STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

SPECIAL MEETING, THURSDAY, APRIL 11, 2024

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Meeting, Thursday, April 11, 2024, with nine members present: Bynum, Commissioner At-Large First District; Townsend, Commissioner First District; Ramirez, Commissioner Third District (left the meeting at 6:00 p.m.); Hill, Commissioner Fourth District; Kane, Commissioner Fifth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District; and Burroughs, Commissioner At-Large Second District and Mayor Pro Tem; presiding. Burns, Commissioner Second District; and Garner, Mayor/CEO; were absent. The following officials were also in attendance: David Johnston, County Administrator; Angela Lawson, Interim Chief Counsel; Jeff Conway, Assistant Counsel; and Monica Sparks, Interim Unified Government Clerk.

Mayor Pro Tem Burroughs said before I call the meeting to order I want to announce that some commissioners and staff and public are attending remotely via Zoom or on site. All participants joining by phone should mute your phones when not speaking to avoid background noise. During the meeting, please make sure you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. Please be sure you speak directly into a microphone so that the public can hear your comments and an accurate record of the meeting is made. This is critical given the number of remote participants and is also current guidance from the Kansas Attorney General's Office.

Mayor Pro Tem Burroughs called the meeting to order at 5:00 p.m.

ROLL CALL: Hill, Kane, Lopez, Stites, Davis, Bynum, Townsend, Ramirez, Burroughs.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in a hybrid format on Thursday, April 11, 2024, at 5:00 p.m. in the Commission Chambers of the Municipal Office Building regarding Lanier United LLC and Victory Hills Industrial Revenue Bonds.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Pro Tem Burroughs asked if there were any revisions to the agenda. **Monica Sparks, Interim Unified Government Clerk,** said there are no revisions to the agenda this evening.

Item No. 1 – 2149…RESOLUTION: APPROVING LANIER UNITED LLC DEVELOPMENT AGREEMENT
Synopsis: A resolution requesting approval of a Development Agreement for a project located at 500 Minnesota Avenue with Lanier United LLC as requested by the members of the Board of Commissioners requesting the Special Meeting.

Mayor Pro Tem Burroughs said as you have heard the first item is the approval of a resolution. I will ask the Governing Body how they would prefer to proceed. Should we have a presentation from the developer and then entertain questions from the Commission? What is the preference?

Commissioner Davis said I would prefer that we first get information about the project just to get everybody up to date and then do questions after if my colleagues agree or disagree with this avenue. **Mayor Pro Tem Burroughs** said the question I would have is, do we have the applicant in attendance this evening? **Ms. Sparks** said we do have Mr. Lanier online. **Mayor Pro Tem Burroughs** said we will get to Mr. Lanier just as soon as we finish with the questions here.

Commissioner Lopez said Commissioner Burns was wanting this pushed because he wanted to be here. This is in his district, but I don't know if that would be possible to reschedule it I guess so he can be here. That's his district. **Mayor Pro Tem Burroughs** said it has come to my attention that there was a letter from Mr. Burns that was sent to part of the Commission. Legal, do you have a copy of that letter that can be read publicly? **Angela Lawson, Interim Chief Counsel,** said I don't believe that I—(Monica provided her with a copy). "Dear Fellow Commissioners, as some of you may know I am scheduled for knee surgery on April 9, 2024, and will be out a few days following resulting in my absence from the upcoming April 11, 2024, Special Meeting. I understand one of the agenda items for this meeting is the Lanier Project. With this project taking place in my district, I respectfully request this item be rescheduled to provide me the opportunity for input. I have received many inquiries from my constituents and they deserve answers at the very least. I hope you will consider my request to reschedule this agenda item. Sincerely, Bill Burns."

Mayor Pro Tem Burroughs said comments from those that called the meeting in reference to the request. Seeing none, we will move forward. I guess at this time we will open the issue for discussion. We have Mr. Lanier online. At the request of Commissioner Davis it is requested that we hear about the project and I'm assuming that we are going to hear about that from Mr. Lanier.

Mr. Lanier said regarding this project, as many of you know this is a project that has been contemplated many times within the 5th & Minnesota corridor. This is a mixed-use—**Ms. Sparks** said, Mr. Lanier, could you speak a little louder. We're having trouble hearing you. **Mr. Lanier** said I can try to come in a different way. Why don't I go out and come back in. Can you hear me okay now? **Ms. Sparks** said that's better. **Mr. Lanier** said this is the project that has come trough the office. I'll talk fast. The (inaudible) Planning Commission and this evening is that we are looking for a contract just to complete our financing. We did request this in January—**Ms. Sparks** said, Mr. Lanier, we're losing you—**Mr. Lanier** said just to get into the end of March—okay, let me go out and come back. I'm sorry about that.

Commissioner Davis said I believe staff and Mr. LaSala may have some context and then once tech support and all that good stuff is hashed out, we can hear from Mr. Lanier hopefully. I know Mr. LaSala has been giving me eye contact, so, Chair, it's up to you, but I think we can get some better audio and clarity on what we're talking about.

Todd LaSala said for those of you who have not seen me before, I'm your outside Legal Counsel for economic development projects and I've done that for you for a long time. I would be happy to provide you a little procedural history about this project, a very brief overview about what it is and then a couple of changes in the document that you have before you. Then, of course, I'd be happy to answer any questions.

Procedural history is this. The original development agreement for this project was approved and signed in March of 2020. Between July 30, 2020 and July 31, 2021, we did three or four amendments to the project most of which were about adjusting the schedule. We were working with Mr. Lanier on a closing—trying to get to a closing in late 2021; however, one of his lenders was not quite ready to go. He asked the UG for an extension so that lender could be ready and prepared for closing. That extension never came before the Commission. At that point the project stalled. It eventually came back to this body and was approved on April 27, 2023 modified, amended and restated development agreement was approved in April of 2023.

Importantly, that development agreement gave Mr. Lanier, as the developer, 270 days to get through all of the conditions in the development agreement including financing and it specifically said that if the conditions were not satisfied by that time the agreement would automatically terminate. When we got to January 22nd, the 270th day, we determined that the conditions were not satisfied at that time. The agreement therefore automatically terminated and a couple of days later we sent Mr. Lanier confirming that and articulating the two conditions that were not satisfied. My understanding is—actually, not my understanding, we have looked at one of those two conditions and at this point it is now satisfied. It was about the management agreement. It is now satisfied.

Here's the very briefest summary possible about what the project is. The project would call for the demolition of the existing Reardon Center building and replacing it with a 90,000 square foot mixed-use development. That would include 85 to 100 apartment units, 7,000 square feet of retail and other commercial space on the first floor and a 7,500 square foot smaller conference center that could hold events up to about 325 people.

The financing for that project, it's about a $25M project overall, would include a CID, an existing CID that's been there since 2013 which is a 2% add-on sales tax. That would be capped at $3.3M. A 20-year TIF based on 85% of the property tax increment and that would be capped at $4.2M. There's a $1M contribution of Transient Guest Tax from within this district, a $1M UG contribution from the Reardon Center Maintenance Fund and that's a total incentive package of about $9.5M. That's about 38% of the total project cost. That's really what's on the table.

The document that's in your packet tonight is really more/less identical to the one the Commission approved in April of 2023 with two noteworthy differences. Difference number one is that it changes the condition period and it would give Mr. Lanier another year from signing this to satisfy conditions and I believe that now the only condition out there to be satisfied is the private financing condition where he shows us that he has equity and debt when combined with these incentives to complete the project. The other change, and I will admit to you, we have not talked to Mr. Lanier about this, but the UG has been carrying the legal fees for this project since April, 2023, actually before that and what this would do, it would allow the UG to reimburse itself for its legal fees for this before Mr. Lanier gets his pursuit costs or other development fees and costs and we'd get that out of the CID. Those are literally the only two changes of substance in the document. There's some recitals and stuff, but the two changes of substance are those. It's the date and us sort of leapfrogging ahead of him with your legal fees to get those paid before he gets his. I'm happy to answer any questions, but that's the summary of where I think we've been, what the project is, and the two differences in the document.

Mayor Pro Tem Burroughs said, Mr. LaSala, I have a couple of questions. The 365 days starts when, from today? **Mr. LaSala** said if you were to—it would be from the date that you sign, so probably not today, but if we signed tomorrow, yes.

Mayor Pro Tem Burroughs said you said one of the two conditions was met. Can you share what the two conditions were and which one of them were met and maybe if you have insight, tell us why the other one may not have been met. **Mr. LaSala** said sure. The two conditions that were outstanding was the private financing condition and the Reardon Center Management agreement and our document got pretty specific about things we wanted in that management agreement, so as Mr. Lanier was coming to the end of the last condition period, he did send us a management agreement, but it was just missing some of the things that were required by our development agreement. He has since amended that management agreement, added those requirements from our development agreement and so we can check the box on that condition. It is satisfied. The one that—my understanding, and he'll be able to speak to this better than me, but my understanding is that as of today he does not have his private financing in place. So, I really think the only condition left is his private financing and I think he could probably tell you better than I could why he doesn't have that in place today. **Mayor Pro Tem Burroughs** said thank you and I think it's—I wanted to ensure that we knew what conditions were met and which ones weren't. It's not about being punitive, it's about being knowledgeable about where we are in this project.

I believe this is the seventh amendment to the original plan. Would that be correct—sixth or seventh. **Mr. LaSala** said there were four—there was an original agreement, four amendments, that's five, in April you did a sixth amended restated development agreement, so if you sign this, it would be the seventh time this has come before you to have been voted on.

Mayor Pro Tem Burroughs said, Mr. LaSala, you've done a lot of contracts for us for economic development. Have you ever seen one that has this many amendments to it over, I'm stating almost a four-year period? **Mr. LaSala** said sadly, the answer is yes. Development is hard and there is some evolution on these. I have seen amendments that go into the teens. I wouldn't say that's typical, but I would say it's unusual that we ever have a development agreement that's not amended at some point. Is this a lot of amendments, yeah, but certainly not the most I've ever seen.

Commissioner Ramirez said going back just so that I am understanding, you said with the legal costs it's coming out of the CID, so meaning money that's already there we're just not going to distribute to Mr. Lanier or recuperating for those. **Mr. LaSala** said that's exactly right commissioner. Because this CID has been in place since 2013 and it was originally for the Convention Center, for the hotel, all of those improvements that were a part of the original CID have been made and paid for, so this thing has continued to sit there and generate costs. So there is a pot of money there right now that's available and really this is about the UG who's been paying us reimbursing itself for the legal fees. If you were to approve this and we had this in place, you could go pull money down from that pot to reimburse yourself for that money.

