is worth today, given an assumed discount rate. The only way to accurately compare payments to be made or received in the future to the dollar value at present is with Net Present Value. Generally a positive net present value represents an acceptable investment opportunity.
- **Benefit - Cost Ratio**: Typically referred to as the "Cost-Benefit Ratio," this is the ratio of the public entity benefits received over the 10-year project life to the public costs incurred over the same period. If the ratio is above 1.0, then the benefits exceed the costs, and if it is less than 1.0, the costs exceed the benefits. Generally, a public entity would like to have a Benefit-to-Cost ratio of 1.3 or better in order to grant a tax abatement and/or other incentives. However, the governing body may take into account the other economic benefits of the project in making that decision.

DISCLAIMER:

This report is prepared using a variety of assumptions regarding discount rate, inflation rate, and other economic variables. It also uses information submitted by the firm based on its best estimates of what they expect to occur in the next decade. Future business results and economic factors are not and cannot be guaranteed. Therefore, we provide no guarantee on the future performance of the firm, or that conditions within the taxing entities will remain as they are today. The governing body should make its decision on the best information presented, while fully recognizing that future performance could be substantially different.

COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	2.88	19%
Wyandotte County	2.60	16%
Turner USD 202	3.19	22%
KC Community College	2.05	10%
USD 202 Rec Comm	2.06	7.08%
State of Kansas	7.30	63%

Each of the taxing entities has a positive benefit-to-cost ratio in excess of the desired 1.3. This report assumes that the Unified Government will approve a 55% property tax abatement for 10 years and the firm will receive a sales tax exemption on construction materials and machinery and equipment. This report assumes that the existing sales tax rates for the city, county and state will remain the same. The proposed average salary of the new jobs is 117% the county average wage and we adjusted retail spending estimates accordingly. A PILOT payment which includes the existing property tax is included in this analysis.

If you have any questions or comments, you may reach me with the contact information below.

Steve Robb

R. Steven Robb
Sole Owner
Municipal Consulting, LLC
Cell: 620-704-6495 E-Mail: steverobb@ckt.net
2207 N. Free King Hwy, Pittsburg, KS 66762-8418

COST-BENEFIT ANALYSIS PROJECT SUMMARY		
PROJECT NAME:	**Carnation Partners, LLC (or assigns)(Without L/M/W)**	
DATE:	10/27/2023	
GOVERNMENTAL ENTITIES INVOLVED:		
CITY:		**City of Kansas City**
COUNTY:		**Wyandotte County**
SCHOOL DISTRICT:		**Turner USD 202**
SPECIAL TAXING DISTRICT #1		**KC Community College**
SPECIAL TAXING DISTRICT #2		**USD 202 Rec Comm**
STATE:		**State of Kansas**
INFLATION RATE:	2.00%	
DISCOUNT RATE	7.25%	

The project involves purchase of about 15 acres and construction of a 56,700 sq. ft. facility to manufacture oil separators, solid interceptors, chemical waste tanks and other accessories for commercial establishments. The project is expected to create 34 new jobs with an average salary above the county average salary. The project is to be located at 4412-4414 Gibbs Road in Kansas City, Kansas. The applicant is requesting 55% property tax abatement for 10 years with a graduated payment in lieu of taxes.

Carnation Partners, LL(0

Column1	Column2	Column3	Column4	Column6	Column7	Column11
Community Data Inputs:						
	City of Kansas City	Wyandotte County	Turner USD 202	KC Community College	USD 202 Rec Comm	State
Mill Levy	38.476593	37.328383	54.349367	27.375176	6.980480	1.500
Sales Tax	1.625%	1.000%	n/a	n/a	n/a	6.50%
Transient Guest Tax	8.00%	0.00%	n/a	n/a	n/a	n/a
Enterprise Rev/HsHld	$56.40	n/a	n/a	n/a	n/a	n/a
Franchise Fees/HsHld	$0.00	n/a	n/a	n/a	n/a	n/a
Other Revenues/Res.	$60.17	$59.24	n/a	$104.11	$6.61	$2,462.21
Marg. Cost/Res./Student	$100.03	$37.66	$1,674.93	$65.00	$2.00	$942.66
Other Revenues/Worker	$55.97	$55.10	n/a	$96.83	$6.15	$2,086.08
Marginal Cost/New Worker	$93.04	$35.03	n/a	$60.45	$1.86	$798.66
State Funding/Pupil	n/a	n/a	$12,236.61	n/a	n/a	$10,800
Federal Funding/Pupil	n/a	n/a	$4,512.71	n/a	n/a	$6,197
Visitor Daily Spending	$50.00	$50.00				$75.00
Average Hotel Room Rate	$125	$125	Total Mill Levy:	166.009999		n/a
Retail Pull Factor	0.94	0.96				n/a
Percent of County Share	90.50%	100.00%				n/a
Ann. Local Per Capita Sales Tax	$294	$184				n/a
Ann. State Per Capita Sales Tax	$1,051	$1,075				$1,779
Annual Per Capita Retail Sales	$16,176	$16,535				$27,367
Average Household Size	2.68	2.67				2.49
Avg. Wage-All Occupations	$58,250	$58,250				$52,850

Carnation Partners, LLC (c 0

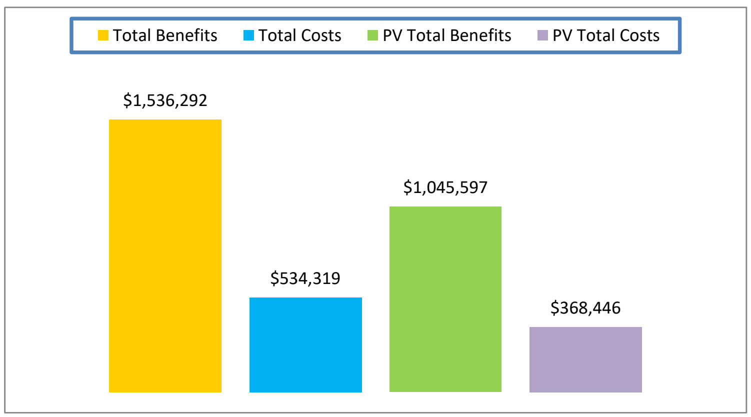
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
Firm Data Inputs:														
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Investment in Land			$2,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,000,000
Investment in Building			$8,500,000											
Investment in M & E			$500,000											
Contingencies & Soft Costs			$500,000											
Total Project Investment			$11,500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City Incentive of Sales Tax Exemption			$6,484	County Sales Tax Exemption		$3,990	State Sales Tax Exemption		$234,244			Total Sales Tax Exemption:		$244,718
		Growth	**Const. Per.**	**Yr. 1**	**Yr. 2**	**Yr. 3**	**Yr. 4**	**Yr. 5**	**Yr. 6**	**Yr. 7**	**Yr. 8**	**Yr. 9**	**Yr. 10**	**Total**
Sales		0.00%		$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$12,000,000
Purchases		0.00%		$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$600,000
Net Enterprise Rev - Firm		2.00%	$0	$2,475	$2,549	$3,000	$2,704	$2,785	$2,869	$2,955	$3,044	$3,135	$3,229	$28,744
Net Enterprise Rev-Employees		2.00%	$0	$169	$279	$359	$419	$432	$445	$458	$472	$486	$500	$4,018
PILOT- City			$0	$16,642	$17,308	$18,000	$18,720	$19,469	$20,247	$21,057	$21,900	$22,775	$23,687	$199,804
PILOT - County			$0	$16,145	$16,791	$17,463	$18,161	$18,888	$19,643	$20,429	$21,246	$22,096	$22,980	$193,841
PILOT - State			$0	$649	$675	$702	$730	$759	$789	$821	$854	$888	$923	$7,789
PILOT - School			$0	$23,507	$24,447	$25,425	$26,442	$27,500	$28,600	$29,744	$30,934	$32,171	$33,458	$282,229
PILOT - Comm. Coll.			$0	$11,840	$12,314	$12,806	$13,319	$13,851	$14,405	$14,982	$15,581	$16,204	$16,852	$142,155
PILOT- Rec Comm			$0	$3,019	$3,140	$3,266	$3,396	$3,532	$3,673	$3,820	$3,973	$4,132	$4,297	$36,249
TOTAL PILOT			$0	$71,802	$74,674	$77,661	$80,768	$83,999	$87,359	$90,853	$94,487	$98,267	$102,197	$862,067
New Employees				15.0	9.0	6.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	34
New to the City			20%	3.0	1.8	1.2	0.8	0.0	0.0	0.0	0.0	0.0	0.0	7
New to the County			40%	6.0	3.6	2.4	1.6	0.0	0.0	0.0	0.0	0.0	0.0	14
New to the State				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
New students in K-12				1.5	0.9	0.6	0.4	0.0	0.0	0.0	0.0	0.0	0.0	3
New employee average salary				$68,000	$70,040	$72,141	$74,305	$76,535	$78,831	$81,196	$83,631	$86,140	$88,725	N/A
Tax Abatement-Land				55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	N/A
Tax Abatement-Bldg.				55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	N/A
Visitors		0.0%	0	150	150	150	150	150	150	150	150	150	150	1,500
				City	**County**	**State**								
Percentage of sales taxable in the				0%	0%	0%								
Percentage of purchases taxable in the				100%	100%	100%								
Assumed Inflation Rate				2.00%										

