**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, December 5, 2022**

The meeting of the Economic Development and Finance Standing Committee was held on Monday, December 5, 2022, at 5:04 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, McKiernan, Stites, and BPU Board Member Haley. The following officials were also in attendance: Alan Howze, Assistant County Administrator; Patrick Waters, Deputy Chief Counsel; Sarah White, Public Works Project Manager; Andrea Vinyard, Acting County Treasurer, Debbie Jonscher, Deputy Chief Financial Officer; and Tifani Portley Lott, Clerk's Office.

Chairman Burroughs said let's go ahead and get started. We're having a little bit of technical difficulty. That puts us about five minutes late on the agenda this evening, but I believe we're efficient as a committee, so what I would like to do before I call the meeting to order, I do want to announce that some committee members, staff, and the public are attending remotely via Zoom as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, I ask that you please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General.

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

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

Chairman Burroughs said there are no revisions to tonight's agenda and there are no minutes to approve.

<u>Committee Agenda</u>

Item No. 1 – 212134…RESOLUTION: SECOND AMENDMENT TO THE KAW BRIDGE DEVELOPMENT

Synopsis: A resolution approving a Second Amendment to the Kaw Bridge Development Agreement, submitted by Patrick Waters, Deputy Chief Counsel.

Patrick Waters, Deputy Chief Counsel, said I just wanted to go through why we are here tonight to talk a little bit first about some of the progress that we've had.

Progress to Date on Closing Conditions

- **Developer's Private Financing Plan-** complete
- **CID Approval–** complete
- **TIF District Approval–** complete
- **Industrial Revenue Bond approval-** complete
- **Acquisition of Bridge from KCMO-** complete* (still working with title company on the title policy)
- **Acquisition of 557 River Park Dr. for parking lot** complete
- **Recording of Condominium Plat-** partially complete(documents ready, just waiting for closing to record)
- **Execution of Bridge Lease and Management Agreement-** partially complete(documents ready, just waiting for closing to execute)

Since June of 2021 when we approved the original development agreement, I wanted to go over some of the things that have been completed. The Developer's Private Financing Plan is now complete. We have approved the Community Improvement District. We've approved the Tax Increment Finance District, the Industrial Revenue Bonds have been approved. Kansas City, Missouri has given the deed to the bridge to us and just working with the title company on some final policy issues. We've acquired Parcel 557 River Park Drive. That's on the west side of the bridge and that will be for future parking.

Then, we've just got a couple documents left. There's a Condominium Plat where we're separating out the public part of the bridge where the trail crossing versus the private part where the developer will have their stores and restaurants. Then, the execution of the Lease and Management Agreement. Again, those documents are complete and they will be signed at final closing.

Why a Second Amendment is needed.

Kaw Valley Drainage District and UG professional engineering staff recommend raising the bridge approximately four feet.

Estimated cost is $850,000. UG is still working on identifying a funding source.

Although closing is possible by December 31st, additional time may be needed to figure out these issues.

Finally, the completion date under the current DA, July 1, 2023, is not realistic and needs to be extended.

Why is a Second Amendment needed? Recently we found out that the Kaw Valley Drainage District and the Unified Government professional staff are recommending that the bridge needs to be raised approximately four feet. We have Public Works here if you want to understand the technical details of this. Basically, it's the professional engineering judgment that in order to mitigate any potential flooding issues in like a once in a generation type flood that if we're going to do this project and put this kind of investment in it, it should be raised and this is the time to do it.

Again, Public Works can talk about the technicalities of that, but basically, we're looking at about $850,000 for this raise and we are still trying to identify a funding source for this. We have a December 31st closing date that was baked into the original development agreement. With this issue alone, we felt like it was worth it to come to the Commission and say we need a little time to figure this out, figure out some funding issues involving this. So, we thought it was best to come to this committee and get that extension.

Regardless of this funding issue and bridge raise issue, there's the fact that under the current development agreement, we set a completion date for the developer of July 1, 2023. That's just not realistic right now. There's no way that can be built out in that timeframe. The developer is looking for a spring 2024 open. So, this Second Amendment would give the developer additional time for completion.

What would the Second Amendment do?

1. Extends the Closing Date to July 1, 2023.

2. Allow the UG to recover ½ the cost of the bridge raise through TIF and CID proceeds.

3. Extends the "Completion Date" for developer from July 1, 2023, date to sixteen months from the start of construction*

*(Developer plans a Spring 2024 opening.)

Again, just to kind of summarize what this Second Amendment does. It extends the closing date to July 1, 2023. We don't think we're going to need that much time to figure out the funding issue and. the bridge raise and all that, but we just didn't want to have to come back to the Commission again. So, we set it out for more than enough time. What it allows is until we figure out the overall funding issue, what it would allow is it would allow us to recover at least half the cost of that bridge raise through the TIF and CID proceeds that we will recover.

You may recall, the original development agreement in which we are providing the developer with $2M to assist in the development of that bridge the Unified Government gets to repay itself through the TIF and CID proceeds. The developer has to wait until we repay ourselves before they get any of those CID proceeds. What the developer here has said is that we can tack on as essentially an additional $425,000 to that reimbursement, so that is a concession by the developer because it will now take longer for them to start tapping into those CID funds. We will be able to repay ourselves for at least half of that bridge raise. We're looking at additional funding, additional grants and, hopefully, we can cover all of that, but at least we have that now in this amendment.

Again, it extends the completion date for the developer from July 1st to a date that is 16 months from the start of construction and that should give them sufficient time for that spring 2024 opening.

That was all I have. I do have the developer's representatives tonight. They have a short PowerPoint. They would like to give you a quick update about what they've been working on since the development agreement was signed.