Commissioner Lopez said with all these amendments, how come was there so many of them. Like how would—I mean you figure after two or three of them you'd be like, okay, you know, you would have it right, you would have it figured out. I mean why do we keep going back to the drawing board? **Mr. LaSala** said most of them were about schedule. There were a lot of substantive changes in the deal when you got to last year, but I would tell you the first three or four were mostly about deadlines and schedule. As I was saying to the Chair, honestly it's pretty common for us to move deadlines around with developers because—our philosophical approach in your development agreements has been we kind of try and hold the developers feet to the fire. We find out what's a reasonable schedule to satisfy conditions, to commence your construction, to build your project and development is not a linear business all the time. It is pretty common in this development, and a lot of others, for a developer to come back to us and say I need to adjust the schedule, I need to move this deadline and usually, we as a team, are pretty accommodating about that. Our point is, look, tell us what you think and if things change or, you know, this one started during COVID, actually right before COVID. If I remember right, yeah, you signed this in March of 2020, so a lot happened, right.

The thing I would tell you was that we got to 2023, there were a lot of substantive changes to the project in that event, so a bunch of them were about schedule until we get there, but after this thing stalled and we came back, there were a lot of changes. The costs had changed and gone up, so we modified some things there. There was originally—in 2020 there was an athletic field component of the project that eventually just went away and is no longer a part of it. There was a health club that was originally contemplated and things with the Y and so forth, that's not a part of the program. I would tell you that last amended and restated agreement had a lot of substantive change that were about evolution of the deal. **Commissioner Lopez** said so at what point have you ever seen like a developer say, well okay, this isn't going to work, I'm just going to move on? **Mr. LaSala** said that has happened and sometimes it has happened in the conditions period. It's obviously much worse if it happens once you get started and once you start paying money.

The thing I would tell you about this one versus deals where you bond, is it's pay-as-you-go. The developer will start pulling down money and so forth, but the program here is that he's to get paid slowly, incrementally over time. So, if you had a failure during construction—it's one thing if he never gets through his conditions period, never gets his financing, we're never going to pay him anything, okay, anything at all. If by contrast he gets his financing, we're going to take a hard look at that financing. We're going to feel pretty good if we close that he's got loans and equity and has all the capital stack to build, but if something happens after that, a contractor fails or for some reason there was failure after that and we had paid some money, it would be a problem, but the truth is you wouldn't be very deep into the $9.5M that's contemplated here. He's got to collect that over a 20-year period and he's got to perform to do it. So, philosophically that's what's going on here. It's a really good question. It's a very fair question. In these deals where it's pay-as-you-go, we have a lot of control because if there's default, big default like you're talking about or even smaller things where they're not maintaining it the way they're supposed to or whatever, we could shut off the money. That's a powerful remedy when you're pay-as-you-go.

Commissioner Lopez said at what point—I mean it's been drug out this long that we could have had somebody else in there and been done by now that was a very promising developer that has a great background and no problems and we could have been so far ahead by now, but it's been drug out, drug out, drug out. **Mr. LaSala** said yeah, that may be a—that is arguably a fair comment to make. On the period between March of 2020 through COVID and through the end of 2021, that may be fair. I mean you could argue about whether that's fair or not based on COVID and what was going on with the world and it also assumes their developers lined up around the block to come in and do this project and I don't know whether that's true or not, maybe you do. Once we get to the end of 2021 and he's trying to close and he's on the doorstep and we can't—he asked for an extension and it doesn't come forward to this body, there's argument that's not his fault and then we kind of stalled for a year and kind of went back and forth with him about whether this thing would come back to life or not. So, there is a period of time when I think he would feel pretty vigorously that it's not his fault. It's not my place to take sides. **Commissioner Lopez** said I get it. **Mr. LaSala** said anyway, that's what I would say about that commissioner. I hope it's helpful. **Commissioner Lopez** said yeah, a little bit. I mean because if he's hung up on it, then we can't put an RFP out on it to see if there's other developers that want to come, so that's why they're not lined up around the corners because we can't put an RFP out, right? **Mr. LaSala** said yeah, that's true. If you—while you're under contract with him, we're not going to put out an RFP or anything. **Commissioner Lopez** said that's why we don't have contractors listening around the corner because you don't know, so answer that question.

Commissioner Townsend said my fellow commissioner just raised some good questions, but since I was here from the beginning of when Mr. Lanier came to us, no one else had come before or since. That's not to say if Mr. Lanier is not successful, and I pray that we give him the chance to be, that's what this is about. This deal we have before us tonight is essentially the same one that we've heard before. There were any number of other projects that I won't say stalled, but were delayed from the original dates of their completion because of COVID and so it's unfair to put this all on him, but for the fact that this body did not get the opportunity as he requested back in 2021 to move forward, that counts for a great delay of time in a situation where interest rates were constantly rising. This did not come back on the agenda until 2023 and according to some research I looked at with the Federal Reserve, it said the Feds raised the interest rate 11 times between March of 2022 and July of 2023 to combat ongoing inflation. We've all felt it. Look at your credit card interest rates, that could be simply devastating for a project of this kind.

So, we're really here today because Mr. Lanier—you've heard Council say that he is satisfied with one of the two major conditions, so this is about running out of time. We have the time. The principal thing we need to address tonight and this document addresses, is that is given him an additional 365 days. If you're listening to the news, the Fed is supposed to lower interest rates, hope they do, but instead of saying another five weeks, six months. Let's take it to the year and if he's not successful within that time, and that's not to say he's going to drag it out, I'm sure you'll hear him say that. I would have to ask for, as a point of order, that decorum be maintained.

Mayor Pro Tem Burroughs said thank you commissioner. I would advise the audience to please refrain from making comments. It is important that we act with decorum and allow us the opportunity to have the discussion.

Commissioner Townsend said thank you Mayor Pro Tem. We have the opportunity to extend the time so he can get financing. This is commonly done. That's really all it's about and I'm happy to see that there's been another provision that does protect the Unified Government and, therefore, the taxpayers with regard to attorney fees. Now I know we haven't heard from Mr. Lanier right now, but we've heard any number of times, so I would move right now to approve this agreement.

Action: Commissioner Townsend made a motion to approve the agreement.

Mayor Pro Tem Burroughs said if I may, we still have to hear from Mr. Lanier. **Commissioner Townsend** said that's right. **Mayor Pro Tem** said there was a request by fellow commissioner to have public comment and—or public information come forward, so we haven't had that. We've had it from Mr. LaSala unless you don't want to hear from Mr. Lanier. I'm just trying to accommodate the request. You called the meeting. I want to ensure that we give your conferees a chance to present their position.

Commissioner Davis said if you're referring to me, Commissioner, I don't know what the tech situation is. I mean, colleagues, it's up to you all on what you want to do and what you want to hear. I also know that there might be some conversations on whether or not a year is appropriate or if we should go shorter and so maybe for those of you that are wanting to have that conversation, we can move that conversation along. For me, just speaking as Commissioner Davis, if tech continues to be an issue, I don't necessarily need Mr. Lanier to respond if he's not able to, but that's just speaking for Commissioner Davis.

Mayor Pro Tem Burroughs said, Commissioner Davis, I just wanted to provide the opportunity. You had requested Mr. Lanier to have an opportunity to speak. We wanted to ensure that he was provided that opportunity.

Commissioner Townsend said I hadn't completed my statement before we moved on, so if Mr. Lenier is listening, I did not mean to try to truncate the situation, but we don't know what it is. If he can come back, that's fine. My motion still stands.

Commissioner Kane said I think a year is a little long. I was thinking more like six months, but if I'm on your end, I'd probably say nine. You know he's worked really hard for this project. I don't know how many times we've seen it. You had COVID and then we didn't get to see it as commissioners, it was pulled where we didn't get to talk about it. So, I'm just thinking a year's a little long and I would be more comfortable with nine months and that's just me.

Commissioner Ramirez said to Commissioner Kane's suggestion, I am amenable to nine months. I don't want to restrict Mr. Lanier any more than we have already done, so for me, I am amenable to the nine months timeline. I'll take my very brief moment and just give my comments. This project has been in front of this Commission as long as I have been here. I have been here since 2020. I know this project very well. I've seen it change over the years and I have until—I still believe and support this project. I've supported it since day one. There will be nothing to make me not support this project. We talk about development in our downtown area and we're wanting to develop, but yet we're cherry-picking what we think is going to be best. What needs to be best is for our community and our community is telling us they want development. I'm sure developers want to come, but I don't think they want to come when they see what's happening to developers when they come before this Commission or before this government, the stall tactics and the games that are played just because you don't agree with the project.

As many times as I've said this, Mr. Lanier, I cannot—there will never be words to say how much I apologize for everything that you have had to go through, every hoop we have had to put you through. One of the very few minority developers and we've done what we've done to you for what reason. You care about this community, you want this project to flourish, we want this project to flourish just as you do. I am ready to finally dot the I and cross the T and give Mr. Lanier the chance that he deserves and stop the stall tactics and the games and I want to tell developers out there, do not be afraid to come to Wyandotte County. We want you to come and develop and grow our community. You have a Commission that supports that. We support an economic development future and vision, so please come and help us grow our community.

Commissioner Stites said I try to make sure that I get all the information that I possibly can to make a—you know I'm a commissioner that's the furthest west that you can possibly get from this, so I want to make sure that I'm doing the right thing for the people in this area, for our community. One of the things that I kind of prided myself on is making sure that I'm getting all the information available and if it's appropriate, I'd sure and it's going to be up to Mr. Kindle, but Wyandotte EDC, I would like and this is just—if he's not prepared or doesn't want to, I would like to hear from Wyandotte EDC once again on the stance of our economic development for this area, for Wyandotte County, and their stance on it and why they think that this project is something that's beneficial for downtown. Mr. Kindle, if that's appropriate. I don't want to put—I'm not trying to put you on the spot, but I don't know. I'm just asking. **Mayor Pro Tem Burroughs** said I would go to Legal to see. We don't have public comment down here, so I want to ensure that if—so, I'll ask Legal for an opinion on that.

Angela Lawson, Interim Chief Counsel, said the Chair can decide whether or not to allow someone to answer the questions of the Commission that is not part of staff and then the Commission could then vote to override if they—**Commissioner Stites** said I'm not wanting to turn this into a big draw thing. I do believe that there's some—from past meetings that I believe that Wyandotte EDC has put information out there that shows that this project is positive for downtown. The Merc, the hotel, a vacant building that is falling in disrepair, so that's really what I was trying to get at. I agree that I don't think that the year would be something that I would be willing to entertain. If there was some conversation that we could have and where did the year come from. Who came up with this year. Was that Mr. Lanier or where did that come from? **Ms. Lawson** said we were requested by several of the commissioners calling the meeting to put a year into that. Clearly, that's a Commission decision. We have the means to change that, but that's where the year came from.