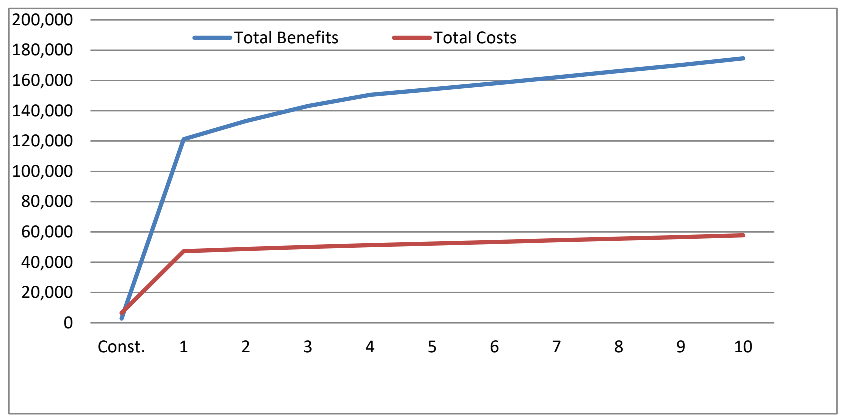
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
COST-BENEFIT ANALYSIS PROJECT SUMMARY				0				
PROJECT NAME:		**Carnation Partners, l**		0		**Ratio of**		
DATE:		10/27/2023				**NPV of Net**		
Entity	**Total Benefits**	**Total Costs & Incentives**	**Net Benefits**	**Net Present Value of Net Benefits**	**NPV of Incentives & Taxes Abated**	**Benefits to NPV of Incentives and Taxes Abated**	**Actual Benefit to Actual Cost Ratio**	**Avg. Annual Rate of Return**
City of Kansas City	$1,536,292	$534,319	$1,001,973	$677,151	$356,430	1.90	2.88	19%
Wyandotte County	$1,333,464	$511,888	$821,577	$556,669	$343,493	1.62	2.60	16%
Turner USD 202	$2,170,508	$680,357	$1,490,151	$1,009,904	$428,069	2.36	3.19	22%
KC Community College	$820,395	$400,790	$419,605	$286,867	$267,018	1.07	2.05	10%
USD 202 Rec Comm	$205,598	$99,703	$105,895	$72,731	$67,862	1.07	2.06	7%
State of Kansas	$1,855,983	$254,117	$1,601,866	$1,002,433	$247,886	4.04	7.30	63%

10/27/2023

SUMMARY OF COSTS AND BENEFITS FOR:	City of Kansas City	Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	2.88
PROJECT:	Carnation Partners, LLC (or assigns)(Without L/M/W)	Ratio of Present Value of Total Benefits to Present Value of Total Costs:	2.84
DATE: 10/27/2023	DISCOUNT RATE: 7.25%	(Typical desired ratio would be 1.3 to 1) Average ROI	18.75%

Year	Sales and Transient Guest Taxes	New Property Taxes	Enterprise Revenues	PILOT Payment	Other City Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various City Services	Incentives	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	2,813	0	0	0	0	2,813	2,813	0	6,484	0	6,484	6,484	-3,671	-3,671	-3,671	6,484
1	16,119	84,649	3,324	16,642	481	121,214	113,020	799		46,557	47,356	44,154	73,858	70,187	68,866	43,409
2	25,251	86,341	3,528	17,308	784	133,212	115,811	1,304		47,488	48,792	42,418	84,421	154,608	73,393	41,285
3	31,934	88,068	4,080	18,000	1,000	143,083	115,983	1,662		48,438	50,100	40,611	92,983	247,591	75,372	39,264
4	36,948	89,830	3,866	18,720	1,156	150,520	113,764	1,922		49,406	51,328	38,794	99,192	346,782	74,970	37,342
5	38,016	91,626	3,982	19,469	1,179	154,273	108,718	1,960		50,394	52,355	36,895	101,918	448,700	71,823	35,514
6	39,116	93,459	4,102	20,247	1,203	158,126	103,901	1,999		51,402	53,402	35,089	104,725	553,425	68,812	33,775
7	40,248	95,328	4,225	21,057	1,227	162,085	99,303	2,039		52,430	54,470	33,371	107,615	661,040	65,931	32,122
8	41,414	97,235	4,351	21,900	1,251	166,150	94,912	2,080		53,479	55,559	31,738	110,591	771,631	63,175	30,550
9	42,614	99,179	4,351	22,775	1,276	170,197	90,652	2,122		54,549	56,670	30,184	113,527	885,158	60,467	29,054
10	43,851	101,163	4,617	23,687	1,302	174,619	86,720	2,164		55,640	57,804	28,707	116,815	1,001,973	58,013	27,632
Total	$358,324	$926,878	$40,427	$199,804	$10,860	$1,536,292	$1,045,597	$18,052	$6,484	$509,783	$534,319	$368,446	$1,001,973	$1,001,973	$677,151	$356,430

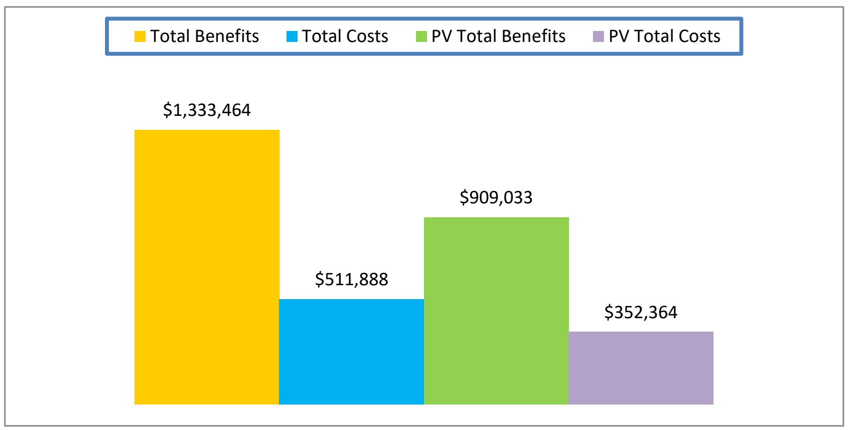


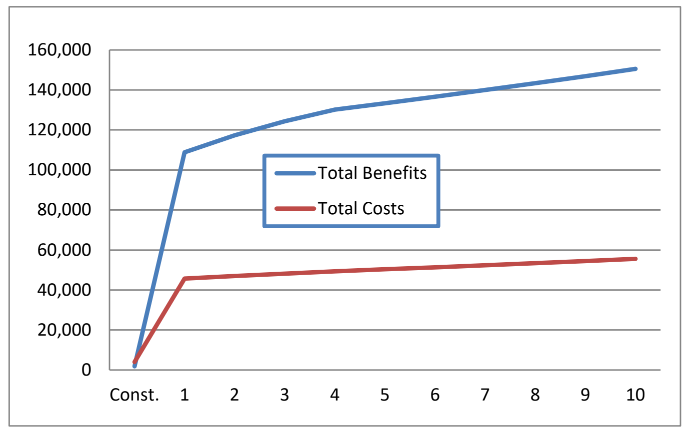


SUMMARY OF COSTS AND BENEFITS FOR: Wyandotte County
PROJECT: Carnation Partners, LLC (or assigns)(Without L/M/W)
DATE: 10/27/2023
DISCOUNT RATE: 7.25%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.60
Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.58
(Typical desired ratio would be 1.3 to 1) **Average ROI** 16.05%