Commissioner Stites said, Commissioner McKiernan, I don't know if you're able to see or not, but I have my hand up whenever you will allow me to ask a question. **Commissioner McKiernan** said actually this would be Commissioner Burroughs. **Commissioner Stites** said oh, I'm sorry, Commissioner Burroughs, that's correct.

Chairman Burroughs asked, Commissioner Stites, do you have a question at this time because we're getting ready to have the presentation. Does your question come before the presentation? **Commissioner Stites** said it'll be really quick. So, the question is this. This development agreement was put in place prior to me being elected, is the CID capped out, is it a 2% CID? **Mr. Waters** said yes, Commissioner, I believe so. Again, the Unified Government gets first proceeds on that and then after we recoup our costs, then the developer can start getting reimbursement for their CID, no cost. **Commissioner Stites** said okay, thanks. I know it can be up to 2% so that's why I was asking.

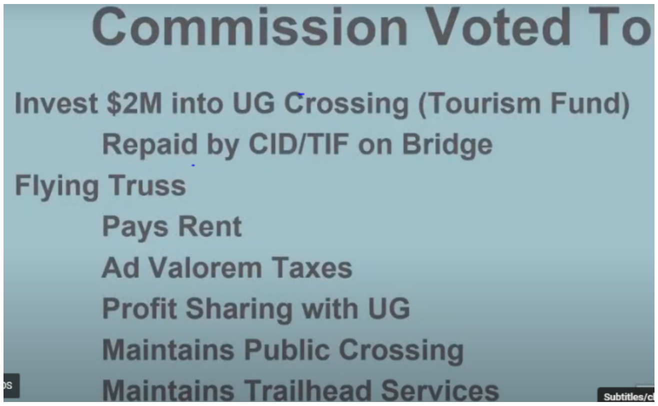
Chairman Burroughs asked, Commissioner McKiernan, do you have any questions? **Commissioner McKiernan** said no, I'm good.

Mike Laddin, Chief Financial Officer with Flying Truss LLC, said we are the other half of the development agreement and my goal here this evening is to give you an update and also walk you through what you're going to have when we're finished.

Just as a reminder, this is truly the world's first project of its kind on a railroad bridge. It will be the first public crossing with the trailhead. It's got community spaces and an entertainment district and we've got a minute, thirty second video that shows you the actual architectural renderings of the final design.

The video was shown.

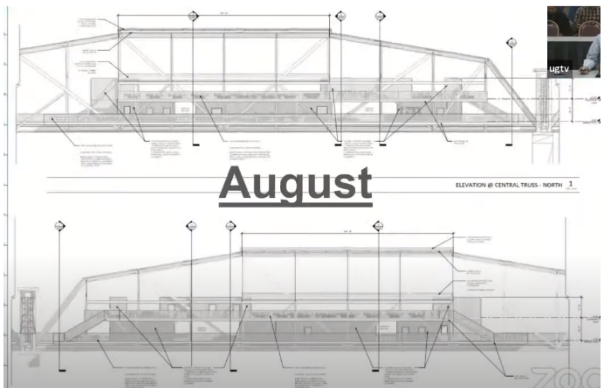
Mr. Laddin said and, yes, we will be able to project on that screen that's seen from a couple different highways.



Just a reminder, last year the Commission unanimously voted to invest $2M in the UG Crossing. The Unified Government approached us originally about having a bicycle crossing which is now built into the plans. The first trailhead bicycle crossing on a bridge over a river in the United States. The $2M and half the bridge raise is repaid by the CID/TIF and Flying Truss pays rent to the UG. We pay Ad Valorem taxes. There's profit sharing with the UG built into the development agreement and it's also Flying Truss responsibility to maintain the public crossing and maintain the trailhead services throughout the year even when our businesses are closed. I'm reminding you it's approximately a nine month a year operation, but the bridge will still be open in the wintertime even though the businesses will not.

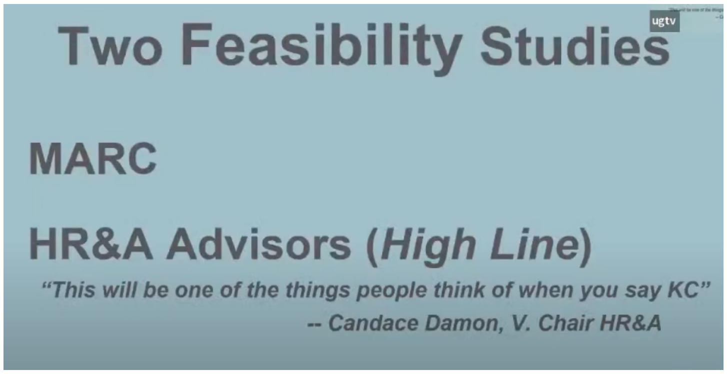
So far Flying Truss has raised $7M in both philanthropic and equity sales. This is a listing of what we're considering our lead investors and philanthropic donors. David Brain is the founder of a company that's traded on the New York Stock Exchange called Entertainment Properties REIT and he's a board member as well of Flying Truss. If someone knows entertainment properties in the United States, David Brain is at the top of the list; Tom McDonnell, retired CEO and founder of DST, David Lockton, Shirley & Barnett Helzberg, the Sunderland Foundation, the founder of

Blue Valley Bank, Bill & Kathi Wilhite, Prime Investments over in the UG and John McDonald, founder of Boulevard Beer and there's others. These equity investors invested because they saw it as a good business opportunity, but most importantly, they're Kansas City proud and they understand what having this bridge will mean for Kansas City being the first in the world to have one and also activating the Kansas River as a recreational waterway in the heart of the metropolitan area.



We submitted our final plans in August. We're getting comments back.

We've also held cost socials. It's grown into a broad community effort and this is one of our social events down on the levee top before the levee raise began.