Commissioner Hill said I am wondering—first of all I appreciated the information that we received from Mr. LaSala and one of the things you mentioned, number one, was that a couple of the things that were not solved prior of those two, one had been handled. I would really like to hear from Mr. Lanier on the finance piece. I think it's very important that we hear that, that our constituents hear that because I've heard many different renditions of what is or what is not, but I would like to hear it from Mr. Lanier if he has the capability and audio available. I would really like to hear that.

Mayor Pro Tem Burroughs said I guess I would request Legal, can we request that Mr. Lanier answer that question or should we wait until all the questions have been asked by the Commission? **Ms. Lawson** said that is a question for the Chair. You can request for him to answer the questions. **Mayor Pro Tem Burroughs** said if Mr. Lanier is online and available, Mr. Lanier, could you speak to Commissioner Hill's question in reference to your financing?

Mr. Lanier said I can do that. Can I be heard now? **Mayor Pro Tem Burroughs** said yes. **Mr. Lanier** said thank you again for the time. Regarding the financing, there are steps and processes that take place in getting financing. Financing has been discussed with lenders who have been around this process for quite some time. There were some things that had to get done before lenders actually push a project through a loan committee and some of those things we were working on that we got through, meaning Planning and Zoning final approvals starting in January and was completed back on February 29th at the Board of Commissioners. Since we had to go submit a new application due to the Kansas City, Kansas Community College taking what would have been the athletic field and the removal of underground parking, those two things caused us to have to go back and resubmit an application for rezoning. Once we get through that piece and where we are today, our financing can move forward. This has to be viewed as a project that is live, that has merit, and the banks have seen where this project has stalled or not gotten some support over the past couple years. So, everyone wants to make sure that as we move forward, there was a green light of opportunity for them to roll their sleeves up and provide all of the underwriting, all the legal work, everything it takes to actually create and close loans, that we actually have something that will be there. So, since we just got our final approval from your Board back on February 29th, now we will have the opportunity to say without a shadow of a doubt that this is a fully vetted, fully supported project by the Unified Government. Then, we will be able to move into the financing phase, but prior to that, our ability to truly say that we have a project was unclear because even without getting the Planning approval, there would not have been a project irregardless that we did ask for additional time on our developers agreement.

So, now that we have just one item left and that is the financing component, we have nothing else to deal with other than that, we will be able to concentrate on that and then come back and deliver our financing—proof of financing to the committee.

Mayor Pro Tem Burroughs asked Commissioner Hill, did that answer your question? **Commissioner Hill** said almost. It almost answered it. Mr. Lanier, can you help me to understand and I apologize, I'm still pretty new. You said that now that you are fully vetted, that you have this project online with the Unified Government and then after that explain, once again, what has to happen. You said now that you're fully vetted, from there on, could you explain kind of what you're saying after that? **Mr. Lanier** said the point I wanted to make is that there was a process of going through approvals and the banks look at several things. Is the development agreement put together, are the incentives in place checked, and the next thing is are the IRBs completed as far as the bond work, moving through Planning & Zoning, does this project have full and final approval. If any one of those things aren't there, then the financing doesn't have merit. In order to get the financing banks and investment committees inside, banks want all these things done. Once those things are done and they have the ability to properly create a closing, which means a lot of manpower administrative legal work, that can proceed. Realize that we have not had any conversation since January when we did not get our extension, so we have to go restart those, but guarantee, just as much as you commissioners or the commissioners prior to you Dr. Hill, we've had bankers on this project for quite some time as well. It's not something new, but there was a clear state of process that banks go through when it comes to allocating the projects in front of them and now that we are there we have full standage to actually move forward and complete our financing. **Commissioner Hill** said thank you. The question has been answered.

Commissioner Lopez said I was just going to say this is, you know, we talk about doing good for us and our community and doing the right thing here and we've got a commissioner in his district and he can't be here and we can't honor his letter and move this, your know, reschedule. I don't want to waste anybody else's time, I'm just saying that any one of these commissioners here would be upset if we didn't honor their letter if it was the other way around. I just don't want to waste anybody else's time, but he expressed his—you know he asked us if we can reschedule it just so he can—because he doesn't know much about it. Some of these commissioners have been here long enough to know about it and then the last time that the Mayor wanted to disapprove of this, you know, five of us are saying we don't know anything about it, but then we got this letter two days before that meeting, so just a lot of stuff just don't make sense here. I just don't want to waste anybody else's time and that commissioner is asking if we can just reschedule this whole thing for a month or something so he can be here. Is that possible?

Mayor Pro Tem Burroughs said, Commissioner, if you're asking the Chairman, I didn't request the meeting. I would ask Legal what process would be if that was to even be considered.

Ms. Lawson said as with a regular motion—or a regular meeting, that would require a motion, second and a majority of the commissioners to continue the matter.

Action: Commissioner Lopez made a motion to reschedule.

Mayor Pro Tem Burroughs said there's a motion. Is there a second? **Ms. Lawson** said I would say that as this is a Special Meeting that there probably needs to be a date certain for when it is rescheduled to. **Commissioner Lopez** said can you look at your calendar. I don't know. I mean I'm just saying out of respect for this commissioner because any one of these commissioners would be upset if it was the other way around. I mean it's prolonged this long, we can wait another month.

Commissioner Townsend said point of order on this. This question was brought up at least half an hour ago, so I believe it's out of order procedurally now and there was—I believe it's out of order and we should have moved on. This concern was brought up at least half an hour ago.

Mayor Pro Tem Burroughs said as Chairman I'm going to respectfully disagree with that comment. We're moving forward with discussion. The motion didn't get a second, so the motion fails for lack of a second, but it was, I guess, a request and I'm not in the position to make that request. I didn't call the meeting and that's why I went to Legal, so I disagree that it's out of order. I went to Legal to get that certification, but I do appreciate you bringing it forward.

Commissioner Kane said, Commissioner Townsend, would it be okay if you adjusted your motion from a year to nine months so we can get this going? **Commissioner Townsend** said here's why I would ask the commissioners to consider a year. Number one, it was at least a year when Mr. Lanier came to us in early '22 and it was not put on the agenda until early in '23, so that's a year gone. Secondly, we can't say for certain—nobody in this room can say what the Federal Reserve is going to do with their interest rates. We're hearing publicly they're going to go down, but this would give him the opportunity to take advantage of that for one year. It's costly for the public, for staff, for all of us to come to a Special Meeting and we won't have to nickel and dime anybody's time again, so while I want to see an extension, I urge us to give it the year. That's the same year that it wasn't put on the agenda. It gives him the opportunity to take the best advantage of interest rates that's going to make this project go.

Mayor Pro Tem Burroughs said if I may, I will take the liberty as Chair of the Economic Development Committee, I've been with this project since its inception and I can remember the Commission collectively at times voting unanimously to move this project forward; however, when it came—and some of the reasons that we asked for extension was a parking issue came into question and we had to extend the agreement a couple of times.

I do want to remind the Commission that this came before the Economic Development Committee I believe for the fifth extension and at the time the committee gave it much discussion and the plans had changed a little bit in reference to what are we really looking at here because I believe part of the discussion was the change to the location across the street and there was much confusion in committee; is it the original plan we're talking about, is it the amended plan we're talking about and we took the time in that Standing Committee to walk through that. It was a unanimous decision to grant 275 days and I made the motion to not approve it so that we could get it out here for discussion so it wouldn't go on a consent calendar. If I remember correctly, Mr. Lanier's legal made the comment that if we're not here at the end of 275 days, we are done and if that isn't an accurate statement, I would ask Mr. LaSala or somebody, please correct me.

I've kept my timeline and my notes through all of this because I know it's an important project and many of us have been supportive of it from its inception, but questions have been raised, timeframes have come into consideration, they got the parking issue resolved with the BPU. In the meantime the Community College purchased the ground and that caused a change and then we had the interest rates and we had the financing issue, we've had a number of things, but COVID did impact it and I'm aware of that and I think we've really tried to be as open and as transparent as we can in assisting this project through the process. To sit here and think that we haven't, I would state that's somewhat of a misstatement because it has had plenty of time to percolate with many of us except maybe our newer members. As Chairman of the Economic Development Committee I wanted to ensure that the committee knew that that timeline that has been—that was expressed by Mr. LaSala is pretty accurate, it's pretty spot-on, so thank you Mr. LaSala for that.

Commissioner Townsend said as a member of that same Standing Committee, I recall the discussions in early 2023. My references to the year of 2022 that was not heard by any Standing Committee and not on any agenda.

Commissioner Lopez said I have a question for you sir. Do we look like—I mean what if we do business with a developer that has lawsuits against them or breach of contracts in the past. I mean is that doing good business if we decide to do that with any developer in general? **Mr. LaSala** said are you asking my opinion about whether it's a good idea? **Commissioner Lopez** said yes sir. **Mr. LaSala** said I would say it would depend on what the—**Commissioner Lopez** said I mean if you have like three or four breach of contracts, isn't that kind of a red flag to move forward with the developer, like if that's why our Mayor was trying to disapprove of this from the get-go, maybe he knows something we don't know. **Mr. LaSala** said it can be. Commissioner, with great respect, I don't think I have the frame of reference about the lawsuits you're talking about. **Commissioner Lopez** said no, I know. It's just I don't know. I'm just asking. **Mr. LaSala** said

I would also say it's up to the governing body whether you contract with this developer or not. That's really not—**Commissioner Lopez** said not just—I mean I'm just saying in general, you know, with any developers it's probably not a good idea. **Mr. LaSala** said I think it depends on what the substance of it is. It think it depends on what the fight was about and whether the developer was right or not. I would have to know more I think because look, the development business is a hard business. There are developers that are going to get sued. That's just going to happen.

Mayor Pro Tem Burroughs said if I may, could I pull us back in a little bit. We want to ensure that we're not disparaging anybody by asking opinions that may be of legal consequence. I do appreciate the fact that people want to know information. I do also want to state that we have a commissioner that wants to speak.

Commissioner Davis said I think the majority is in favor of moving this project forward. We're somewhere between one year and nine months. I'm going to take a liberty to say I know Commissioner Townsend made that motion to approve for one year and I know there wasn't a second, so my assumption is that motion has died. I don't know. That's what I'm going to go ahead and assume.