Year	Sales Taxes	New Property Taxes	PILOT Payment	Other County Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various County Services	Incentives	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	1,836	0	0	0	1,836	1,836	0	3,990	0	3,990	3,990	-2,154	-2,154	-2,154	3,990
1	9,621	82,122	16,145	928	108,817	101,461	590	0	45,167	45,757	42,664	63,060	60,906	58,797	42,114
2	15,338	83,765	16,791	1,514	117,408	102,071	963	0	46,071	47,033	40,889	70,374	131,280	61,182	40,053
3	19,519	85,440	17,463	1,931	124,352	100,800	1,227	0	46,992	48,219	39,087	76,132	207,413	61,713	38,092
4	22,653	87,149	18,161	2,232	130,194	98,402	1,419	0	47,932	49,351	37,300	80,844	288,256	61,102	36,227
5	23,312	88,892	18,888	2,276	133,368	93,987	1,447	0	48,891	50,338	35,474	83,030	371,287	58,513	34,454
6	23,991	90,670	19,643	2,322	136,626	89,774	1,476	0	49,868	51,345	33,737	85,282	456,568	56,037	32,767
7	24,691	92,483	20,429	2,368	139,971	85,755	1,506	0	50,866	52,371	32,086	87,600	544,168	53,669	31,163
8	25,411	94,333	21,246	2,416	143,405	81,920	1,536	0	51,883	53,419	30,515	89,987	634,154	51,404	29,638
9	26,153	96,220	22,096	2,464	146,932	78,260	1,567	0	52,921	54,487	29,021	92,445	726,599	49,239	28,187
10	26,917	98,144	22,980	2,513	150,554	74,769	1,598	0	53,979	55,577	27,601	94,977	821,577	47,168	26,807
Total	$219,442	$899,218	$193,841	$20,963	$1,333,464	$909,033	$13,328	$3,990	$494,570	$511,888	$352,364	$821,577	$821,577	$556,669	$343,493





SUMMARY OF COSTS AND BENEFITS FOR: Turner USD 202

PROJECT: **Carnation Partners, LLC (or assigns)(Without L/M/W)**

DATE: 10/27/2023

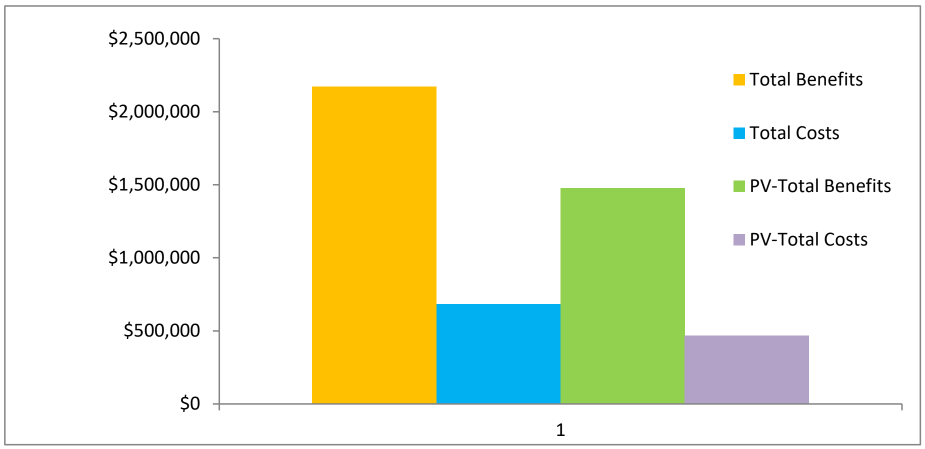
DISCOUNT RATE: 7.25%

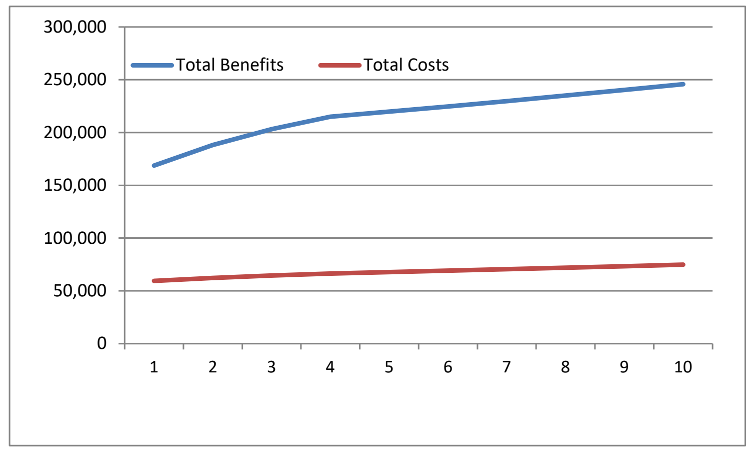
Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: **3.19**

Ratio of Present Value of Total Benefits to Present Value of Total Costs: **3.17**

(Typical desired ratio would be 1.3 to 1) **Average ROI** **21.90%**

Year	New Property Taxes	PILOT Payment	District Capital Outlay Taxes	Additional State, Federal and Other Funding	Total Benefits	Net Present Value of Total Benefits	Additional Marginal Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	103,546	23,507	16,023	25,626	168,702	157,298	2,512	56,950	59,463	55,443	109,240	109,240	101,855	53,100
2	105,617	24,447	16,343	41,822	188,230	163,642	4,100	58,089	62,189	54,066	126,040	235,280	109,576	50,501
3	107,729	25,425	16,670	53,324	203,148	164,672	5,228	59,251	64,479	52,267	138,669	373,949	112,406	48,029
4	109,884	26,442	17,004	61,642	214,971	162,477	6,043	60,436	66,479	50,246	148,492	522,441	112,231	45,678
5	112,081	27,500	17,344	62,875	219,800	154,896	6,164	61,645	67,809	47,786	151,991	674,432	107,110	43,442
6	114,323	28,600	17,690	64,132	224,746	147,675	6,287	62,878	69,165	45,447	155,581	830,013	102,228	41,315
7	116,609	29,744	18,044	65,415	229,813	140,797	6,413	64,135	70,548	43,222	159,264	989,277	97,575	39,293
8	118,942	30,934	18,405	66,723	235,004	134,244	6,541	65,418	71,959	41,106	163,044	1,152,321	93,138	37,370
9	121,320	32,171	18,773	68,058	240,323	128,003	6,672	66,726	73,399	39,094	166,924	1,319,245	88,908	35,540
10	123,747	33,458	19,149	69,419	245,772	122,056	6,806	68,061	74,867	37,180	170,906	1,490,151	84,876	33,801
Total	$1,133,798	$282,229	$175,445	$579,037	$2,170,508	$1,475,760	$56,768	$623,589	$680,357	$465,857	$1,490,151	$1,490,151	$1,009,904	$428,069

