Economic Development and Finance
Standing Committee Meeting Agenda

Monday, November 4, 2024
5:00 PM

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

Please click this URL to join. https://us02web.zoom.us/s/81959115183
Webinar ID: 819 5911 5183
Or One tap mobile:
+16694449171,81959115183# US
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Or join by phone:
Dial (for higher quality, dial a number based on your current location):
US: +1 669 444 9171 or +1 669 900 9128 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or +1 689 278 1000 or 888 475 4499 (Toll-Free) or 877 853 5257 (Toll-Free)
International numbers available: https://us02web.zoom.us/u/kwQEjmsPF

Name	Absent
Commissioner Tom Burroughs, Chair	☐
Commissioner Gayle Towsend	☐
Commissioner Chuck Stites	☐
Commissioner Bill Burns	☐
Commissioner Phil Lopez	☐
Stevie Wakes, BPU Member	☐

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

II. **Revisions to November 4, 2024 Agenda**

III. **Approval of standing committee minutes from April 3 and August 14, 2023.**

IV. Committee Agenda

Item No. 1 - RESOLUTION: ANNUAL CASH AND INVESTMENT POLICY APPROVAL

Synopsis: A resolution adopting the Unified Government's Cash Management Policy for 2024-2025.

Tracking #: 21414

Item No. 2 - RESOLUTION: THIRD AMENDMENT TO THE PERFORMANCE AGREEMENT FOR THE CRITERION DEVELOPMENT

Synopsis: Adopting a resolution authorizing the Mayor/CEO to execute the Third Amendment to the Performance Agreement for a 232-unit commercial multifamily development located at the corner of State Avenue and 115th Street, between the Unified Government and CPC Land Acquisition Company, LLC (Criterion), delaying the commencement date until December 31, 2025, and delaying the completion date until December 31, 2027.

Tracking #: 21446

Item No. 3 - RESOLUTION: FIRST AMENDMENT TO THE PERFORMANCE AGREEMENT FOR THE DEVELOPMENT AT 4601 RAINBOW

Synopsis: Adopting a resolution authorizing the Mayor/CEO to execute the First Amendment to the Performance Agreement involving the commercial multifamily facility at 4601 Rainbow Boulevard in Kansas City, Kansas.

Tracking #: 21447

Item No. 4 - RESOLUTION: BUC-EE'S FAMILY TRAVEL CENTER DEVELOPMENT AGREEMENT

Synopsis: Adopt a resolution authorizing the Unified Government to enter into the Development Agreement for Buc-ee's Family Travel Center to be located at 601 Village West Parkway in Kansas City, Kansas.

Tracking #: 21448

Item No. 5 - RESOLUTION: THIRD AMENDMENT TO DEVELOPMENT AGREEMENT (KANSAS ENTERTAINMENT LLC)

Synopsis: A resolution approving the Third Amendment to the Development Agreement between the UG and Kansas Entertainment, LLC.

Tracking #: 21372

V. Public Agenda

VI. Adjourn

ECONOMIC DEVELOPMENT AND FINANCE STANDING COMMITTEE MINUTES
Monday, April 3, 2023

The meeting of the Economic Development and Finance Standing Committee was held on Monday, April 3, 2023, at 5:00 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, Stites, McKiernan, and BPU Board Member Haley. The following officials were also in attendance: Garner, Mayor/CEO; Debbie Jonscher, Acting Chief Financial Officer; Patrick Waters, Deputy Chief Counsel; and Monica Sparks, Deputy UG Clerk.

Chairman Burroughs said before I call the meeting to order, I want to announce that some committee members, staff, and the public are attending remotely via Zoom as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. When speaking, please speak directly into the microphone to ensure everyone listening is able to hear your comments and to ensure a clear record is made. During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants and is the current guidance from the Kansas Attorney General.

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

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

Chairman Burroughs asked if there were any revisions to tonight's agenda. **Monica Sparks, Deputy UG Clerk,** said yes, Mr. Chair, we have one revision to tonight's agenda. A blue sheet was issued adding item number three, Presentation Downtown Campus Project options.

Chairman Burroughs said our first order of business is the approval of minutes from our July 11, 2022 meeting, I do hope that members have reviewed those minutes of the meeting, and when you have a moment I would ask for a motion to approve.

Approval of standing committee minutes from July 11, 2022. **On motion of Commissioner Davis, seconded by Commissioner Stites, the minutes were approved**. Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Chairman Burroughs said I do want to recognize that the Mayor is joining us tonight as an ex officio member. Welcome, Mayor, to the Economic Development and Finance Committee.

__**COMMITTEE AGENDA**__

Item No. 1 – 212322…RESOLUTION: AMENDING MASTER EQUIPMENT LEASE PURCHASE AGREEMENT WITH BANK OF AMERICA PUBLIC CAPITAL CORP

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

Debbie Jonscher, **Acting Chief Financial Officer**, said this is a resolution amending our current Master Lease Purchase Agreement with Bank of America. Included in your packet you will see the resolution to amend the agreement, the amendment itself, and a list of equipment that was previously approved for lease finance by the Commission. So, I just wanted to talk a little bit about the amendments and the previous action that has been taken. This agreement was signed in 2021, so this is our second amendment to the agreement. The amendments are one year in term, so this amendment would extend this agreement to December 31, 2023. I do want to note that it also includes an amendment to the price formula. The formula that was in the original agreement when it was approved was the table that included the LIBOR rate. As of June 30th that table will be no longer updated. So, Bank of America has requested that we switch and modify the agreement to include a new rate, which is the SOFR rate, which is a secure overnight financing rate. So, we just included a new table. We did review these with Bank of America as well as our Bond Counsel to look at the rate. I think we did an analysis but using both rates it came up pretty much the same rate for both tables. We do this as an alternative that can be used for the agreement.