I do want to ask Mr. Lanier, I hope the tech works out, if we were to do nine months instead of a year, while we cannot predict the future, we cannot predict the market, we cannot predict the cost of materials, all that stuff, but if we gave you nine months, are you confident that with that time it is adequate and you would be able to pull off this project given this particular circumstance? **Mr. Lanier** said, Commissioner Davis, I would not ask many more than nine months. We would be more than happy to take that timeframe. Obviously, the bulk of the past nine months that we were working under, six to seven of those months took for the planning process to work itself through, so nine months would be an adequate amount. It would be a generous amount and we appreciate that. That would give us more than enough time to restart our activities with our consultants and then move this project forward accordingly. **Commissioner Davis** said with that, I would make a motion to—**Ms. Lawson** said I would as parliamentarian, I know there was a motion, but then I believe that it was stayed for further discussion purposes, so I would allow a little time to make sure that there's not—**Mayor Pro Tem Burroughs** said I believe the motion was for a year if I remember—**Commissioner Townsend** said it was for a year, there was no second called for at the time, so the motion was not dead; however, in light of subsequent discussion, I will amend the original motion.

Action: Commissioner Townsend made a motion to amend the original motion to nine months, seconded by Commissioner Davis.

Commissioner Burroughs said any other comments. Seeing none, we have a motion and a second to change the timeframe one year—or 365 days I believe how it's in the contract, to nine months. Do we want to put the exact dates in Counsel, or do you want—okay, can you do that without us making that part of the motion? Okay, the liberty to do so. Clerk, please call the roll.

Roll call was taken and there were seven "Ayes," Hill, Kane, Stites, Davis, Bynum, Townsend, Ramirez, and one "no," Lopez.

Mayor Pro Tem Burroughs said I do want to state that the reason why I asked about the extensions, Mr. LaSala, we had another project that was affected through COVID and there were some issues that come forward and there were five extensions and I know there were some that considered that a length of time and I just wanted to use that as reference when we start talking about the amount of extensions, but I do appreciate you having the opportunity to express that other things have come forward with that. So, it's not like we haven't terminated contracts that have requested additional extensions.

Commissioner Kane asked, is the Mayor Pro Tem supposed to vote? **Mayor Pro Tem Burroughs** said no. **Ms. Lawson** said he is allowed to vote, but the presiding officer can vote when it's the Mayor Pro Tem and would have to in the matter of a tie. **Mayor Pro Tem Burroughs** said committee, the resolution stands before us. We extended the contract. All we did was make a motion to extend the contract for nine months. Do you want to pass the resolution? It wasn't a motion to pass the resolution. The motion was made to extend the timeframe to nine months. I just want to make sure that we are on point to do what we need to do. Let us run the meeting and we'll walk through the process. No public comment tonight in reference to this issue.

Ms. Lawson said I think to be safe the presiding officer is correct. I would do a vote on the resolution with the amendment to amend the resolution to reflect the nine months. **Mayor Pro Tem Burroughs** said for clarity, I just want to ensure that I'm providing the necessary guidance. The motion was to extend the contract—**Ms. Lawson** said it's a new contract. It extends the timeframe of the previous one, but it is in fact a new agreement. It's not an extension of the old one. It is a new agreement. **Someone** said so we have to make a motion on the new agreement. **Ms. Lawson** said I would move to approve the resolution. I think that would be the safest manner acknowledging the nine-month change.

Mayor Pro Tem Burroughs said I've got a lot of fingers going up and a lot of talking. I've also got lights going on, so let's follow the process so we ensure that we get this done properly. You all called the meeting. I want to ensure that we provide what's necessary to get it done.

Action: Commissioner Townsend made a motion, seconded by Commissioner Davis, to approve the resolution of the development agreement which includes the adjustment for the period of time for nine months.

Mayor Pro Tem Burroughs said we have a motion and a second. I'm going to go to discussion.

Commissioner Lopez said first of all I just want to say something real quick. I just want to apologize to our commissioner that's not here, number one and number two I want to apologize to our public for silencing you.

Mayor Pro Tem Burroughs said please maintain your decorum. It is important that we do so. I know these can be emotional issues, but it's extremely important that we maintain our decorum. Thank you Commissioner Lopez for making that comment. I can't tell you how many times that it has been stated here, and it was just recently stated in one of our budget meetings when we didn't have commissioners present, and I remember making the same comment here in the full view of the public that we should have all commissioners here when it comes to issues that affect their district. I echo your comments. We have a motion and a second. Clerk, please call roll.

Action: **RESOLUTION NO. R-15-24,** "A resolution adopting the Downtown Campus Development Agreement." **Commissioner Davis made a motion, seconded by Commissioner Bynum, to approve the resolution which includes the adjustment for the period of time for nine months.** Roll call was taken and there were seven "Ayes," Hill, Kane, Stites, Davis, Bynum, Townsend, Ramirez, and one "no," Lopez.

Item No. 2 – 2150…PUBLIC HEARING AND RESOLUTION/ORDINANCE: TWG VICTORY HILLS LLP INDUSTRIAL REENUE BONDS.

Synopsis: The requested action of the Commission are:

1. Public Hearing regarding issuance of Industrial Revenue Bonds for TWG Victory Hills, LLP for the project located at 745 N. 78th St. for an amount not to exceed $43,000,000;
2. Adoption of a resolution of intent to issue Industrial Revenue Bonds for the project;
3. Approval of an ordinance authorizing the issuance of Industrial Revenue Bonds for the project

as requested by the members of the Board of Commissioners requesting the Special Meeting. Conduct public hearing; approve resolution and adopt ordinance.

Mayor Pro Tem Burroughs said these are two items; however, our first action is to conduct a public hearing regarding the issuance of the Industrial Revenue Bonds for Victory Hills LLP and the project is located at 745 No. 78th St. in the amount not to exceed $43M. I'll ask staff to make some opening remarks.

Angela Lawson, Interim Chief Counsel, said you can get Jeff Conway up to make some opening remarks.

Jeff Conway, Assistant Counsel, said this is an issue that has been around awhile and I think probably the easiest thing I could do is just introduce the developers representative, Curt Petersen from Polsinelli, and he can lay out what the project is and the posture at this point.

Curt Petersen, Polsinelli, said I'm here on behalf of the developer which is TWG Development. I have with me Jackson Taylor, the Development Director. Before I begin in case you start feeling a little—being serious, a wave of Deja Vu when I begin speaking. This $43M project is not new to the Commission except for, to be fair, Dr. Hill, Commissioner Burns and also Commissioner Lopez, since this all happened before you all came. On October 9th of last year the Planning Commission unanimously recommended this project to the full Commission. On October 26th the full Commission unanimously approved this project and on December 11th of last year the Planning Commission unanimously approved the final plan and the final plat and there is a building permit that is ready to be picked up when this proceeding would, hopefully, successfully conclude.

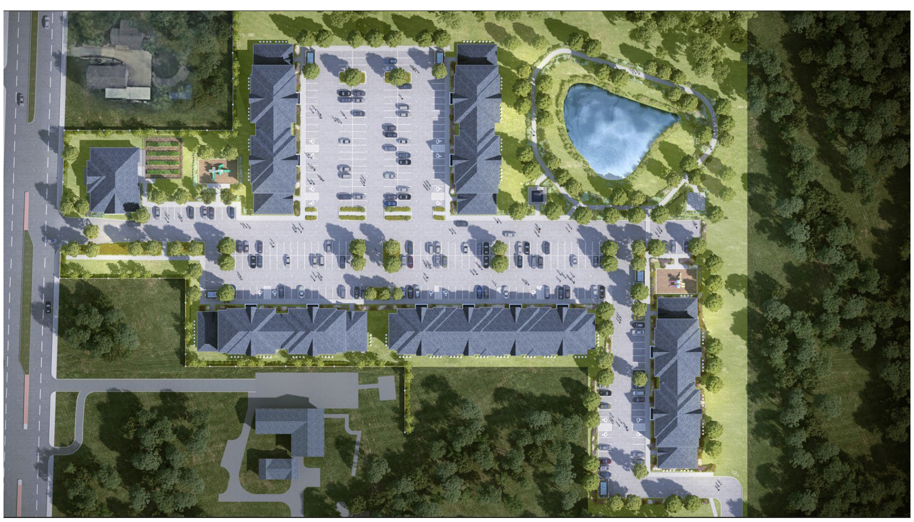
I also want to remind you of who this is. This is a big project. A lot of capital investment. I want to give just a few moments, Mayor Pro Tem, on who TWG is because they're new to the community. They're based in Indianapolis, they were founded approximately 15 years ago. They specialize in all different types of housing developments and communities across the country and they've completed just about $2B worth of these types of developments in our country.

We're thrilled, at least I'll speak for myself, and I think a lot of us, that they found their way to Kansas and that they had a lot of options and they chose Wyandotte County to try to make their first investment to the tune of $43M. There's a couple of visuals for the commissioners. This would be a good time to put those up please.

Just to get your bearings on where we're at. We have a 25 acre piece of property that's bounded by 78th Street to the west, you can see Tauromee there. To the south you have a church, to the southwest a senior living community just to the north, and residential to the northwest, south and east, so that's kind of that green area where the yellow arrow is pointing on the screen.

Aerial

To zoom in a little bit, that's the green area I was speaking of and you can see the yellow bounded project area. Access to this project comes in two locations. It comes on 78th Street, which is a right in, right out. That's the street going north/south on the left side of your screen when you look at it and then you have Tauromee which is the full access point down running east/west at the southern edge of the project.



The project itself is a multi-family project. To get your bearings there, you have 78th Street on the left side of your screen running north/south and that access point I spoke of. It's a multi-family project that has five buildings, residential buildings. Those are the bigger of the buildings. It has a clubhouse that you can see over at the access point at 78th Street. The residential buildings are three story in height with pitched roofs. There's a total of 152 residences. There's a number of amenities, which you can see on the screen. You can see the clubhouse I just mentioned at the access point at 78th Street. There's two separate playground areas. There's community gardens that you can see just to the east of that clubhouse. There's bike racks, electric car charging stations, there's an air rated. I know Mayor Pro Tem and I mean this seriously, there's an air rated detention area that's a pond that keeps the water going and sprays it so we don't have a stagnant detention pond, so it truly is an amenity there in the northeast corner. You have a trail that goes around it, you have a gazebo just off the trail and some other open areas across the entire site, green spaces.

This gives you a rendering looking to the north of the east—kind of northeast. You see the clubhouse in the foreground on the left. You can see the rest of the project. You can see the amenity in the back corner there that I was speaking of, the pond, the walking path. The architecture building materials are always important. We have buildings made of masonry brick and fiber cement siding, so solid quality longstanding building materials and design.

So with all that as backdrop to know what's the substance of what we're talking about again and reminding everybody, you're acutely aware, I know each one of you are, because we can't get away from it, in this country we have a housing—you could call it a problem, you can call it a crisis, you can call it a lack of supplies, we need housing across the country. In the state of Kansas we have a housing issue. In Wyandotte County we have a housing issue, so this isn't specific to Wyandotte County, but it's very real. We lack housing and it's not a certain type of housing. It's housing at every price point, every demographic, every county you go to needs quality housing.