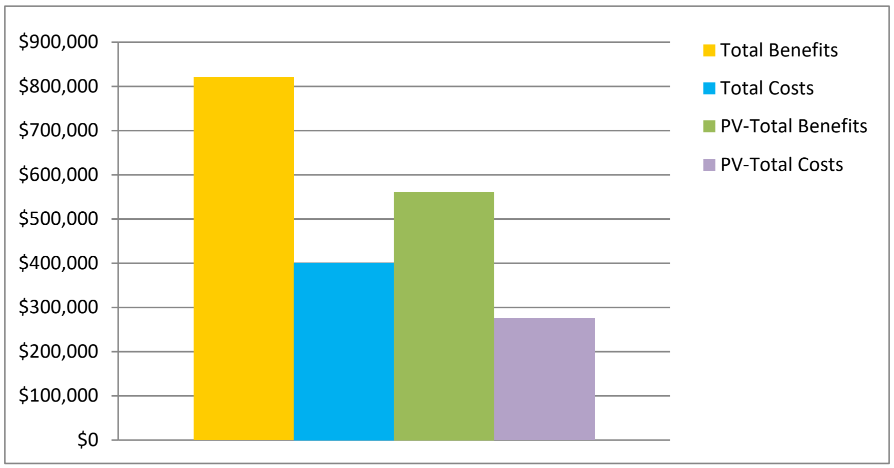


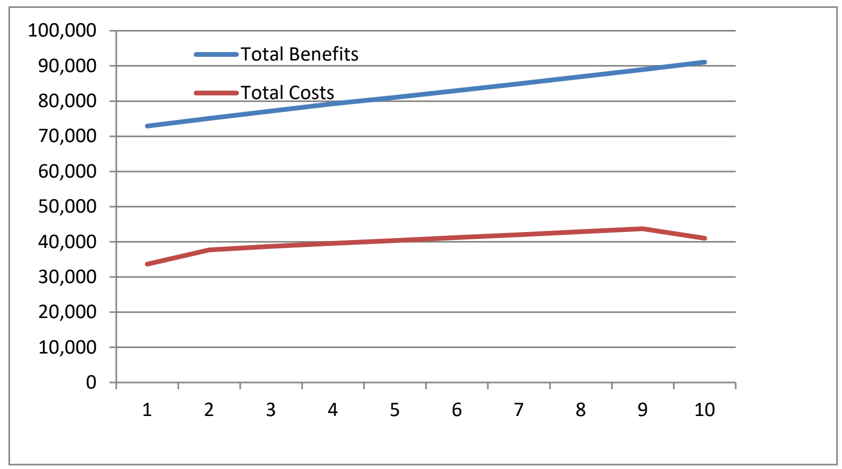


SUMMARY OF COSTS AND BENEFITS FOR: KC Community College
PROJECT: Carnation Partners, LLC (or assigns)(Without L/M/W)
DATE: 10/27/2023
DISCOUNT RATE: 7.25%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.05
Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.04
(Typical desired ratio would be 1.3 to 1) **Average ROI** 10.47%

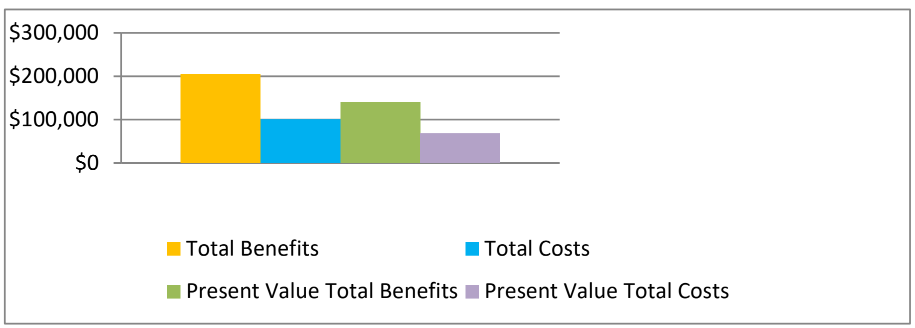
Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	60,225	11,840	832	72,897	67,969	519	33,124	33,643	31,369	39,254	39,254	36,601	30,885
2	61,430	12,314	1,357	75,101	65,291	847	36,858	37,705	32,780	37,396	76,650	32,511	32,043
3	62,658	12,806	1,730	77,195	62,575	1,080	37,595	38,675	31,350	38,520	115,170	31,224	30,475
4	63,912	13,319	2,000	79,231	59,883	1,249	38,347	39,596	29,927	39,635	154,805	29,956	28,983
5	65,190	13,851	2,040	81,082	57,139	1,274	39,114	40,388	28,462	40,694	195,498	28,678	27,564
6	66,494	14,405	2,081	82,980	54,524	1,299	39,896	41,195	27,069	41,785	237,283	27,456	26,215
7	67,824	14,982	2,123	84,928	52,032	1,325	40,694	42,019	25,743	42,909	280,192	26,288	24,932
8	69,180	15,581	2,165	86,926	49,656	1,352	41,508	42,860	24,483	44,066	324,258	25,173	23,711
9	70,564	16,204	2,208	88,976	47,391	1,379	42,338	43,717	23,285	45,259	369,518	24,106	22,551
10	71,975	16,852	2,253	91,080	45,232	1,406	39,586	40,992	20,358	50,087	419,605	24,875	19,659
Total	$659,451	$142,155	$18,789	$820,395	$561,693	$11,730	$389,061	$400,790	$274,825	$419,605	$419,605	$286,867	$267,018

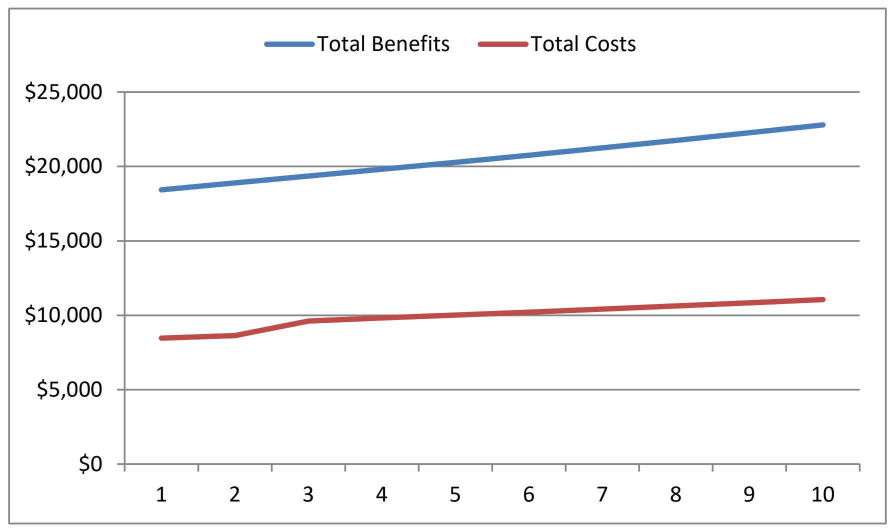




SUMMARY OF COSTS AND BENEFITS FOR:	USD 202 Rec Comm	Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	2.06
PROJECT:	Carnation Partners, LLC (or assigns)(Without L/M/W)	Ratio of Present Value of Total Benefits to Present Value of Total Costs:	2.07
DATE: 10/27/2023	DISCOUNT RATE: 7.25%	(Typical desired ratio would be 1.3 to 1) Average ROI	7.08%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$15,357	$3,019	$53	$18,429	$17,183	$16	$8,446	$8,462	$7,890	$9,967	$9,967	$9,293	$7,875
2	$15,664	$3,140	$86	$18,890	$16,423	$26	$8,615	$8,641	$7,513	$10,249	$20,216	$8,910	$7,490
3	$15,977	$3,266	$110	$19,353	$15,688	$33	$9,586	$9,620	$7,798	$9,733	$29,949	$7,890	$7,771
4	$16,297	$3,396	$127	$19,820	$14,980	$38	$9,778	$9,817	$7,419	$10,004	$39,953	$7,561	$7,390
5	$16,623	$3,532	$130	$20,285	$14,295	$39	$9,974	$10,013	$7,056	$10,272	$50,224	$7,239	$7,029
6	$16,955	$3,673	$132	$20,761	$13,642	$40	$10,173	$10,213	$6,711	$10,548	$60,772	$6,931	$6,685
7	$17,295	$3,820	$135	$21,250	$13,019	$41	$10,377	$10,417	$6,382	$10,832	$71,604	$6,636	$6,357
8	$17,640	$3,973	$138	$21,751	$12,425	$42	$10,584	$10,626	$6,070	$11,125	$82,729	$6,355	$6,046
9	$17,993	$4,132	$140	$22,265	$11,859	$42	$10,796	$10,838	$5,773	$11,427	$94,157	$6,086	$5,750
10	$18,353	$4,297	$143	$22,793	$11,320	$43	$11,012	$11,055	$5,490	$11,738	$105,895	$5,830	$5,469
Total	$168,155	$36,249	$1,193	$205,598	$140,833	$360	$99,342	$99,703	$68,102	$105,895	$105,895	$72,731	$67,862