We've had two different feasibility studies. One by the Mid-America Regional Council and the other by HR&A Advisors out of New York City. They own and started the High Line in New York. Their Vice Chair, Candace Damon, her direct quote in her presentation to the Commission was "This will be one of the things people think of when you say Kansas City." It's not only a metropolitan area attraction, but a regional and national destination.

We have 7,400 followers on social media and by our newsletter and generating quite a movement of support.

We recently presented—Mike Zeller, our CEO, presented at the High Line Conference in Miami, Florida. This is a conference representing what's considered the premier creative reclamation projects across the United States, and across the world actually, and it was again recognized that this is the first project of its kind taking a railroad bridge and making it something more than a trail and is making it a community gathering place.

THE PROPERTY REPORT

A rendering of the Rock Island Bridge where Flying Truss plans to replace rail tracks with decks to hold bars and restaurants.

Kansas Bridge to Get New Life As an Open-Air Food Court

By Konrad Putzier

An abandoned railroad bridge in Kansas City, Kan., is getting a second life as an event space and food court, the latest example of property developers transforming outdated infrastructure into attractions.

The Rock Island Bridge crossing the Kansas River was built in 1905 to carry trains to and from a nearby stockyard but was unused since the 1970s.

Flying Truss LLC, the Kan[illegible] Mo., developer of the [illegible] plans to replace the old [illegible] with two steel and con[illegible] [illegible]ks that will hold bars and restaurants with sweeping

The developer is hoping to emulate the success of other deserted railways, viaducts and other outmoded infrastructure that have been reborn as popular gathering places.

Most notable is the High Line in Manhattan, an elevated rail line that snakes through a former industrial neighborhood. New York City's government turned it into a public park in 2009, which became a hit and helped accelerate a development boom in the area.

While Flying Truss said it is unaware of any similar bridge conversion in the U.S., the number of former rail bridges offers ample opportunity for

mer industrial areas that are seeing an influx of businesses, developers and well-heeled residents.

Michael Zeller, Flying Truss's chief executive, said he first got the idea for the project when he spotted the bridge while boating on the river about nine years ago. Getting the project started took years in part because of unique challenges. The city wanted to raise property and sales taxes from businesses on the bridge, but officials didn't know how to do that legally because the bridge is over water and has no lot, said Katherine Carttar, director of economic development for

these things out," she said. The city solved the problem by turning the bridge into condominium units.

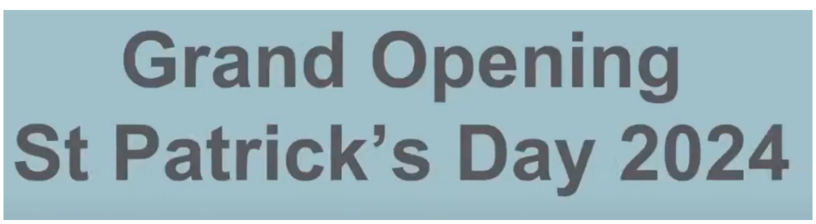
City officials agreed to lease it to the developers for $9,300 a year for 33 years, with an option to renew for another 33 years. The city is investing around $2 million in the development, and hopes to recoup its money through tax revenues from the bridge.

The city is hoping the project and investment in nearby trails and boat docks will lead more people to visit the long-neglected river. An influx of visitors could spur more investment in the industrial neigh-

We've also gotten Press on Demand and it's been very favorable. This is the cover of the real estate section to the Wall Street Journal that we made late last year. Because it is the first of its kind, it tends to attract a lot of attention and it's also doing what it's intended to do, which is spur development.

This is not our drawing. This is from Brad McDonald. He owns Zip KC in Bonner Springs. It's his intent in working with Steve Fouch at Hy-Vee Arena to build four ziplines leaving from the top of Hy-Vee Arena and ending somewhere 75 yards north of the bridge going across the state line and across the river. It's another first. It will be the first zipline in the United States to go across the state line on a river. He's also planning on renting kayaks and canoes as part of the bridge project and conducting urban float trips from his location in Bonner Springs, nine miles down the Kansas River, and ending up right here at the bridge. So, it's already spurring further development and interest in the area.

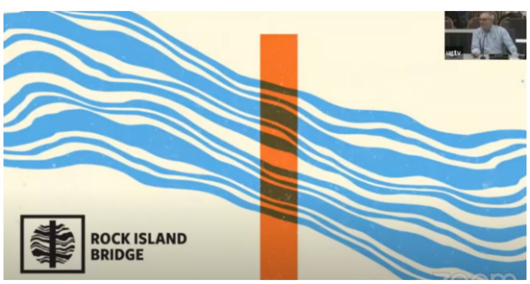
This is a big win. I always like to say it's like puppies and kittens on YouTube, what's not to love. It's a big win for the residents of eastern Wyandotte County. A huge development along a new Kansas waterfront is that we're finally taking our rivers and engaging with them. Canoeing on them, kayaking on them, and it's also part of—it rebrands KCK. It gives the first of its kind in the nation, in the world a one-of-a-kind project that we believe people will be coming from all over the United States to visit and, hopefully, replicate.



We're planning a grand opening for St. Patrick's Day 2024.

Here's our ask and Sarah White is diligently working on this. We have a 14-month construction window. Part of that window is waiting for steel to arrive. Part of that window is making sure the temperature is high enough to pour concrete. We need a letter from the Kaw Valley Drainage District in support. That allows us to get a 408 permit to cross the levee with construction. We sign a lease and begin construction and the waterfronts and enhancements can come later in the year, in the beginning of the next year, but it's absolutely critical that we engage with Barcus, hopefully, in December or January at the latest, because of the lag time in materials ordering. They've informed us that they can raise the bridge and work on it at the same time. They specialize in railroad bridges, so this is what we need now and I know Sarah is diligently, along with Patrick, working on this.