For this project, TWG's target demographics, within that problem right, where they're plugging in, are household incomes in the $40,000 to $60,000, so you kind of visualize that. In looking up on local job postings to see what jobs are out there for people with those kind of salaries for their household, here's the kind just, you know this, but kind of get your juices flowing on to target residents here, there was tons of postings for UG employees in that range. Bank personnel was on there, there was pharmacy employees, there was entry level firefighters, there was early childhood teachers, there was warehouse personnel and many others what I would call essential workers in our community.

Given the lack of quality housing at all price points, many of these workers that I just mentioned end up living in not quality Wyandotte County housing or they end up having to drive farther and go to Johnson County or Jackson County to live even though they work here.

With this particular project before you tonight, Victory Hills, given the median income in the particular census tract where this is located, is about $55,000. The project is eligible for federal tax credits to help the project happen, specifically low-income housing tax credits. Now, for some of you when I say low-income housing tax credits or federal tax credits, you have feelings, you have thoughts about it, some might even have negative connotations, but I'd ask that everybody slow those thoughts down and focus on what it really means to have federal tax credits for a $43M project in our community in KCK. In reality it's a good thing. In fact it's a great thing because it means that TWG can afford to spend $43M on what you're looking at on the screen on a high quality residential community with all the amenities I just mentioned and yet still keep the rents in that $800 a month to $1,600 a month, it's because of the tax credits. It's because the feds give us money and the state gives us money. That's the only reason you can deliver something that expensive in the price ranges and be available for those essential workers I just mentioned.

It's also worth mentioning, it's not just a high quality project, it's at the right location. It's perfectly situated in fact for this target demographic of a central worker. Telling you what you know, 11 of the UG's top 25 employers are within a 15 minute drive. That's the maximum 15 minute drive. I'm not going to read off the whole list, but you have Providence, you have Junior College, you have Village West, you have Urban Outfitters, you have Amazon. I could keep going.

Cities across the metro, both sides of State Line, all the counties you can think of are looking for projects like this for the reasons I just said, we have a housing crisis. This is not just a Wyandotte County issue.

The topic tonight about this project, hopefully, that refreshes you and gives you a good sense of what the project is all about. What's before you tonight is proposed Industrial Revenue Bonds, the public hearing where you decide whether that makes sense for this project. What does that entail? That includes two things; a sales tax exemption, Kansas Sales and Use Tax Exemption for construction materials and items used in the construction of the project so it helps reduce the cost of building the project. The second is a fixed Payment In Lieu of Taxes schedule. This isn't stealing your line, this isn't a BPU thing. This is the idea of real property taxes, what will those be and establishing a schedule for 10 years to help the project move forward.

This is the exact approach, I'm looking at a lot of you, you've been around for all these. This is the exact approach we've used on each of the western Wyandotte County multifamily projects that happen. Every single one of them has used this exact approach to make sure they're financeable and that they move forward, which I think everybody agrees has been really successful over the last 10 years that we've been doing that. Please know, just like those western Wyandotte County multifamily projects, IRB financing here is a critical part of making sure this high-quality housing community can happen. It's critical, it's essential. My opinion, this will be something this project if this moves forward, if this gets supported tonight, it'll be something all of you are proud of when it comes out of the ground.

It will help provide additional quality more affordable housing for the essential employees in this community and in the meantime there'll be other community benefits. I'm not going to do the whole list, but kind of hit some highlights. One would be population density, rooftops as the retailers call it. You start adding more rooftops like this and this is—I had conversations with most of you over the years about this and I think everyone agrees with the premise, it's the rooftops, it's the density, it's the people with the credit cards and the cash. That's what brings more quality retail, restaurants, etc., services to the State Avenue corridor from 78th Street on east, which I think everybody agrees is a shared goal. Construction jobs is an obvious one with a project like this that is a great capital investment. Property tax, all this land right here, this 25 acres, generates a whopping $4,900 approximately a year in property taxes. When this is done based on working with Matt Willard, the County Appraiser, this would generate taxes of something like $230,000 plus, which I know is a big deal. Look at the UG Administrator and how hard the task is right now of getting things rightsized, and budget, that's a lot of tax dollars that otherwise aren't going to be there.

I guess one more I'd mention, one more community benefit, you all worked hard on policy that says—that's in place now, that says when you issue Industrial Revenue Bonds that a portion of the fees that come out of that go to a local impact community benefit, so that would happen here as well.

In conclusion, Mayor Pro Tem, we would ask respectfully for your support tonight for Industrial Revenue Bonds for this project so that we can move forward and we would intend to be—I said the permit is ready to be picked up, close our financing within—the bond counsel for the UG would probably tell us within about three weeks or so, I might be pushing them a little bit after the approval, and we have a project that's under construction on this site by this summer. I'd be happy to answer, at the right time, any questions that you or anybody on the Commission would have.

Mayor Pro Tem Burroughs said, Mr. Petersen, I have a few questions if I may. Thanks for pointing out the deep retention pond issue. It's an issue I'm pleased to see you address. I think you called them guardrails that we had discussed when we met prior to this meeting. Would you walk the Commission through the process of how this appeared before us in reference to—is this the one that has the KDFA financing already set up with it? **Mr. Petersen** said are you asking more timing, are you specifically like when this was going to go and then the ice storm in January. Do you want that narrative or are you specifically asking about the resolution that was turned down six weeks ago just so I go on the right trail. **Mayor Pro Tem Burroughs** said it's been a couple of weeks. We had 14 days to respond or 15 days to respond. **Mr. Petersen** said the KDFA financing. **Mayor Pro Tem Burroughs** said I think it's important that the Commission understand what happened with that and if that's the avenue that we want to take as a Commission to have the negotiations occur prior to coming here and the incentives offered so that by the time it gets here the incentives have already been offered and if we choose to take action against those incentives, then we're anti-development. The messaging is it can be handled by those that have already made the negotiations and then bring it to us and ask us for an up or down vote on it. Could you walk us through maybe why you went to the state and had the KDFA funding in place and then give us the ultimatum to approve the project?

Mr. Petersen said sure. I hope it's not an ultimatum, but I wasn't aware of the narrative you laid out just for the record since it's official record—**Mayor Pro Tem Burroughs** said well, it's just an educational process because I anticipate this won't be the first one—I mean this may be the first one, but it won't be the last one that we'll have this discussion on. I think if we remember correctly, when the Mayor made comment that he wasn't—not that he was supportive of low-income tax housing, it was that he was supportive of it if it was a 55 and older senior community because of the location where it's at and that was his concern and I think there was a statement made that if we're not supportive of $150 some million of investment low-income tax credits, then we would ensure that the community knew that. I think those comments were made in that meeting. I know I was there. The comments were made and my comment would be why would you make that kind of a comment when the Mayor sets the vision as to what a community should embrace and when he made that—let's make it 55 and older and it was stated that no, we don't want to do the 55 and older, that it was going to be low-income tax credit housing. I don't believe that the Mayor is opposed to it, he just had his priorities because of the location this one was in.

Mr. Petersen said let me address your initial question, and just for the record too, that I did not make any—there was witnesses, I didn't make any statement like the one you just made.

Mayor Pro Tem Burroughs said no, I'm not saying you did. I'm just saying a statement was made.

Mr. Petersen said, Mayor Pro Tem, so I am going to dial it back to give context to the public stated question and then I'll answer it. The question that I'm hearing is did this developer, TWG, apply for KDFA financing and that was the subject of the resolution that you all considered a number of weeks ago. I'm going to start with that. As you heard me say, all the approvals and I went through the dates were done by the end of the year and the next step was to go to committee to have the essential IRBs considered and that was set for the first, I'm sure, the first Monday in January and you may remember there was an ice storm and we were on the agenda and we were planning on going and the ice storm hit and we got delayed. So, we were told at the time, and of course that happens sometimes, we'd go to the February meeting. We'd have it considered, go to the February full Commission and then be on our way and what ended up happening and we can stay high level for right now in case we need to get into the specifics, but we were not able to get on an agenda. This is actually the first time we were able to get on an agenda since the ice storm, which freezes up a $43M project when you have investors like JP Morgan, which we have and a bank that's ready to go and you lose your place, you lose your project.

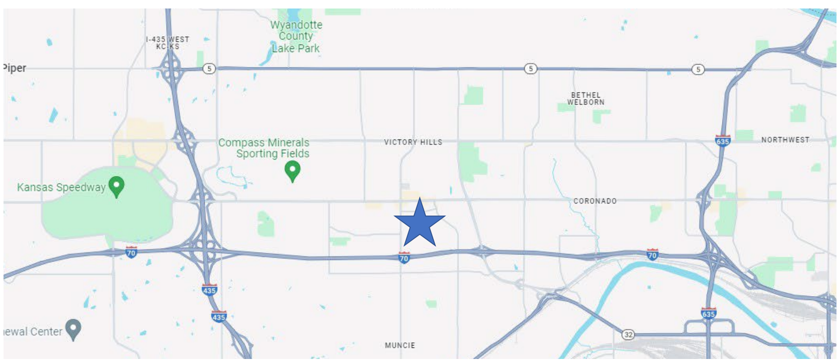
What we did is we said look, for the overall financing, there's the incentive piece that only this body can give. It's called IRBs and there's the overall financing, so without getting too deep in the financing, what we did because we became very concerned that we were going to lose the opportunity to do this project given the time that was going by and inability to get before the Commission, so we went to the KDFA and said we're going to put an application and depending on how long this gets pushed off, we may come with part of our financing through KDFA and we would get the rest of it through the IRB's. We always knew we had to come back here and the project either goes or it doesn't, based on what this Commission decides. The KDFA called—the KDFA an intelligent backup plan to keep things moving. We never had to go that direction because we found out there was going to be a meeting on April 11th and here we are and the project's going to go or not based on what happens tonight. So, KDFA was a backup plan and we're just fortunate we didn't have to go there because we got a meeting, so thank you for that.

Commissioner Bynum said two questions. The dollar amount of the IRBs being requested tonight is how much? **Mr. Petersen** said 40—up to 40—we always say up to, up to $43M. **Commissioner Bynum** said tell us again for the record what are IRBs, who's money is that and who pays for that. **Mr. Petersen** said this in fact, you know, the proper thing to do, if you don't mind commissioner, because you have a lawyer that specializes in that, I do know, but let's listen, if you're okay with that, Mr. Wempe.