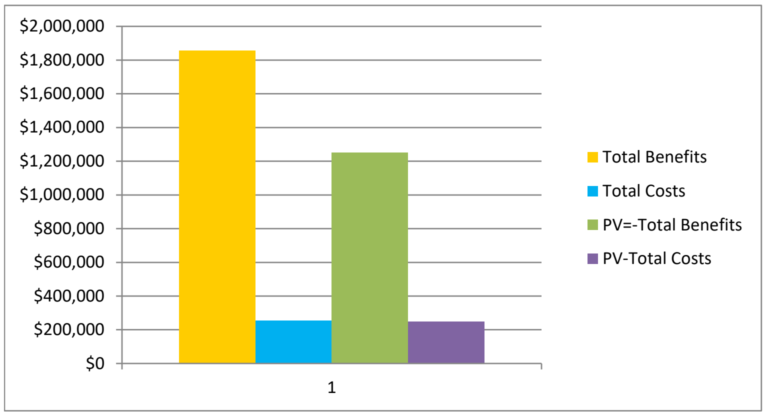


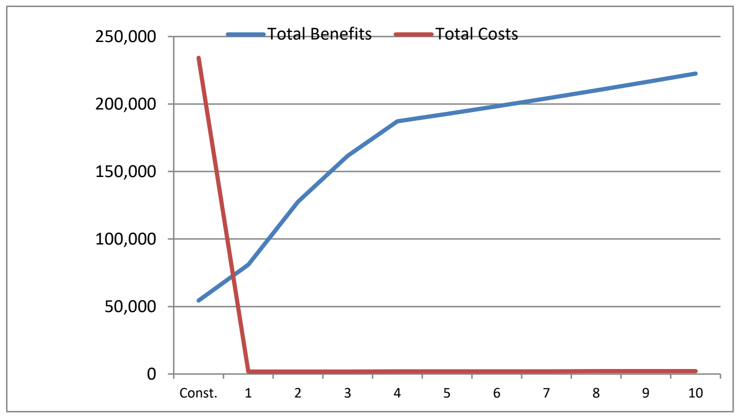


10/27/2023

SUMMARY OF COSTS AND BENEFITS FOR:	**State of Kansas**	**Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:**	**7.30**
PROJECT:	**Carnation Partners, LLC (or assigns)(Without L/M/W)**	**Ratio of Present Value of Total Benefits to Present Value of Total Costs:**	**5.04**
DATE: #########	**DISCOUNT RATE:** 7.25%	(Typical desired ratio would be 1.3 to 1) **Average ROI**	**63.04%**

Year	Sales Taxes	New Property Taxes	Corporate and Personal Income Taxes	PILOT Payment	Other State Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various State Services	Cost of Educating New Students	Property Taxes Abated	Incentives	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Present Value of Taxes Abated and Incentives
Const.	11,934	$0	42,500	0	0	54,434	54,434	0	$0	$0	$234,244	234,244	234,244	-179,810	-179,810	-179,810	234,244
1	55,570	$3,300	21,420	649	0	80,939	75,467	0	0	$1,815	0	1,815	1,692	79,124	-100,686	73,775	1,692
2	88,210	$3,366	35,300	675	0	127,551	110,889	0	0	$1,851	0	1,851	1,609	125,700	25,014	109,280	1,609
3	112,084	$3,433	45,449	702	0	161,667	131,048	0	0	$1,888	0	1,888	1,531	159,779	184,793	129,517	1,531
4	129,980	$3,502	53,054	730	0	187,266	141,537	0	0	$1,926	0	1,926	1,456	185,340	370,133	140,081	1,456
5	133,750	$3,572	54,646	759	0	192,727	135,818	0	0	$1,965	0	1,965	1,384	190,762	560,895	134,433	1,384
6	137,631	$3,643	56,285	789	0	198,349	130,331	0	0	$2,004	0	2,004	1,317	196,345	757,240	129,014	1,317
7	141,628	$3,716	57,974	821	0	204,139	125,068	0	0	$2,044	0	2,044	1,252	202,095	959,336	123,816	1,252
8	145,743	$3,791	59,713	854	0	210,100	120,019	0	0	$2,085	0	2,085	1,191	208,015	1,167,351	118,828	1,191
9	149,983	$3,866	61,504	888	0	216,242	115,176	0	0	$2,127	0	2,127	1,133	214,115	1,381,466	114,044	1,133
10	154,352	$3,944	63,350	923	0	222,568	110,533	0	0	$2,169	0	2,169	1,077	220,399	1,601,866	109,455	1,077
Total	$1,260,866	$36,134	$551,194	$7,789	$0	$1,855,983	$1,250,319	$0	$0	$19,874	$234,244	$254,117	$247,886	$1,601,866	$1,601,866	$1,002,433	$247,886





* The development agreement calls for 100% of the state's 6.5% sales tax on sales from the project area to go toward retiring the Star bonds for the project.

Carnation Partners, LLC (or assigns)(Without L/M/W)

Other Economic Impacts of the Project

	In the First Year	Over 10 Years
Permanent jobs created	15	34
Construction jobs created	8	0
Number of New Residents in the Community	8	18
Number of Additional Students in the Local School District	2	3
Increase in Local Personal Incomes	$1,020,000	$24,223,532
Increase in Local Retail Sales	$1,417,631	$31,786,416
Increase in the Community's Property Tax Base	$8,500,000	$8,500,000

Estimated Property Tax Revenue after the abatement period ends:

City	$103,186
County	$100,107
School	$145,753
Comm. Coll.	$73,414
Rec Comm	$19,476
State	$4,023
Total	$445,959

10/27/2023

Carnation Partners, LLC (or assigns)(Wit

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Overall Cost-Benefit Summary

TAXING ENTITY	DIRECT REVENUES: Sales Taxes	DIRECT REVENUES: PILOT Payment	DIRECT REVENUES: New Property Taxes	DIRECT REVENUES: School Federal & State Funding	DIRECT REVENUES: Corporate & Personal Income Taxes	DIRECT REVENUES: City Utilities & Franchise Fees	TOTAL DIRECT REVENUES	ALL INDIRECT REVENUES	TOTAL ALL REVENUES	DIRECT COSTS: Property Taxes Abated	DIRECT COSTS: Cost of Educating New Students	INDIRECT COSTS: ALL INDIRECT COSTS	TOTAL COSTS	NET BENEFITS
City of Kansas City	358,324	199,804	926,878			40,427	1,525,432	10,860	**1,536,292**	509,783	0	18,052	**527,835**	**1,008,456**
Wyandotte County	219,442	193,841	899,218				1,312,501	20,963	**1,333,464**	494,570	0	13,328	**507,898**	**825,567**
Turner USD 202		282,229	1,309,243	579,037			2,170,508		**2,170,508**	623,589	56,768	0	**680,357**	**1,490,151**
KC Community College		142,155	659,451				801,607	18,789	**820,395**	389,061	0	11,730	**400,790**	**419,605**
USD 202 Rec Comm		36,249	168,155				204,404	1,193	**205,598**	99,342		360	**99,703**	**105,895**
State of Kansas	1,260,866	7,789	36,134	0	551,194		1,855,983	0	**1,855,983**	19,874	0	0	**19,874**	**1,836,110**
TOTALS	$1,838,632	$862,067	$3,999,079	$579,037	$551,194	$40,427	$7,870,435	$51,805	**$7,922,240**	$2,136,218	$56,768	$43,470	**$2,236,456**	**$5,685,784**