This is the east entrance of the Rock Island Bridge and I would be happy to answer any questions.



Mr. Waters said if I could, one final thing, I just wanted to again stress that this agreement tonight does not commit the Unified Government to any additional funding beyond what we have in the original agreement. It gives us time to figure out some of these new challenges with the bridge raise and other issues. Staff plans to come back in January to this committee to have a detailed presentation about that, but with the December 31st deadline looming, we need some additional time to figure that out. **Mr. Laddin** said as soon as you guys say go, we're ready to go. We have the funding lined up, the contract's ready, we're ready to start.

BPU Board Member Haley said the 16-month, you know, in other words you break ground or I mean the timetable, that would begin upon—because we're going into, you know, of course we're in the middle of winter. **Mr. Laddin** said they'll still work in the winter. They just have to pour concrete when it's 40 degrees or above for three consecutive days. **BPU Board Member Haley** said that's considered the pouring of concrete and not the groundbreaking. **Mr. Laddin** said not the groundbreaking, but they can be putting on steel cantilevers and the pans in the wintertime and raising the bridge, so as soon as it's warm they can instantly pour the concrete. **BPU Board Member Haley** said it could go beyond July, over the spring of 2024. **Mr. Laddin** said based on our timeline and the time it takes, we're planning on a St. Patrick's Day opening. If we can sign with Barcus in January, we're good. **BPU Board Member Haley** said okay.

Commissioner Davis said thank you so much for that presentation. I'm excited to see that there's kind of this east/west connection with Bonner. That's kind of a new part that's been added, so I'm excited about just how this project keeps getting better and better and is going to make KCK a destination to visit and to live.

We talked about the $850K that we need. What is the timeline for you all to get moving on that. Do we need to figure out the financing before the bridge is raised or can it be as we are figuring out the financing for the $850K, we can also keep moving on this project? **Mr. Waters** said I believe we'll need to have that financing figured out before. I wouldn't want to make a commitment to the builder without understanding where that's coming from, so we're working on that right now. **Commissioner Davis** said gotcha.

I know $2M is committed by the UG. Is that included in the $7M raise? **Mr. Laddin** said no sir. That $7M that Flying Truss has gone out—**Commissioner Davis** said you kind of raise that money, right? **Mr. Laddin** said through philanthropic and through equity sales, our investors into the company. **Commissioner Davis** asked, what's the total cost of the project that you're looking at. **Mr. Laddin** said it's hovering right around $10M and I'm not including the bridge raise in that, but inflation is occurring and steel prices and concrete are going up and down, which is why I always say the sooner the better because I don't know what inflation is going to look like in 2023, but so far it's not looking really that great. So, the sooner we go, the lower the prices are potentially going to be.

Commissioner Townsend said I'm not sure who to address this to you, or Counsel. Counsel, you said there was someone here from Public Works that might need to chime in on this question which is similar to Commissioner Davis' inquiry. First of all, I hope this project does succeed, but I'm just kind of a bit confused as to why we are moving forward tonight with this again. We still have to decide where the $850K would come from and whose responsibility is it, the Unified Government or the developers to raise the level of this bridge to guard against the catastrophe you mentioned before, heaven forbid. **Mr. Waters** said the reason we need an amendment this month is that we have a December 31st date that is in the original development agreement by which everything was supposed to be closed, signed off, all final signatures, and ready to go start. When we realized we had this bridge raise issue, we thought it best—this could creep into the new year. We're hoping to definitely get it resolved by January, but we're going to need a little bit more time maybe to figure some of this stuff out. Then we looked into the development agreement and we realized that the construction timeline was not realistic, so this seemed like a good chance to fix that as well because right now the construction completion is supposed to be July 1st and that's just not realistic. So, this was a good chance to both give us some breathing space and allow us to figure this out before we close and then also fix that construction timeline.

Commissioner Townsend said I've heard the St. Patrick's Day 2024 is the opening date. Is that the same as what we're calling the construction completion date? **Mr. Waters** said yes, basically, that is the developer's ideal date. We've baked in a little bit of leeway to give them a little bit more time if they need it, but that's their goal.

Mr. Laddin said we have us and our tenants, investors, the community, having a full season that begins in March and ends on Christmas is really important because it allows our tenants to have a full season of revenue. It allows the UG to get a full season of taxation from that and so that is ideally our opening season every year, always starts on St. Patrick's Day and goes till Christmas so that full season gives us revenue generating and the UG tax repayment and tax opportunities and rent opportunities if we can open at that point in time.

Mr. Waters said, Commissioner, to your second question about whose responsibility it is, we are looking at all available sources and trying to negotiate that so that the Unified Government has the lowest price possible. I will say the developer has committed to basically allowing us to recoup half of that in the backend, so they are taking responsibility. It's not an upfront payment, but it is allowing us to recoup that by adding on to our CID recovery costs, so they are taking responsibility for it in that sense. You know, whether there are other sources that might pitch in, I don't want to state that yet, we're looking at all those options, so that's something that we're looking at right now.

Commissioner Townsend said because of those things, the financing of it isn't complete at this point, you're saying that this resolution does not commit the Unified Government to the $850K? **Mr. Waters** said right. We did not feel comfortable with this outstanding saying that we could absolutely meet that December 31st timeframe. Maybe we will if everything comes together and, you know, some grant comes in and the funding's found, but when we saw that December 31st deadline looming, we thought it best to come to this committee and give us a little bit of time to make sure that if we need to go into January, that we have that flexibility. Then again, as I mentioned, the construction timeline would have needed to be fixed eventually anyway, so this seemed like the time to fix that.

Mr. Laddin said we've just run up against barriers and the barrier that we have is the original time that was put in the development agreement, the original deadline just is not realistic, so the only ask is extending the deadline.