Kevin Wempe, Gilmore & Bell, UG's Bond Counsel, said I'm also here tonight with my colleague Bill Burns, not to be confused with our absent commissioner tonight, but he's one of our multi-family housing experts within the firm also working on this project. Madam Clerk, I do have a short set of slides. It would be a good time to cue those up, but it's been several months since I've had the opportunity to address you. So, to introduce myself to some of the new members spare me 30 seconds and refresher for the rest of you. Again, we are your bond attorneys engaged to represent the Unified Government and on this proposed transaction there's multiple parties, there's developers, bond purchasers, tax credit all represented by separate counsel. You just heard from Mr. Petersen who represents the developer and we are your representatives and advocates as your bond counsel.

As you're aware the Unified Government can issue bonds for all sorts of purposes, infrastructure, public buildings, and so forth as well as your economic development projects similar to this one and on all those our role as your bond counsel is to coordinate with staff, prepare legal documentation, make sure we're following the statutory procedure and ultimately render our opinion as to the validity of the transaction, bonds, and tax status of the bonds. Thanks for sparing me to refresh on that and now I do have a handful of slides that will address some of Commissioner Bynum's questions and also I'll be happy to try to address any you might have when we're through here.

Location:
NEC N. 78th St. & Tauromee Ave.



Mr. Petersen already oriented us, obviously, just highlighting where the projects location is here, so we can skip to the next slide.

Incentive Application:
IRBs for Sales/Property Tax Incentives

- Five multifamily buildings and related amenities
  - ~152 units
- $43M principal amount
  - $38M Tax-Exempt Series 2024A (purchaser: CRBT)
  - $5M Taxable Series 2024B (purchaser: applicant)
- Incentives Requested
  - Sales tax exemption
  - 10-year property tax abatement (~50%)

This slide attempts to boil down the requests and talk about the IRBs and financing that's contemplated here. Again, up to $43M is the request in the application and this is driven mostly by state law and tax law and I'll try to identify when I'm hopping back and forth, but $43M addresses a state law requirement that for property tax abatement and sales tax exemption, which are the two incentives requested here under IRBs. There's a requirement in the statute that all the costs must be financed by bonds and so when Mr. Petersen refers to a $43M project, that's why the bonds are sized at that amount and we'll note that there are two series contemplated here. One is a tax-exempt piece at $38M and then a second tag on taxable piece to fill out the rest of that $43M to address the state law consideration that I just mentioned. For purposes of the A Series, the Tax-Exempt Series, that is intended to be purchased by Cedar Rapids Bank & Trust, which the developer brought along for this transaction so it can be privately placed with that bank.

Then, the B Series is more like your typical or usual IRB where the developer will be purchasing its own bond in order to access those incentives. Again, this is an incentive request. IRBs come with sales tax exemption on construction materials and up to a 10-year property tax abatement on the project. In this case, that property tax abatement is considered a 50% abatement and is for the maximum of 10 years.

Like any incentive request, this is fully at this body's discretion. There's nothing compelling you or requiring you to act or approve, so it's completely at your discretion whether to proceed tonight.

LIHTC & Affordable Housing

- "Qualified" multifamily facilities under tax code
  - 20-50 test or 40-60 test (units-AMI)
  - Affordability restrictions in effect for 15 years
- IRBs utilized in conjunction with LIHTC
  - Requirement: at least 50% of project costs must be financed with tax-exempt bonds (Series 2024A)
  - KDFA often the issuer
- Why two series of IRBs (2024A & 2024B)?
  - Tax-exempt 2024A bonds sized between bank purchaser and developer
  - Taxable 2024B bonds complete capital stack for purposes of granting incentives

This slide gets into some of the tax code minutia that I mentioned. I don't want to get too bogged down here, but I do think it's worth going over briefly so we can really hone in on what's going on with the A Series, the Tax-Exempt Series. When you hear tax-exempt bonds, typically we're referring to, and in your mind you're probably thinking of governmental projects, you know your streets, sewers and so forth and the federal government provides its grant of a tax exemption to lower your borrowing cost on those types of projects. The tax code also reserves tax exemption, the benefit of the tax exemption for certain qualifying private activity bonds, and included in that list is qualified multifamily facilities that meet certain affordability criteria. Listed there—I know there's several sub-bullets, but there are two texts that refer to the amount of units, the percentage of units offered, and at what percentage of the area median income. Those affordability restrictions are in effect for 15 years from when the project begins operating.

For practical purposes for this project, as mentioned, tax credits are involved and those actually require the full amount of affordability, 100% affordability, in order to access those tax credits. These metrics will be met easily with this project. The requirement to issue these bonds and be granted those tax credits is that at least 50% of the project cost must be financed with tax-exempt bonds and so the A Series, the Tax-Exempt Series, meets that criterion in order to finance at least half the project with those tax-exempt bonds. Again, jumping back to state law, the $5M taxable series that's going to be placed with the developer is again just to access the property tax and sales tax incentives.

Comparison to "Usual" IRBs

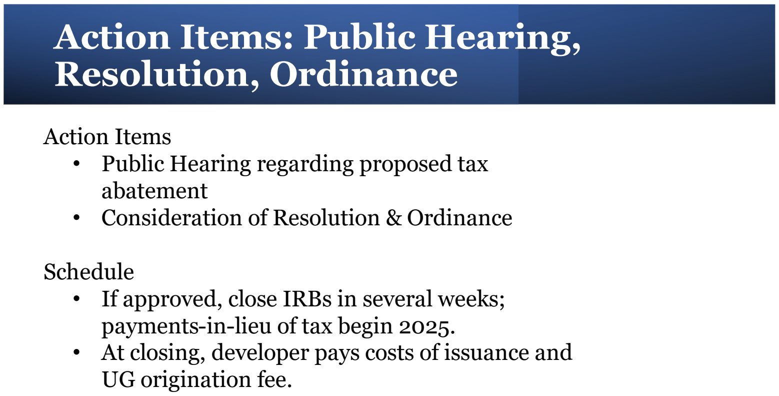
- Key Differences
  - Third-party purchaser of Series 2024A
  - IRBs issued "upfront" to provide construction financing
  - Series 2024A remains outstanding longer than 10-year abatement period
- Key Similarities
  - No repayment/credit risk to UG
  - Tax abatement contingent on usual performance covenants, plus preservation of affordability metrics required by tax code

I mentioned a moment ago, your usual IRBs or your typical Industrial Revenue Bond issuances are purchased by the developer, and again, just solely for purposes of the sales tax and property tax IRBs. Again, here the bonds in this case are being issued to provide construction financing and satisfy the tax code requirements that we mentioned on the last slide. So, here we're highlighting a few of the key differences and similarities between those, what I'll call, usual buy your own bond deals versus what's contemplated by this developer. First of all there's a third-party purchaser, that's Cedar Rapids Bank & Trust of the A Series, rather than developer buying its own bond.

Second, IRBs are issued upfront and actually provide construction financing here to satisfy the tax code requirement. In comparison to your usual buy your own bond deals, those are issued at the end of the project and that's to maximize the value of the property tax exemption for the full 10 years upon completion when the project's fully valued. Here where the bonds are being used to provide construction financing, obviously, that's at the front of the project. So, the first couple of years while the bonds are outstanding will actually be during construction. That affects the Payment in Lieu of Tax schedule. Again, ordinarily, it's over the 10 full years of value after the project's completed whereas here the PILOT schedule or Payment in Lieu of Tax schedule contemplates that the project is partially complete for the first two years of that PILOT schedule as they're under construction and the project isn't fully on the tax rolls.

The final key difference is maturity. The 2024A Tax-Exempt Series is longer than the usual 10-year abatement term and just like if you were buying a house and chose your amortization schedule to repay your loan, that's part of the deal there. We do have the ability to issue those IRBs for a longer period. Some of the key similarities between your usual IRBs is the first key bullet point is that there's no repayment risk of the bonds and no credit risk to the Unified Government for those bonds. In fact, there's a statutory prohibition of cities pledging their full faith and credit to repayment of Industrial Revenue Bonds, so you have that statutory shield and also these bonds are not publicly offered or subject to public disclosure. Again, they're being placed with CRBT and so your role as that conduit issuer remains the same in this case.

Second, the usual performance covenants in that Payment in Lieu of Tax agreement are present here as well including timely construction, local minority and women-owned business metrics, maintenance and upkeep of the property and so forth with the tag on the affordability metrics required by the federal tax code.



For tonight's action items, there's a public hearing required by state statute that's been called for tonight. That'll be your first item and then after that there's consideration of a resolution of intent and an ordinance authorizing the issuance of the bonds, which begs the question why two action items. The statute contemplates both a resolution of intent and an ordinance authorizing the issuance of bonds. Ordinarily you see the resolution at step one before construction and then at or near completion the developer returns to have the bonds issued. Here, tonight, for all the reasons we've discussed, both items are taking place on the same date and, again, there are several other bodies including the Kansas Board of Tax Appeals that reviews these proceedings and that's how they're used to seeing things packaged as well, so there'd be familiarity with that process.

The schedule from here, if you choose to proceed, would be that we'd coordinate with the other parties on the transaction to arrange closing several weeks from now and that Payment in Lieu of Tax schedule by state law would begin in the year 2025 and at closing, again, the developer would pay cost of issuance and the UG's origination fee for Industrial Revenue Bonds. Hopefully, that addressed some of your questions. I'm happy to try to fill in.

Commissioner Bynum said I appreciate the slide presentation. To confirm with you, the Unified Government as the conduit issuer of IRBs, those bonds do not go to the bottom line of debt of the Unified Government nor add to our bonded indebtedness of the Unified Government in any way. Is that correct? **Mr. Wempe** said they are your bonds, they're UG bonds, but you're in no way liable for repayment of those.

Finally, Mayor Pro Tem, just a comment, I was at a meeting just this morning where Dr. Anna Stubblefield was the speaker. She's the Superintendent of the Kansas City, Kansas School District and she shared with the group that the starting salary for a teacher in the KCK Public

School District is $50,000 and that is the highest starting wage for a first year teacher of any district around us. So, that starting salary of a teacher in our school district is right in the middle of the target income range for these apartments.

Commissioner Lopez said, Mr. Petersen, what did you say our tax revenue was on this? You said something about it was like four grand and then it's 200 and some thousand. **Mr. Petersen** said yes sir, using round numbers. I said $4,900 right now and, again, I'm rounding and the estimate that I learned through the WYEDC who is working with Matt Willard, the County Appraiser, was approximately $232,000 in property taxes once constructed. **Commissioner Lopez** said I like how you said—I mean not like you said it condescending or anything, but the way you said it was, you know, we have a housing issue, which we do, because of all the tax abatements we seem to be giving away and then on this whole deal you're—you know it's a 10-year tax abatement. Well, that's why we're here in the first place is all the tax abatements, no wonder we have a housing issue. Then, also on that third-party purchaser financing, doesn't that affect our bonds APR somewhere? I mean there's a third party, that means that bank is going to want its cut, so the APR is going to be a little more somewhere. **Mr. Petersen** said, Commissioner, what I heard was, your attorney just said it didn't and that's really—if you want to ask him again yourself, it's really not a developer lawyer question.