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Report to

MEETING DATE	PRESENTER	DEPARTMENT
December 29, 2023	Jeffrey Conway, Assistant Counsel	Economic Development

AGENDA ITEM #
RESOLUTION: APPROVING AND AUTHORIZING THE MAYOR/CEO TO EXECUTE A SECOND AMENDMENT TO THE PERFORMANCE AGREEMENT (CRITERION DEVELOPMENT PARTNERS)
BACKGROUND
RESOLUTION—Adopt a resolution approving and authorizing the Mayor/CEO to execute a second amendment to the performance agreement with CPC Land Acquisition Company, LLC, submitted by Jeff Conway, Assistant Counsel.
RECOMMENDATION
Approve To adopt the resolution and approve the performance agreement.
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS
none
IT/POLICY CONSIDERATIONS
none
PROCUREMENT CONSIDERATIONS
none
LEGAL CONSIDERATIONS
Jeff Conway has reviewed.
ATTACHMENTS
Resolution - Second Am. PA - Criterion Development Partners (UG), 2nd Amendment of Performance Agreement - Criterion Development Partners (UG)

Approved by Mayor and Administrator to add to agenda: 11-6-23

David Johnston, County Administrator Dated: 11/1/2023

11/3/2023

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RESOLUTION NO. R-___-23

A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR/CEO TO EXECUTE A SECOND AMENDMENT OF PERFORMANCE AGREEMENT BETWEEN THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AND CPC LAND ACQUISITION COMPANY, LLC.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "**Unified Government**"), pursuant to Resolution No. R-32-22, previously declared the intent of the Unified Government to issue its industrial revenue bonds in an amount of not to exceed $62,000,000 (the "**Bonds**") for the acquisition, construction, and equipping of an approximately 232-unit commercial multifamily development (as more fully described in Resolution No. 32-22, the "**Project**");

WHEREAS, pursuant to Resolution No. R-32-22, the Unified Government and CPC Land Acquisition Company, LLC, a Delaware limited liability company (the "**Company**"), previously entered into that certain Performance Agreement dated as of August 2, 2022 (the "**Original Agreement**") setting forth certain terms of the Bonds and the Project;

WHEREAS, pursuant to Resolution No. R-41-23, the Unified Government and the Company previously entered into a First Amendment of the Performance Agreement dated as of June 29, 2023 (the "**First Amendment,**" and together with the Original Agreement, the "**Agreement**"), to amend certain terms of the Original Agreement;

WHEREAS, after adoption of the First Amendment, the Company requested to further amend certain terms of the Agreement; and

WHEREAS, the Unified Government and the Company now desire to enter into a Second Amendment of Performance Agreement (the "**Second Amendment**") to amend certain terms of the Agreement.

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

Section 1. The Mayor/CEO is authorized and directed to execute and deliver the Second Amendment between the Unified Government and the Company on behalf of and as the act and deed of the Unified Government, in substantially the same form as presented to the governing body of the Unified Government on this date with such corrections or amendments thereto as the Mayor/CEO, upon recommendation of the acting Chief of Counsel of the Unified Government, may approve.

Section 2. This Resolution shall become effective upon adoption by the governing body of the Unified Government.

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ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON NOVEMBER 30, 2023.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By: _______________________________
Monica Sparks,
Interim Unified Government Clerk

APPROVED AS TO FORM:

____
Office of Chief Counsel

SECOND AMENDMENT OF PERFORMANCE AGREEMENT

Dated as of November 30, 2023

BETWEEN THE

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

AND

CPC LAND ACQUISITION COMPANY, LLC

Prepared By:

Gilmore & Bell, P.C.
Kansas City, Missouri

SECOND AMENDMENT OF PERFORMANCE AGREEMENT

THIS SECOND AMENDMENT OF PERFORMANCE AGREEMENT, dated as of November 30, 2023 (the **"Second Amendment"**), between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,** a municipal corporation organized and existing under the laws of the State of Kansas (the **"Issuer"**), and **CPC LAND ACQUISITION COMPANY, LLC**, a Delaware limited liability company (the **"Company"**), amends that certain Performance Agreement dated as of August 2, 2022 (the **"Original Agreement,"** and, as amended and supplemented to date, including by this Second Amendment, the **"Agreement"**);

WITNESSETH:

WHEREAS, the Issuer is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the **"Act"**), to acquire, construct and improve certain facilities for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for said projects, and to issue revenue bonds for the purpose of paying the cost of any such facilities;

WHEREAS, pursuant to such authorization, the governing body of the Issuer has adopted a Resolution (the **"Resolution"**) indicating the Issuer's intent to issue one or more series of taxable industrial revenue bonds in the principal amount of not to exceed $62,000,000 (the **"Bonds"**), for the purpose of acquiring, constructing, improving, installing, furnishing and equipping the Project and authorizing the Issuer to enter into the Original Agreement;

WHEREAS, the Issuer is authorized and empowered under the Act and K.S.A. 79-201a, as amended (the **"Abatement Statute"**) to exempt from ad valorem taxation all or any portion of the Project financed with the proceeds of the Bonds, subject to the limitations set forth in the Abatement Statute and the Agreement; and

WHEREAS, pursuant to Resolution No. R-41-23 adopted on June 29, 2023, the Issuer and the Company entered into the First Amendment of Performance Agreement (the **"First Amendment"**) to amend certain provisions of the Original Agreement.

WHEREAS, after adoption of the First Amendment, the Company requested to further amend certain provisions of the Agreement.

WHEREAS, pursuant to the foregoing, the Issuer and Company previously entered into the Original Agreement and the First Amendment and now desire to enter into this Second Amendment to amend certain provisions of the Original Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the Issuer and the Company hereby represent, covenant and agree as follows:

1. Defined Terms. Unless defined in this Second Amendment, all capitalized terms shall have the meaning set forth in the Agreement.

2. Amendments. The following portions of the Agreement are hereby amended as set forth below.

"**Section 3.2. Completion Date."** Such Section of the Original Agreement is hereby amended to read as follows:

> **Section 3.2. Completion Date.** Subject only to Force Majeure, the Company agrees to commence construction on or before December 31, 2024, and substantially complete construction of the Project on or before December 31, 2026. "Commence construction" shall mean that the Company has entered into a contract with a licensed contractor for the construction of the Project and the Issuer has issued a building permit therefor. "Substantially complete," for purposes of this Section, shall mean that the Project can be occupied or utilized for its intended purpose as a multifamily development, as evidenced by receipt by the Company of one or more temporary certificates of occupancy for all of the multifamily housing structures included in the Project. The parties agree that the governing body of the Issuer will consider an ordinance authorizing the issuance of the Bonds on or about such time, but in no event will the Bonds be issued later than December 31, 2026.