Commissioner Townsend said I must admit when I read the homework, it seemed as though these additional costs were already included as though that's going to happen. **Mr. Waters** said it is the professional judgment of our engineering staff that it does need to be raised, so we are anticipating that it will. I can't guarantee that, but I think right now, I think the anticipation is that from a risk mitigation standpoint that it does need to happen. So, we're going to have to figure out the funding one way or the other.

Commissioner Townsend said the other question I have is, if this is approved, you're saying it's not committing the Unified Government to money that we don't know what the source is going to be. I hope we find it or it comes from somewhere. Then, worst cast scenario, let's say we need another extension, is that all that would happen? I know you want to go with St. Patrick's Day, but we didn't think, you know, a year ago we'd be at this spot either. **Mr. Waters** said we've basically given ourselves six months to figure this out. I don't anticipate needing that much time, but we didn't want to have to—you know, we didn't want to have to come back for another and

and another, so we gave ourselves six months to figure all this out and I think we can certainly close within that period of time.

Commissioner Townsend said I'm glad you mentioned the closing. The closing, will Flying Truss take over ownership of this bridge or that would be the closing and this will be—the closing will be a continuation of the lease? I can't remember what the original plan was. **Mr. Waters** said that's a good question. We use closing in kind of two different ways and this closing is number one, the Unified Government formally taking possession of it and then what closing for the developer is signing the lease, signing the management agreement, and committing them, you know, in writing to the construction of the bridge, to the management of that bridge. **Mr. Laddin** said it commits us to build all the cool things you saw in the video and also commits us to maintaining the decks, the facilities, opening and closing it as a park and operating it and paying back the CID/TIF, taxes collected and the rent and the profit sharing.

Commissioner Townsend said I just want to be clear again on ownership. So, we're requiring this from Kansas City, Missouri? **Mr. Waters** said right. The Unified Government, we will be—**Commissioner Townsend** the other part of the closing is the signing of the lease with Flying Truss. Okay, just wanted a clarification on that.

The slide that you shared with us, Mr. Laddin, the zipline, is that a different entity? That is not part of the Flying Truss. **Mr. Laddin** said that is not part of Flying Truss. That's Zip KC, Brad McDonald, out of Bonner Springs, Kansas. That's a different entity and he's coming there and operating his businesses because the bridge is there. **Commissioner Townsend** said okay. I just wanted to make sure because immediately I thought about insurance. **Mr. Laddin** said no, they're far enough away that we can see them, but not close enough to hear them screaming was the whole idea about it. **Commissioner Townsend** said and dropping, I hope not. **Mr. Laddin** said not going to happen. **Commissioner Townsend** said I think that was it. Thank you for the presentation.

Commissioner McKiernan said I really have absolutely no problem with granting the amendment to extend the amount of time and get more time to search out alternatives, but I do have a question and, Mr. Waters, I think you may have answered this for me a couple of minutes ago. If the need to raise this bridge is being driven by the raising of the levee and if the Army Corps of Engineers is paying to raise the levee, then why isn't the Army Corp of Engineers paying to raise this bridge?

Mr. Waters said from my understanding, and Engineering can correct me if I'm wrong, because it is not currently an active bridge, they feel it does not fall within their jurisdiction. I've got Sarah White here.

Sarah White, Public Works Project Manager, said I can answer that real quick. I'm the Project Manager on the KC Levee Project as well as the various development that is happening in the area. The bridge raise, that issue came about during the feasibility that the Corps ran with the entire Levee project. The Corps is very, you know, by the books. They look exactly at their project limits and they do a benefit cost analysis for every aspect of the project and because of the existing status of the bridge, which is an abandoned railroad bridge, it was deemed not a asset that needed to be relocated or, in this case, raised. They did their entire project design with that bridge at the elevation it is at and they did all of their analysis of would it have a negative impact on the surrounding flood control project as well and they deemed that there would be very little risk to the adjacent flood control. So, that is one of the reasons that the project, the federal project, did not include this bridge to be raised as part of the federal project.

Once it got brought to our attention and we started working with Flying Truss that this would be a developed, you know, an active bridge, we approached the Corps with, does this mean it now can be part of the project, and in the Corps mind, there's two things in the Corps mind, the bridge—because it is still existing as an abandoned bridge and it hasn't been built yet, then it still is not considered an active bridge. Even if they deemed that it needs to be raised, because it is a public asset—or a public infrastructure, as part of our PPA and their reimbursement, they do not reimburse public infrastructure relocation. So, this would be considered a relocation to raise it. Even if they said yes, you have to raise it, it would not be paid for by the project. It would be part of our contribution.

When we determined that we would be the owners of this bridge as Public Works Engineering, we really wanted to look at what that risk meant to us and so we did a quick analysis. This bridge will over top around the 400-year event which, you know, the risk of that happening is very low; however, it is still a risk. The issue that we face is the levee is being raised to about a 750-year protection, so this bridge will be a low point and it could be a debris catcher, it will surge at a 400-year event and the next bridge downstream is the Union Pacific Railroad Bridge.

So, as Public Works Engineering, our thought is for $850K, which isn't a ton of money when you consider the rest of the levee project, we could pretty much completely eliminate our risk by moving it out of that 750-year event, we're going to be moving it above the levee.

Commissioner McKiernan said, Sarah, thank you so much. I appreciate the background, I've got it. I'm going to support the amendment because we need to move forward. We need to talk about these things and get them resolved, but what I'm hearing you tell me is if 18th Street or 12th Street or 7th Street or Kansas Avenue or any of those other bridges had to be raised because they're public assets, the Corps would say you're on your own and that just seems like a very haphazard way to approach a levee raising project from the perspective of the Army Corps of Engineers. Just my opinion and we can talk about that later.