Commissioner Lopez said maybe you can go back to the third-party purchase or financing, what you meant by that. How about that? **Mr. Wempe** said no problem. The 2024A Series, Tax-Exempt Series, CRBT is the purchaser. Again, that's the developer brought with them. In simplest terms, think of it like your mortgage lender if you're buying a home, so they are their private financing. It's wedged—to use a crude term, it's wedged into a tax-exempt bond deal to accommodate the federal tax requirements and these bonds are called—they're leasehold revenue bonds and so the lease payments made by this developer are assigned to that bond purchaser and, again, the UG is not liable for repayment of these bonds.

Commissioner Lopez said okay, but on the other—I mean for Petersen here, the 10-year abatement, you know, and the $232,000, well that's just going to cut it in half if you want 50% on a 10-year abatement. You know this is our housing issues because of all the tax abatements and then it just kind of opens the doors for you know, maybe I don't know, government housing to come in and this just kind of puts us in a spot, but I get that. But anyway, all right, thank you. **Mr.**

Petersen said I just went from your math. I totally agree with your math, but where I end up probably at and you get to vote, I don't, but the ultimate math equation was 232 divided by 2 for 10 years plus it increases, there's an inflator—there's a lot more money than the $5,000 today and then certainly in year 11, you know, for as long as the useful life, there's to be a lot of taxes, so that—**Commissioner Lopez** said I get that, but you know then we yeah—okay.

Commissioner Stites said when you were talking about the estimated 230 for the PILOT, would that—is there a built-in escalator in that or is that after year one or does it escalate throughout the course of the project? **Mr. Petersen** said I'm going to say it back to you, so we're really clear on the record. So, 232 was the WYEDC, Matt Willard exercise estimate, what it goes on the books for. The requested abatement is 50%, as Commissioner Lopez is correctly identifying, and then that amount, and frankly, not to get too in the weeds, but a lot of you guys have done this a lot, there's eight mills that are held harmless which ends up being another 4.6%, something like that. So, there's even more money that comes in on top of that, but then that PILOT amount that we're talking about, does inflate at 2% starting in year four every year and then if for some reason the developer, this won't happen, but didn't abide by the LMW requirements, it would be 4%, so we built that—I know Commissioner Townsend has been—if I could say that, outspoken in a good way I think, on making sure that's always the case, that is absolutely the case here, so that's the possible two different inflators.

Commissioner Stites said yeah, and that's what I was wanting to make sure that there—that I was tracking it right, that there was a built-in escalator. I'll give this as just a food for thought, $4,900 a year is what it's currently paying in taxes. If that ground remained at that cost with nothing being developed on it right now, it would take us 47 years to get what the year one PILOT of $232,000, year one. Let that just sink in for a little bit.

I know we talked about 55 and older, I would like to see down the road that there would be a real concerted effort for us to look at some 55 and older projects. They are needed, as we said, and talk about how many—the housing that's needed all across the spectrum and I think this is one component and I also think that 55 and older is another component that's been identified that I would like to see a developer back in front of us with a project of that sort. **Mr. Petersen** said I agree.

Commissioner Townsend said Commissioner Stites got to one of the issues that I just wanted to clarify. I've heard so many numbers and in this homework packet, which included, this is Exhibit A, the Payment in Lieu of Tax schedule. Did you say currently it's $4.9 thousand in taxes that property's—**Mr. Petersen** said $4,916. I'm rounding. **Commissioner Townsend** said $4,900, right. According to the schedule, if this project goes forward, when would you start paying the annual PILOT, the Payment in Lieu of Taxes. I'm saying, would that be 2025, would that be the first year? **Mr. Petersen** said let's make sure—because you're spot on. That's a place—so we're looking at Exhibit A everybody, which I don't have the number version to know what page, but if anybody's getting to that page, it's the place to look. So, this is getting into the nitty-gritty, this is good—**Commissioner Townsend** said I don't want to get too much into—**Mr. Petersen** said just a little bit of nitty-gritty. **Commissioner Townsend** said I just want to make sure that I am following, that currently this bottom line, currently—**Mr. Petersen** said 2025—**Commissioner Townsend** said currently $4,900 is the tax yield on this property. If this moves forward, the first year it would be paying as a Payment in Lieu of Taxes for what it will ultimately be worth after completion $47,775. **Mr. Petersen** said yes ma'am, that is the first of 10 years of PILOT payments in 2025 of $47,000 a year, you're correct. **Commissioner Townsend** said and then in the 10th year, it's $135,136 assuming that the MWB/LM minimums are met. It would be more if they're not met. **Mr. Petersen** said precisely right.

Commissioner Townsend said another question I had, and thank you Commissioner Bynum for bringing up the issue, and I think our bond counsel talked about that this is not a debt of the Unified Government, no obligation to pay. We talked about 55, we need housing, I agree at all levels, but in this project it is not just limited. If someone 55 wants to rent, they could or if somebody who's 25 or 35, is that correct? **Mr. Petersen** said absolutely correct. **Commissioner Townsend** said what would be—again putting into perspective the number that Commissioner Bynum cited with salary for a teacher in our district, starting salary, what do you see as the average cost of one bedroom, two bedrooms apartments? These are things that people would want to be concerned about. How much would it cost to move into one of these units? **Mr. Petersen** said great question. So, it has one bedroom, two bedrooms, and three bedrooms and the general range, and this is general based on the program and the caps and all that we've been saying, $800 to $1,600, so you can imagine the three bedrooms, the most expensive and the one bedroom are the least expensive. You know there's a swag around that of $50, but that gives you a really good sense of the range, that $800 to $1,600 a month. So, somebody coming in for a one-bedroom is going to be right around that $800 whether it's $760 or you know $790 or $800 exactly.

Commissioner Townsend said you're saying TWG, the project proposer, they have a personal investment in this project. **Mr. Petersen** said absolutely. **Commissioner Townsend** said is the amount they're putting in, would that be considered an average, above average for a project of this size and type? **Mr. Petersen** said yeah, very standard for a federal tax credit project like this. You kind of hear all the details and tax, this is the pattern just like—although they do all types of housing, including federal tax credit housing. You heard they've done $2B, so I know just from working with them, this is very standard what they've done across the country in terms of amount that they put in and versus JP Morgan versus the lender and all that. **Commissioner Townsend** said those are the questions I had for sure.

Commissioner Hill said, Mr. Petersen, I just noticed one of the comments in this proposal and I just would like for you to kind of give us a little more detail on that. This is in regards to goals for LBE/MBE/WBE participation. In this it says we will use best efforts to meet the LBE/MBE/WBE participation, so could you explain that a little further? **Mr. Petersen** said yes ma'am, I'd be happy to. This goes back my entire career of working with the Unified Government, not just with IRB that every context when we have an LMW agreement like this, this is very standard and good and workable, so I'm looking at it right now. The agreement sets forth on the second page, that's label D2 for what it's worth in my packet. It sets forth the percentage of total construction cost for local minority and women professionals enterprises of 12%, 6% and 4%, so that's setting the goals immediately. So, what happens is, and long ago I had this conversation personally with TWG, I introduced them to compliance. I said this is who you're going to be—meet each other. You need to be best friends because you need to rely on them to make sure you're getting all the right lists and where you publish and make sure everybody in this community, local minority women, know about the opportunity for the project and then you use best efforts to make sure that they have every chance to bid and then you go through—I'm telling you guys have been seeing this a million times, you go through it, you pick whatever's best, you make sure all those records are submitted in a certain format to the UG Compliance Office. Then, at the end of it, there's a definition and we can look it up if we need to, of exactly what does it mean to use best efforts to achieve the goals. It doesn't mean you always will or have to achieve the goals. We like it when the developers do, but if they don't, they at least have the Compliance Office reviewing all their information, everything they did, who they went to, to make sure that they did truly use best efforts to reach those goals. That's in sum what that agreement is.

Commissioner Hill said okay and then do you all go back and see their best efforts, do you take a look at it? **Mr. Petersen** said in my role as developers counsel, and I kind of laugh and I know I'm going to get a nod of the head, one of the very first conversations I have about projects coming to this community or I have a conversation about LMW and I'm getting big nods and I make it happen immediately, I put in an email this is really important. But the reason I'm saying it like that is I don't every day go out and meet with subcontractors and do the bidding. That's up to the company and then at the end I make sure that they're getting their paperwork in correctly and then who reviews it isn't me. I mean I do look over their shoulder a little bit. It is the UG Compliance Office that goes through it and makes sure they can report to all of you whether best efforts—**Commissioner Hill** said okay.

Commissioner Lopez said I have a quick question. When you said this address, where it's at, how many parcels are you bringing together on this? **Mr. Petersen** said I try to have the answer to every single question that could be asked—**Commissioner Lopez** said I mean I see one parcel here, but then—I mean this can't—there's no way—**Mr. Petersen** said we had to replat. There's four parcels. I cheated, I phoned a friend. There's four parcels and we're replating that. We did replat it. We haven't recorded—sorry, we have an approved plat that takes those four partials, Commissioner Lopez, and makes it one lot so we can build on it, but we haven't recorded it because you wait until you make sure that this body approves your IRB financing, then you go record your plat, close your financing and move forward, but four parcels to answer your question. **Commissioner Lopez** said I see, okay.

Mayor Pro Tem Burroughs said I'm going to move on for public comment. We kind of let the developer and staff give us an extensive overview as to why we're here with the project in the form it is, but now I will open the public hearing. I will remind everyone that comments should be limited to the topic of the item per the Commission Rules and Procedures. I will ask the Clerk if there were any notifications received from the public who wish to express their comments in favor of the item. **Ms. Sparks** said no comments were received. **Mayor Pro Tem Burroughs**

said is there anyone present who would like to speak in favor of this item? **Ms. Sparks** said we've had three individuals sign up. I don't know if they are all in favor. **Mayor Pro Tem Burroughs** said and they're in favor of the item. We will get to those that are opposed shortly.