3. Ratification. Except as expressly amended herein, all terms of the Original Agreement will remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed by their duly authorized officers, all as of the date first above written.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By: ______________________________
Monica Sparks,
Interim Unified Government Clerk

APPROVED AS TO FORM:

____
Office of Chief Counsel

CPC LAND ACQUISITION COMPANY, LLC
a Delaware limited liability company

By: Criterion Property Company, L.P., a Delaware limited partnership, its member

By: Criterion Partners, LLC, a Delaware limited liability company, its General Partner

By:____

Name:______________________________________

Title:_______________________________________

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Report to

MEETING DATE	PRESENTER	DEPARTMENT
December 29, 2023	Jeffrey Conway, Assistant Counsel	Economic Development

AGENDA ITEM #
ORDINANCE: AUTHORIZING THE REMOVAL OF PROPERTY FROM PROJECT AREA A IN THE KANSAS SPEEDWAY REDEVELOPMENT DISTRICT
BACKGROUND
ORDINANCE—Adopt an ordinance authorizing the removal of property from Project Area A in the Kansas Speedway redevelopment district for the purpose of other development, submitted by Jeff Conway, Assistant Counsel.
RECOMMENDATION
Approve To approve the ordinance.
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS
None.
IT/POLICY CONSIDERATIONS
None
PROCUREMENT CONSIDERATIONS
None
LEGAL CONSIDERATIONS
Jeff Conway prepared the ordinance.
ATTACHMENTS
Ordinance - Release property from district (2)

Approved by Mayor and Administrator to add to agenda: Tyrone A. Garner 11-6-23

David Johnston, County Administrator Dated:

11/1/2023

11/3/2023

(Published in *The Wyandotte Echo* on November __, 2023)

ORDINANCE NO. O-_____-23

AN ORDINANCE MAKING FINDINGS AND REMOVING CERTAIN PROPERTY FROM THE STAR BOND PROJECT DISTRICT WITHIN THE CITY OF KANSAS CITY, KANSAS (PRAIRIE-DELAWARE REDEVELOPMENT PROJECT AREA A) CONTINGENT UPON CERTAIN EVENTS.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") desires to promote, stimulate and develop the general and economic welfare of Kansas City, Kansas and the state of Kansas (the "State") and to assist in the development and redevelopment of eligible areas within Kansas City, Kansas, thereby promoting the general welfare of the citizens of the State and the Unified Government, by acquiring property and providing for the development and redevelopment thereof and the financing relating thereto; and

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 *et seq*., as amended (the "Act"), the Unified Government is authorized to adopt redevelopment project plans within established redevelopment districts, as said terms are defined in the Act, and to finance all or a portion of redevelopment project costs from tax increment revenues and various fees collected within such redevelopment district, revenues derived from redevelopment projects, revenues derived from local sales taxes, other revenues described in the Act, or a combination thereof or from the proceeds of full faith and credit tax increment bonds of the Unified Government or special obligation tax increment bonds of the Unified Government payable from such described revenues; and

WHEREAS, the Unified Government on March 19, 1998, passed Ordinance No. O-11-98, which created a redevelopment district within Kansas City, Kansas, the boundaries of which were defined in said Ordinance (as amended from time to time, the "Redevelopment District") and containing three redevelopment project areas, including Project Area A (as amended from time to time, "Project Area A"); and

WHEREAS, the Unified Government passed an ordinance on June 25, 1998, adopting a redevelopment plan for Project Area A (the "Redevelopment Plan") for the Kansas Speedway project; and

WHEREAS, the Unified Government previously issued its Taxable Special Obligation Revenue Bonds (Kansas International Speedway Corporation Project), Series 1999 (the "Bonds") to finance certain improvements within Project Area A; and

WHEREAS, the Bonds are secured in part by that certain Kansas Mortgage, Assignment of Rents and Security Agreement dated as of January 15, 1999 (as modified and amended, the "Mortgage"), executed by Kansas International Speedway Corp. and delivered to the Unified Government and Security Bank of Kansas City, as mortgagees; and

WHEREAS, MBIA Insurance Corporation (and any successors or assigns, the "Bond Insurer") issued its Financial Guaranty Insurance Policy relating to the Bonds and is deemed holder of the Bonds under the indenture relating to the Bonds; and

WHEREAS, the owner of certain property within the Redevelopment District has requested that the Property (as defined herein) be removed from the Redevelopment District.

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

Section 1. Findings. The governing body of the Unified Government hereby finds:

(a) the property legally described on **Exhibit A** and depicted on **Exhibit B** attached hereto (the "Property") constitutes less than a *de minimis* amount (15%) of the land area within the Redevelopment District.

(b) the actions contemplated by this Ordinance will not cause a "substantial change" (as defined in the Act) to the Redevelopment District or the Redevelopment Plan.

(c) because the Property currently produces no sales tax or property tax revenue, the removal of the Property from the Redevelopment District will not affect any feasibility studies prepared for the Bonds and any other bonds issued that are expected to be repaid from revenues generated within the Redevelopment District.

Section 2. Removal of Property from the Redevelopment District. Upon satisfaction of the contingencies set forth in Section 3 hereof, the Property shall be automatically and without further action be removed from the Redevelopment District, and the County Administrator and other appropriate officials are authorized to take all necessary action release the Mortgage from the Property, including executing and recording any necessary documents to effect such release.

Section 3. Contingencies. The effectiveness of **Section 2** hereof shall be contingent upon the Unified Government's receipt of the Bond Insurer's consent to release the Mortgage from the Property.

Section 4. Further Action. The Mayor/CEO, County Administrator, Unified Government Clerk and other officials and employees of the Unified Government, including the Chief Counsel to the Unified Government, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 5. Effective Date. This Ordinance shall become effective upon its passage by the governing body of the Unified Government and publication as provided by law in the official newspaper of the Unified Government.

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PASSED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 16TH DAY OF NOVEMBER, 2023.

[SEAL]

____
Tyrone Garner, Mayor/CEO

Attest:

____
Monica L. Sparks,

Interim Unified Government Clerk

Approved as to form:

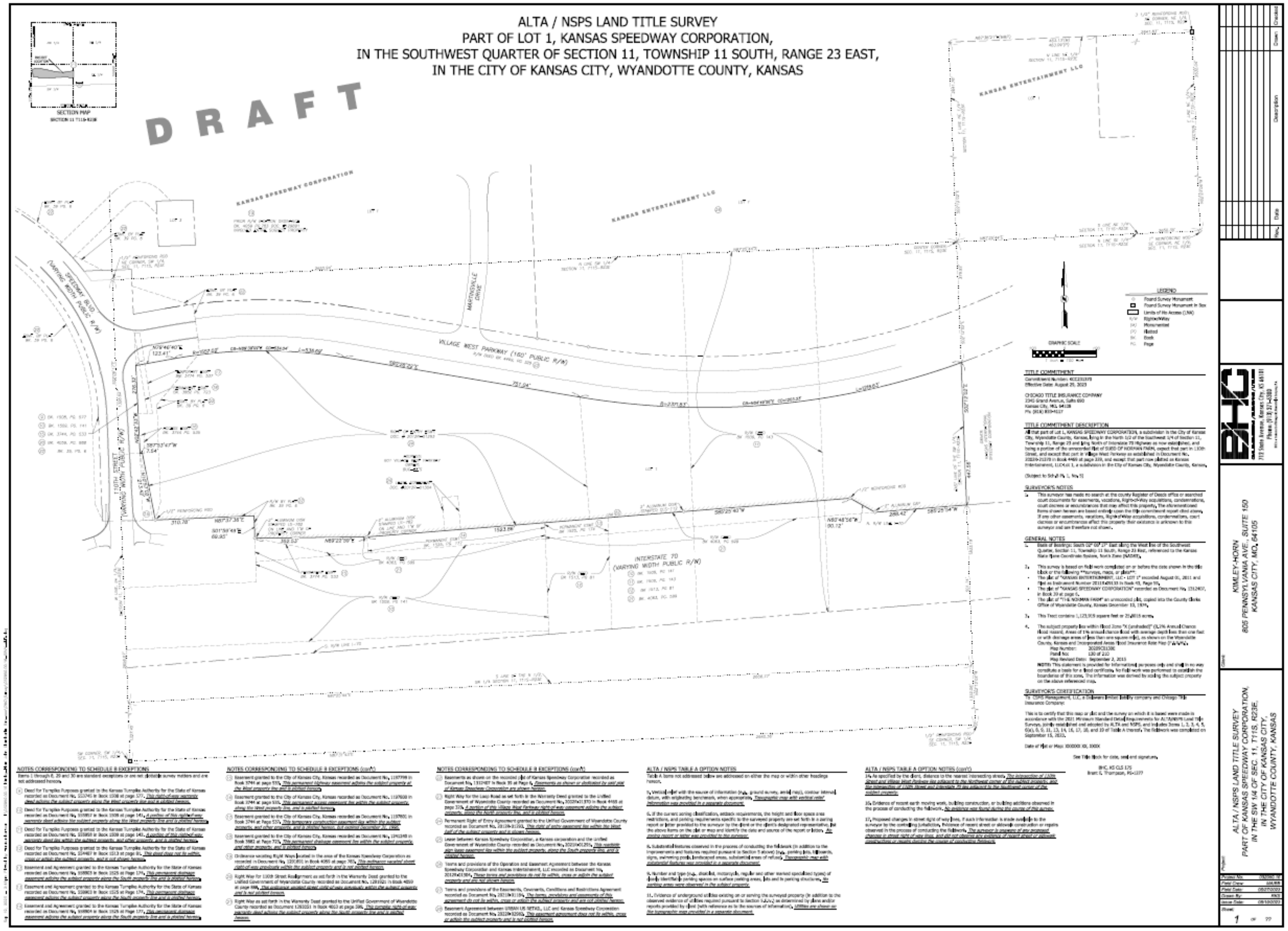
____
Angela Lawson

Interim Chief Counsel of the Unified Government

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

All that part of Lot 1, KANSAS SPEEDWAY CORPORATION, a subdivision in the City of Kansas City, Wyandotte County, Kansas, lying in the North 1/2 of the Southwest 1/4 of Section 11, Township 11, Range 23 and lying North of Interstate 70 Highway as now established, and lying South of Village West Pkwy, and being a portion of the unrecorded Plat of SUBD OF NORMAN FARM, except that part in 110th Street, and except that part in Village West Parkway as established in Document No. 2002R-21370 in Book 4469 at page 329, and except that part now platted as Kansas Entertainment, LLC-Lot 1, a subdivision in the City of Kansas City, Wyandotte County, Kansas.

EXHIBIT B
MAP OF PROPERTY



Report to
Economic Development & Finance

MEETING DATE	PRESENTER	DEPARTMENT
November 13, 2023	Jeffrey Conway, Assistant Counsel	Legal

AGENDA ITEM #IV.4.
ORDINANCE/RESOLUTION: COMMUNITY BENEFITS FUND
BACKGROUND
An Ordinance/Resolution creating a new Community Benefits Fund from moneys received as fees paid by developers who are receiving economic development incentives, submitted by Jeff Conway, Assistant Counsel.
RECOMMENDATION
Approve
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS
11.13.23
IT/POLICY CONSIDERATIONS
PROCUREMENT CONSIDERATIONS
LEGAL CONSIDERATIONS
ATTACHMENTS
CBA draft 2023 (Davis 7)

Approved by Mayor and Administrator to add to agenda:

David Johnston, County Administrator Dated:

Published in the *Wyandotte Echo* ________________

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

AN ORDINANCE AND RESOLUTION TO PROVIDE FOR A NEW SECTION IN THE MUNICIPAL CODE TO CREATE A COMMUNITY BENEFITS FUND TO BE FUNDED FROM MONIES RECEIVED FROM FEES PAID BY DEVELOPERS WHO ARE RECEIVING ECONOMIC DEVELOPMENT INCENTIVES

WHEREAS, the west side of Wyandotte County has been very successful in attracting economic development and tourism in recent years;

WHEREAS, other districts in the Unified Government have not had as many economic development projects;

WHEREAS, it is the desire of the Mayor/CEO, the Board of Commissioners, and all of Wyandotte County to ensure access to economic development opportunities; and

WHEREAS, economic opportunity and equity should be available to all areas of Wyandotte County regardless of location.

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

Section 1. That Chapter 27 of the Unified Government Code be amended by the addition of a new section 27-801 as follows:

Sec. 27-801. Community Benefits Fund

(a) *Purpose.* The Unified Government is committed to community outreach and engagement that promotes transparency and accountability and that ensures development projects in Wyandotte County benefit and promote economic growth and prosperity for all residents.

(b) *Definitions.* For purposes of this section, the following words and phrases shall have the meanings respectively ascribed to them by this subsection:

Community Benefits Advisory Board means certain residents of Wyandotte County appointed by either the mayor/CEO or a commissioner to serve for a two-year term on the board.

Community Benefits Fund means the designated funds collected by the Unified Government for the purpose of disbursement pursuant to a recommendation by the Community Benefits Advisory Board to the economic development and finance standing committee.

Economic Incentive means any public assistance that lowers the market cost of completing an economic development project, such as land transfers below market rate or any economic incentive tool utilized by the department of economic development. Economic incentive does not include benefits received under the Neighborhood Revitalization Act pursuant to K.S.A. 12-17,114 *et seq*.

(c) *Community Benefits Advisory Board.*

(1) The Community Benefits Advisory Board shall consist of eleven members appointed by the mayor/CEO and the commissioners. The mayor/CEO shall appoint the chair from among the members of the board and the mayor pro tem shall appoint the vice-chair from among the members of the board. Notwithstanding any other provision of this subsection to the contrary, of the members first appointed to the board after the effective date of this ordinance, those members appointed by the mayor/CEO and commissioners representing even-numbered districts shall serve a one-year term and then serve two-year terms thereafter.

(2) The Community Benefits Advisory Board shall meet upon the call of the chair. The board shall recommend to the economic development and finance standing committee how the funds in the Community Benefits Fund are to be allocated.

(3) Half of all funding received by the Unified Government from the issuance fees of industrial revenue bonds, tax increment financing, and sales tax and revenue bonds (STAR) shall be placed in the Community Benefits Fund.

(4) At least once per year, the Community Benefits Advisory Board shall open a public comment period of no less than sixty (60) days to receive feedback from the community on which category or categories described in subsection (d) of this section funds in the Community Benefits Fund should be spent.

(5) The public comment period shall be completed with the help and advice of strategic communications staff of the Unified Government. The Community Benefits Advisory Board shall consider using tools for community engagement, that may include, but need not be limited to, town halls, online surveys, attendance at neighborhood meetings, attending public events, and multi-language meetings.

(6) After the period for public comment, the Community Benefits Advisory Board shall convene at least one public hearing on the matter after providing proper notice. The Community Benefits Advisory Board shall forward a

recommendation to the Economic Development and Finance standing committee. Any recommendation requires an affirmative vote of a majority of all members of the Community Benefits Advisory Board.

(7) The Economic Development and Finance standing committee shall consider any such recommendation at its next regularly scheduled meeting. Upon hearing the matter, the Economic Development and Finance standing committee may recommend to the Board of Commissioners how the funds in the Community Benefits Fund that year are to be spent.

(d) The categories of permitted expenditures from the Community Benefits Fund shall include, but need not be limited to:

(1) Contributions made pursuant to an already existing development project;

(2) Neighborhood traffic calming projects;

(3) The senior home repair program;

(4) Wyandotte County Parks Foundation;

(5) A local affordable housing trust fund;

(6) The Hollywood Casino Grant Fund;

(7) Childcare projects or programs;

(8) Workforce initiatives; and

(9) Climate resiliency projects or programs.

(e) The distribution of community benefits made pursuant to this section shall include but need not be limited to Qualified Census Tracts for that year as identified pursuant to notice in the Federal Register.

(f) *Exemptions.* The requirements of this section may be waived by resolution of the board of commissioners upon submission by the county administrator in consultation with the Mayor/CEO.

(g) *Policy Review.* The Community Benefits Advisory Board shall review the effectiveness of this ordinance and make recommendations based on that review every two years. A review report shall be submitted to the Economic Development and Finance standing committee for consideration.

Section 2. Effective Date. This ordinance and resolution shall take effect and be in full force from and after its passage and approval.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, THIS _____ DAY OF __________ 2023.

____
Tyrone A. Garner, Mayor/CEO

Attest:

____
Unified Government Clerk

Approved as to Form:

____
Unified Government Chief Counsel