The cost of this raise and the cost of that whole project is less than a rounding error, so I'm disappointed to hear that is their position, but I would support that we approve the amendments so that we can move on and ask and answer all of these questions.

Chairman Burroughs said, Sarah, if you may, you had made comment about the financial risk. What would be the financial risk if we chose not to raise the bridge and it became an obstruction and caused damage somewhere else? **Ms. White** said up until just a few months ago our plan was that the bridge did not need to be raised, but then thinking about that risk, at some point there was going to be two bridges upstream of us that were at that level, but now they're not, they're being raised, they are railroad bridges. The cost of just debris removal, if there's a large event, lots of trees, other things come down and they get caught on the bridge, just debris removal could be $50K-$100K each time you go out because on the bridge it's not going to be able to have those large trucks come out, so it'll be from a barge or from Riverside. The next bridge downstream is Union Pacific Railroad Bridge which is an active bridge. If you talk to the railroad, they say they can't even put a dollar amount on if their tracks are shutdown what that dollar amount would be in fines per day, but I would assume it would be millions. In their mind they could say it could be millions if there was damage and shutdown their tracks.

Chairman Burroughs said can we as a community, Patrick, we may want to look to see, can we insure ourselves for actions like this and if we were to hypothetically not raise the bridge and insure ourselves for the potential of a 400-year flood occurring. The damage to the bridge is going to occur with low-hanging debris, but my concern would be once that debris clears or the bridge itself, the objects on the bridge wash and shutdown the railroad, can we insure ourselves against something like that? **Mr. Waters** said the developer is going to be required to carry insurance. Now, whether that would be covered, I don't know. I would have to look into like the policy details on that, how catastrophic it would have to be, so I can look into that.

Chairman Burroughs said I appreciate that and, Mr. Zeller and Mr. Laddin, I must say you've got quite an impressive list of equity investors. That shows how much the project has grown and those that believe in the project, so I'm pleased to see other people coming to the table and projects that are this unique bring ancillary development. I'm not surprised you've got others wanting to join up and become part of a project. I think we'll see it continue to grow and things that we're not even thinking of. The view that you showed us this evening is a lot more mature than what it was from the initial step when we first had this conversation, but with that, any other questions or comments from the committee?

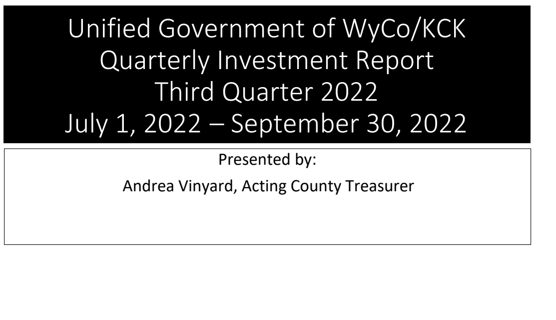
Chairman Burroughs said seeing none, I'll ask the Clerk if any comments were received from the public. **Tifani Portley Lott, Clerk's Office,** said none were received. **Chairman Burroughs** said now I'll recognize members of the public online who wish to address the committee. If there are any, you will be given up to three minutes to make your comments and I'll ask the Clerk if there are any hands raised by the public who wish to speak. **Ms. Portley Lott** said no hands are raised. **Chairman Burroughs** asked, is there anyone in the audience who wishes to speak. You will be given up to three minutes to make your comments. Please come to the podium, state your name, city of residence for the record. Let the record show that no one stepped forward. Committee, I would now entertain a motion.

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

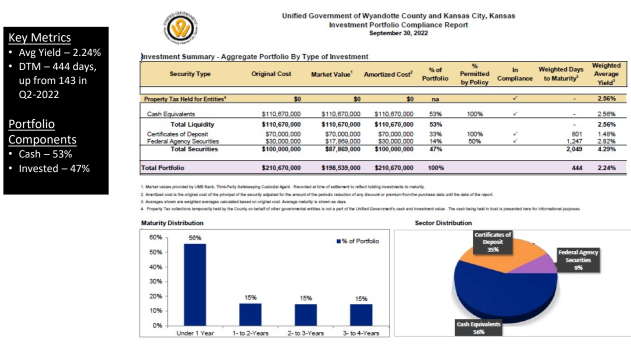
Item No. 2 – 212113…REPORT: 3RD QUARTER 2022 INVESTMENT

Synopsis: Third Quarter 2022 Investment Report, submitted by Andrea Vinyard, Acting Treasurer.

Chairman Burroughs said Item No. 2 is a non-action item. It's for information only. Ms. Vinyard is here and she will give us our overview.



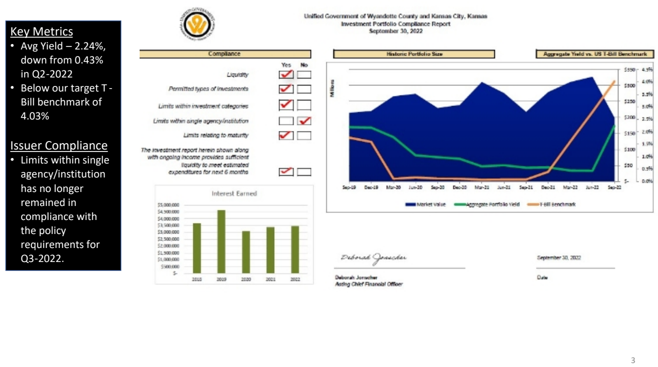
Andrea Vinyard, Acting County Treasurer, said I'm here this evening to bring forth the Quarter 3 Cash Investment Report.