Carolyn Wyatt, 359 Troup, said I am in favor of any type of development. I have no problems with development. You said 55 and over. I think you need to stay with that because I don't think older people want to be running around. You know younger people running into the apartments because they have friends younger, make loud noises and everything, so I think 55 and over should stay that way. I also think that in order to get what you need for is personally getting hard. If you want to say minority, could be women, so you have to state that. Minority, African American— **Mayor Pro Tem Burroughs** said, Ms. Wyatt, could you speak into your microphone because we want to make sure we can hear you. **Ms. Wyatt** said I want to say that minority could be women, so when you want to try to get every race, so African Americans, you have to specifically say what you want because you don't have section three here, which I think one of the commissioners should go for that section three ordinance because that way you are getting everybody that you need and nobody is getting left out, section three.

Then another thing, I think that as far as teachers salary, it could be high because they do a good job with the kids, but I think a lot of teachers they're hiring in the district, they don't live around here. Superintendent, they don't live around here, so they're not paying no taxes around here, so you've got to take that in consideration. They don't live here, they live outside here, Lawrence, Overland Park, most of them, so they don't live around here, so they're not contributing. I'm just saying that so you'll know that because if the (inaudible) and if our taxes go up, their taxes don't because they don't live here. They take it back to where they live so they're not contributing here. At the same time, I'm for the teachers, I'm good for education, kids first.

Another thing I want to say is that we do like development. I'm not against development nowhere, especially the northeast. **Ms. Sparks** said one minute remaining. **Ms. Wyatt** said what I'm saying is that for the convention center is too small, 300 people, class reunions are here, it's more than 300 people. Family reunions are here, it's more than 300 people. I'm not against it, it's too small. It's just too small.

Fannie Hill, Wyandotte County, said I'm all for development. I'm glad to see development, but we are in desperate need of low income housing and I think you should consider making some of those, maybe 25% for low income and $50,000 in this area is a big income. You have, mostly in this area, people who are barely making $30,000-$40,000 and some of the seniors, 55, disabled, they don't have that kind of money. My question is like I'm all for development, but I think we need to look at the tax credits. I mean if we can give the land, can't we cut the tax credit. There's going to be a lot of money made off of those apartments, so I'm feeling like the PILOT is good, but I pay the PILOT and the tax. When I built my home here, I didn't get a dime for tax. I built my home on 43rd Street so I wouldn't pay high taxes. I'm still paying $5,000 today and I'm on 43rd Street and they never gave me not one incentive of taxes. For three years it took the developer to finish building my home, so I feel like if we can get the developers and the developers would consider not taking so much tax dollars because this is a county that's being oppressed because of the high taxes and we need help. We expect the developers when they come in, to help us, so we're asking you to consider the 10-year tax break. Maybe you can cut it down to two years or until they finish building it because there's going to be a lot of money made and I think they should pay the PILOT like I pay as well as the taxes. If you and the developers can work together to come up with some kind of way to bring those tax dollars back or at least cut it down, maybe after you finish two years because a lot of developers come in and then when it's time, 10 years is up and time to pay the taxes, they're gone, sold the building and made their million, so I'm asking you to consider that.

Ms. Sparks said we have Laura Marsh. I believe Ms. Marsh has left. No one else has signed up.

Greg Kindle, President of the Wyandotte Economic Development Council, and KCK resident, said I didn't know I was supposed to sign up. I'm here in support of the issuing of Industrial Revenue Bonds for TWG Victory Hills to develop a 152 unit multifamily development located at 745 No. 78th St. Normally, I would focus my time on how there is less than $5K property taxes generated on this property today and that this $43M housing investment will generate more than the $100K in taxes during the PILOT period and then more than $230K after the PILOT period is over, should you approve the request, and these are all net new taxes. Generating more revenue for the community is usually what I'm up here talking to you all about and it is an important piece of it, but tonight's conversation, in my opinion, is about whether you all believe we should use the same incentives and distress census tracks as we do in western KCK.

Today we do 50% abatements on nearly every market rate apartment project near the Legends and we've supported those investments because we want to increase housing across the entire community and these projects are incredibly expensive and very difficult to finance and we want to remain competitive in the market. Today we want to use that same process right here in a distressed census track. I think it's worth noting that we don't determine when a census tract is deemed distressed. That's based on median household income thresholds through the federal government, but being in a distressed census tract adds a level of risk to the developer seeking that financing. The disposal income in that location is more limited and at the same time we want quality housing. We want the same level of amenities. The median household income in that zip code is just shy of $55K. The federal government says we shouldn't spend more than 30% of our household income on housing whether it be rent or mortgages, which means in this zip code we shouldn't be spending more than $1,375 a month on rent. The rent on these apartments are $800 to $1,600. So, if your salary is $30K to $60K-$70K, in this market you want to buy a home in Wyandotte County, finding a home that's $90K to $210K is nearly impossible today. **Ms. Sparks** said one minute remaining.

Mr. Kindle said I want to make sure that our support for this project is clear. This isn't about creating poverty housing, this isn't about Section 8 housing, this is about middleclass housing. They're using federal tax credits as a financing tool and I think one more point that maybe hasn't been stated is that without you all approving this request, that's your choice, the taxes on this project per door will be twice that of what similar projects pay in the Legends area. We think this project should be treated the same in providing the equal level of amenities and investment. We ask you to vote in support of this request and we thank you for your time and consideration.

Mayor Pro Tem Burroughs said is there anyone else present to speak in favor? Is there anyone here to speak in opposition to this item? Is there anyone online who would speak in opposition of this item? **Ms. Sparks** said we have no hands raised. **Mayor Pro Tem Burroughs** said that's the same as virtual, correct? I want to make sure that we have phone and virtual. If there's no other comments, I will close the public hearing. Would the applicant care to make and closing statements? **Mr. Petersen** said no, but thank you for asking. If there are more questions, we're here. **Mayor Pro Tem Burroughs** said seeing none…

Commissioner Davis said so many of the things that have already been said, I was going to say, so I did not want to be redundant, but I do want to emphasize because there was a comment made—I forgot who, forgive me, about the developer building this and then leaving. There is a mandate when it comes to using low income housing tax credits, it's for a 15-year ownership and so if they wanted to leave, they can do that, but they have to do that after those requirements have been fulfilled by the federal government. They would not be able to leave beforehand or else they would be subjected to penalties, not just—obviously, the public will right of Wyandotte County, but these are federal dollars. That's a federal program. I don't know about you all, but I don't want to get in trouble by the federal government. I want to do what they say.

I do want to emphasize seniors can live here. Seniors can live here, seniors can live here, they can live at any LIHTC project. If the majority of the applicants are seniors, they can go ahead and put a stake in and say yeah, this is where we are at. I just want to make that very, very clear, there is no restriction. Seniors can live at this particular project.

There was another comment that was made about the PILOT and to just kind of parse this out, the Payment in Lieu of Taxes that we are discussing is just about property taxes. There are still payments that are being made. In year three we're talking six figures, over $100K. Right now that property is generating about $4,900 and so we all can do the math and what the benefit is to that. But in addition, something we did not fully discuss, colleagues and you all this is made public, it's in the agenda, there's the cost benefit analysis which has estimates on what revenue would be generated by the project. So, we have the PILOT payments that we discussed that are about property taxes. We didn't discuss BPU. The estimate for this particular project for BPU, I'm reading this as, and someone correct me if I'm incorrect, city utilities and franchise fees is $464,064 and so that is in addition to the PILOT payments that are made. There's also estimates on sales tax, there's also estimates on income taxes, right, because we want to grow our economy, we want to grow our community.

With that, Chair, I'll just ask if we can—because I know there are two actionable items that need to take place, if we can be reminded of what those two actionable items are just so that we can get recensored and then, hopefully, get out of here in a decent hour.

Mr. Wempe said I would be happy to address the two action items. The first is the resolution of intent and that's what the statute contemplates to really boil it down, bless the payment in lieu of tax schedule, the tax abatement and your intent to issue these bonds and attached as Exhibit A to the resolution is that Payment in Lieu of Tax schedule we've referred to throughout here.

The second action item is an ordinance required by state law to issue bonds, and again, you're used to seeing these spread out in time with construction of the project occurring between the two for normal IRBs, but because these IRBs are anticipated to provide part of the construction funding, they're being considered on the same agenda tonight. Does that answer your question?

Action: **Commissioner Davis** said yes it does, and with that, I'll make a motion to approve a resolution of intent to issue revenue bonds for this project which is TWG Victory Hills LLC. **Commissioner Bynum** seconded the motion.

Mayor Pro Tem Burroughs said, Committee, any comments, any questions. Seeing none, Clerk, please call roll.

Action: **RESOLUTION NO. R-16-24,** "A resolution determining the intent of the Unified Government of Wyandotte County/Kansas, to issue its Multifamily Housing Revenue Bonds in the aggregate principal amount of not to exceed $43,000,000 on behalf of TWG Victory Hills, LP, an Indiana Limited Partnership, to finance the costs of acquiring, purchasing, constructing, installing and equipping a multifamily rental housing development and related facilities." **Commissioner Davis made a motion, seconded by Commissioner Bynum, to adopt the resolution.** Roll call was taken and there were six "Ayes," Hill, Kane, Stites, Davis, Bynum, Townsend, and one "no," Lopez.

Mayor Pro Tem Burroughs said, Legal, that covers both items on the resolution or do we need to vote on Item 2 and have the additional discussion on the ordinance? **Ms. Lawson** said the vote covered the resolution, but not the ordinance, so you can have discussion if the Commission wants discussion on the ordinance.

Action: **Commissioner Davis** said I'll make a motion to approve the ordinance authorizing the issuance of Industrial Revenue Bonds for the project. That project being TWG, Victory Hills LLP. **Commissioner Bynum seconded the motion.**

Action: **ORDINANCE NO. O-49-24,** "An ordinance authorizing the Unified Government of Wyandotte County/Kansas City, Kansas, to issue Multifamily Housing Revenue Bonds (Residences at Victory Hills), in one or more series, in a principal amount not to exceed $43,000,000 for the purpose of providing funds to pay the cost of acquiring, purchasing, constructing installing and equipping a multifamily rental housing development and related facilities; authorizing the issuer to enter into certain documents and actions in connection with the issuance of said bonds." **Commissioner Davis made a motion, seconded by Commissioner Bynum, to approve the ordinance.**

Mayor Pro Tem Burroughs said any comments? Seeing none, Clerk, please call roll.

Roll call was taken and there were six "Ayes," Hill, Kane, Stites, Davis, Bynum, Townsend, and one "no," Lopez.

Mayor Pro Tem Burroughs said with no further business to come before the governing body, I'll entertain a motion to adjourn.

Commissioner Kane made a motion, seconded by Commissioner Davis, to adjourn. Roll call was taken and there were seven "Ayes," Hill, Kane, Lopez, Stites, Davis, Bynum, Townsend.

MAYOR PRO TEM BURROUGHS AJOURNED
THE MEETING AT 7:00 p.m.

Monica L. Sparks
Interim Unified Government Clerk

dt