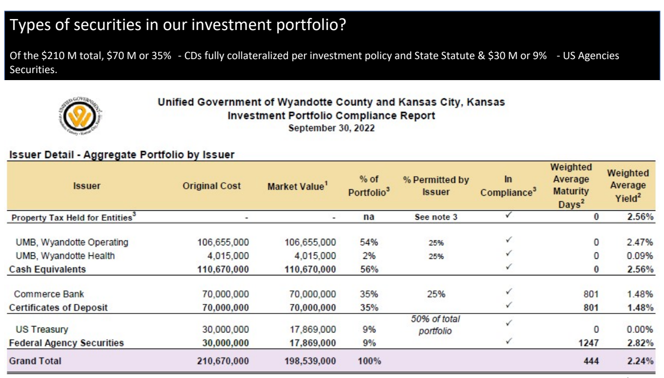
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$0	$0	$0	na		✓	-	2.56%
Cash Equivalents	$110,670,000	$110,670,000	$110,670,000	53%	100%	✓	-	2.56%
Total Liquidity	**$110,670,000**	**$110,670,000**	**$110,670,000**	**53%**			-	**2.56%**
Certificates of Deposit	$70,000,000	$70,000,000	$70,000,000	33%	100%	✓	801	1.48%
Federal Agency Securities	$30,000,000	$17,869,000	$30,000,000	14%	50%	✓	1,247	2.82%
Total Securities	**$100,000,000**	**$87,869,000**	**$100,000,000**	**47%**			**2,049**	**4.29%**
Total Portfolio	**$210,670,000**	**$198,539,000**	**$210,670,000**	**100%**			**444**	**2.24%**

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

Geometrics to kind of point out the average yield was at 2.24 which is going to be an increase from Quarter 2 of '22. Another thing to point out the days just for maturity also increased, which I can explain here in a little as to why it's also gone up from Quarter 2 from 143 days and for Quarter 3 portfolio we were sitting at 53% in cash. The rest is going to be in investments.



Like I pointed out in the prior slide, the yield did go to 2.24, which was actually up from Quarter 2, but we still are below the target T-Bill rate which would have been 4.03% as of Quarter 3 of '22. Unfortunately, today I do need to put forth a compliance issue that we have not had for quite a while. Unfortunately, our limits for a single institution as part of our Cash and Investment Policy did become out of compliance in Quarter 3 which I will kind of elaborate on which is kind of what transpired.



Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
September 30, 2022

Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	-	-	na	See note 3	✓	0	2.56%
UMB, Wyandotte Operating	106,655,000	106,655,000	54%	25%	✓	0	2.47%
UMB, Wyandotte Health	4,015,000	4,015,000	2%	25%	✓	0	0.09%
Cash Equivalents	**110,670,000**	**110,670,000**	**56%**		✓	**0**	**2.56%**
Commerce Bank	70,000,000	70,000,000	35%	25%	✓	801	1.48%
Certificates of Deposit	**70,000,000**	**70,000,000**	**35%**		✓	**801**	**1.48%**
US Treasury	30,000,000	17,869,000	9%	*50% of total portfolio*	✓	0	0.00%
Federal Agency Securities	**30,000,000**	**17,869,000**	**9%**		✓	**1247**	**2.82%**
Grand Total	**210,670,000**	**198,539,000**	**100%**			**444**	**2.24%**

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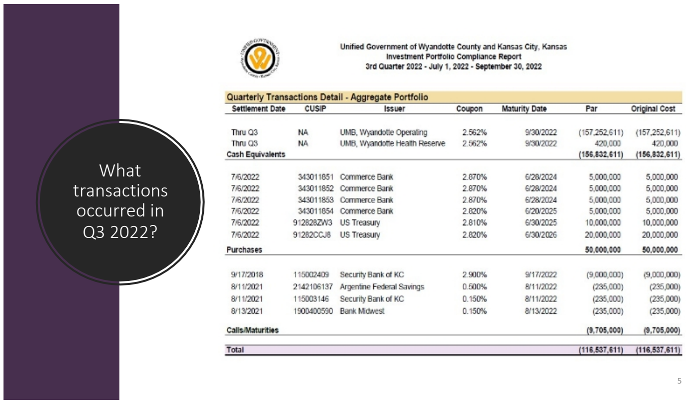
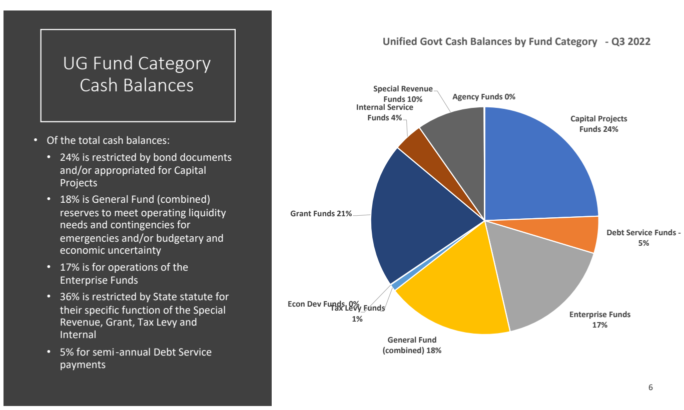
We went down to just one portfolio which was with Commerce Bank holding $70M of the total portfolio which is going to be in a Certificate of Deposit and then we had some maturities and then also went out for investment and have some agencies which is holding onto $30M, total of about $210M.



Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q3	NA	UMB, Wyandotte Operating	2.562%	9/30/2022	(157,252,611)	(157,252,611)
Thru Q3	NA	UMB, Wyandotte Health Reserve	2.562%	9/30/2022	420,000	420,000
Cash Equivalents					**(156,832,611)**	**(156,832,611)**
7/6/2022	343011851	Commerce Bank	2.870%	6/28/2024	5,000,000	5,000,000
7/6/2022	343011852	Commerce Bank	2.870%	6/28/2024	5,000,000	5,000,000
7/6/2022	343011853	Commerce Bank	2.870%	6/28/2024	5,000,000	5,000,000
7/6/2022	343011854	Commerce Bank	2.820%	6/20/2025	5,000,000	5,000,000
7/6/2022	912828ZW3	US Treasury	2.810%	6/30/2025	10,000,000	10,000,000
7/6/2022	91282CCJ8	US Treasury	2.820%	6/30/2026	20,000,000	20,000,000
Purchases					**50,000,000**	**50,000,000**
9/17/2018	115002409	Security Bank of KC	2.900%	9/17/2022	(9,000,000)	(9,000,000)
8/11/2021	2142106137	Argentine Federal Savings	0.500%	8/11/2022	(235,000)	(235,000)
8/11/2021	115003146	Security Bank of KC	0.150%	8/11/2022	(235,000)	(235,000)
8/13/2021	1900400590	Bank Midwest	0.150%	8/13/2022	(235,000)	(235,000)
Calls/Maturities					**(9,705,000)**	**(9,705,000)**
Total					**(116,537,611)**	**(116,537,611)**

This is kind of what happened as far as purchases, maturities. We did go out for investing in July. Rates at that time had Commerce Bank actually be awarded all of the CDs that we went out for and then we had agencies, two US Agencies, which then put them out of compliance because the following four at the bottom, as you see, all matured within that same period. We are looking at that, obviously, as coming forward the last five year is something I like to watch and it is part of our policy. So, we'll see how year-end and then Quarter 1 of '24, what that might change with rates drastically going to be increasing, decreasing in all of the above. We want to see what we can do within the constraints that we have.



The last thing, I wanted to go over the UG funds by cash balance by category. Of the total balances, the restricted cash is 24% for Capital Projects and then we have 18% in the General Fund which is a combination of things such as the emergencies budget and economic uncertainty, 17% for our Enterprise Funds, 36% for state statute specific such as the Special Revenue, Grant, Tax Levy or Internal Grant Funds. Then, we have 5% for semi-annual Debt Service Payments.

That's what I've got. Does anyone has questions for me or Debbie.

Commissioner Townsend said I want to start with the limits with single institutions, the compliance issue. What action has made us out of compliance and what needs to be done to correct it? **Ms. Vinyard** said yep, I can answer that. Action to make it out of compliance is within one single institution. Our cash policy requires that we stay within 25%. **Commissioner Townsend** asked, of what? **Ms. Vinyard** said of the total amount as you see here in the middle, within the total amount of Certificate of Deposit we want each institution who holds funds to be at 25% or less. They were at 33% as of Quarter 3. **Commissioner Townsend** asked, how does that happen. How does that come to be that that can happen, that institution was out of compliance? **Ms. Vinyard** said when all the other additional agencies that were not commerce matured leaving them as the sole holder of all things in the Certificate of Deposit level, they become the only one holding funds and, therefore, they're out of compliance because they don't have anybody else lowering that institution and the total percent of portfolio. **Commissioner Townsend** asked, what brings us into compliance then for that situation? **Ms. Vinyard** said it would be traditionally going out for bid, investing in what we would decide is for diversification. We would even—if they're a little bit better of a rate, we need to choose to go with a different institution to allow them to become on that portfolio. **Commissioner Townsend** asked, could you still use that institution or you just have to diversify with another institution? **Ms. Vinyard** said preferably not. It would only perpetuate their problem.

Commissioner Townsend said one of the other things that I was looking at, I used to see and maybe it was for the Investment Portfolio Report, I used to see Liberty Bank in here and/or its predecessor Douglass. Do we make—or has the UG made any effort to go to them and ask if they wanted to hold or purchase any of these assets? **Ms. Vinyard** said yes. Every calendar year I go out and reach out by mail, email, or any form of contact I have for all banks physically in presence with Wyandotte County and offer them to become certified banks with our organization. I've reached with every contact possible and I've never gotten ahold of anybody from Liberty Bank. **Commissioner Townsend** asked, are we contacting them here locally or I think their headquarters is in New Orleans. **Ms. Vinyard** said New Orleans, I've tried there as well. **Commissioner Townsend** said and no response. **Ms. Vinyard** said none at all. **Commissioner Townsend** said thank you. That's everything I had to ask right now.

Chairman Burroughs asked, Clerk, do we have any hands raised? **Ms. Portley Lott** said there are no hands raised.

Chairman Burroughs said it being not in compliance, what happens when we're not in compliance? **Ms. Vinyard** said we break our own policy, nothing outside of it. You know we want to be diversified and give everybody an opportunity. **Chairman Burroughs** said I believe we had this discussion a while back in reference to the interest rates are starting to climb and if we're invested in one institution, lower interest rate, and that interest rate continues to climb and they rebid it, it's a higher interest rate we can't go back to that institution because our policies forbid us to invest that much in it. So, they're in discussion with our Treasurer. I believe they're going to be looking at some policies to come forward with some recommendations when issues like that do arise. It has been targeted in a post in one of the audits in the past and I think it's worthy of at least more discussion. I mean when we lose interest dollars, those are dollars that we can use.

Chairman Burroughs said any other questions? Seeing none, I'll ask the Clerk if there were any comments from the public. **Ms. Portley Lott** said none we're received. **Chairman Burroughs** said I'll ask the public online if anyone wishes to address the committee. You will be given three minutes. **Ms. Portley Lott** said no hands are raised. **Chairman Burroughs** asked, anybody in the audience that wishes to speak? Let the record show that no one came to the podium.

Thank you committee. This is for information only. There's no action taken. Thank you Andrea and Debbie for being here this evening.

Action: Presentation completed

Public Agenda

No items

Adjourn

Chairman Burroughs said if there is no other action to come before the committee, I would ask for a motion to adjourn.

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

The meeting was adjourned at 5:56 p.m.

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