Also, I guess just a list of equipment that is included in your packet that shows a total of $6,000,000 for leased equipment, some of that is 2022 equipment that we did not receive prior to the end of the year so those are included in this year's packet as well as any new equipment that was included from lease finance in 2023. **Chairman Burroughs** said thank you, Debbie. At this time I'll ask if there are any questions or comments from the commissioners? Seeing none, I'll ask the Clerk if there's any comments received from the public? **Ms. Sparks** said no comments were received. **Chairman Burroughs** said now I'll recognize members of the public who wish to address the Committee, I'll ask the Clerk if there are any hands raised. **Ms. Sparks** said no hands raised. **Chairman Burroughs** said I'll then ask if there are any members of the public that are here on the 5th floor wanting to speak to this. Let the record show no one has come forth. Okay, with that, this is for action.

The only question I would have is the equipment that wasn't in last year, did we add anything for 2023, a new piece of equipment? I think Public Works had a request, I just don't recall. I know fire pumpers and stuff were from 2023 if I remember correctly. **Ms. Jonscher** said we have some street equipment as well as some Parks mowers that were from 2022. They were in the 2022 budget. Usually, when we finance at the end of the year when we create the lease schedules, we have to oversee the equipment when we do that, so if we haven't received it, then those carry over into the next year, which is what the top—you're looking at the schedule, the top portion of that is the equipment that has been carried over that will be included in this year's financing. **Chairman Burroughs** said thank you, any other questions? Seeing none. Has there been a motion and a second? **Ms. Sparks** said no motion. **Chairman Burroughs** said oh okay, I'll enteratin a motion.

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

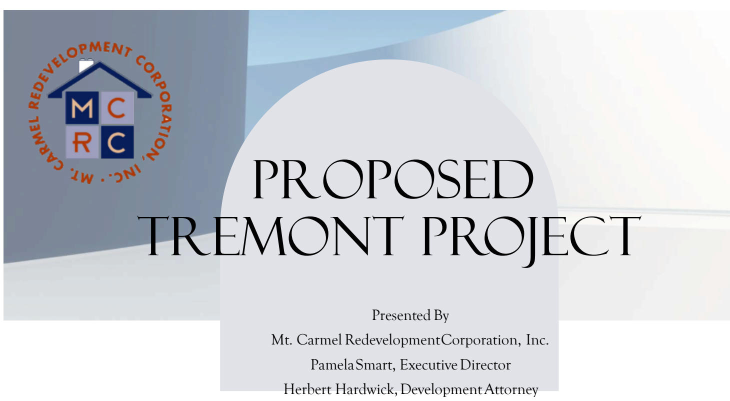
Item No. 2 – 212339…PRESENTATION: POTENTIAL MIXED-USE DEVELOPMENT BY MT. CARMEL REDEVELOPMENT CORPORATION

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

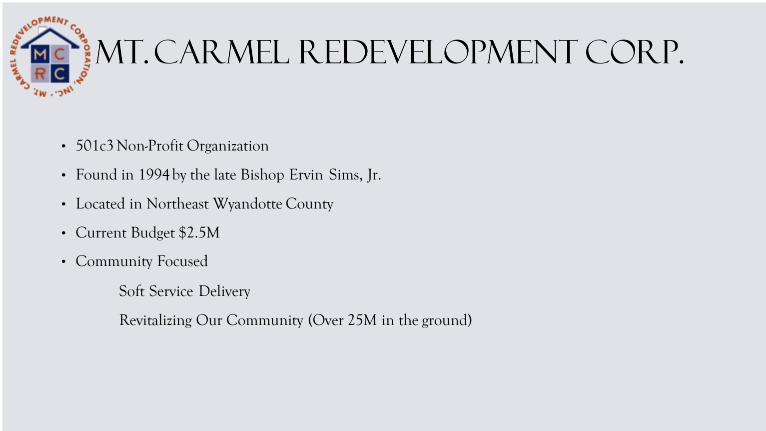
Patrick Waters, Deputy Chief Counsel, said I would like to request everyone from Mt. Carmel, their counsel, anyone who wants to come up. **Chairman Burroughs** said If you would announce your name for the record, please.

Pam Smart introduced herself as Executive Director for Mt. Carmel Redevelopment Corporation.

Herbert Hardwick introduced himself as Principal and Founder of Hardwick Law Firm LLC, Counsel to Mt. Carmel Redevelopment Corporation. .



Ms. Smart said we're before you to present a proposed project for the Tremont area. It's bound by Fifth Street to the east, Seventh Street to the west, Parallel Parkway to the south, and Quindaro Boulevard to the north.



For those who are not familiar with Mt.Carmel, I just want to give you a little bit of history about the work that we've been doing in north-east Wyandotte County since 1994. We are a 501c3 non-profit organization. As I just stated, we were found in 1994 by the late Bishop Ervin Sims, Jr. We're located in northeast Wyandotte County. We currently have a budget of $2.5 million and our community focus is on soft-service delivery and revitalizing the community.

What you see in front of you is a couple of projects that we've been working on. There's completed senior housing with 61 units of senior living with a community center that sits out front. That was a $6.3 million project. We have Carmelle Estates which is a 44-unit single-family housing community. To date we have about 18 houses up, we have $3.6 million in the ground to date.

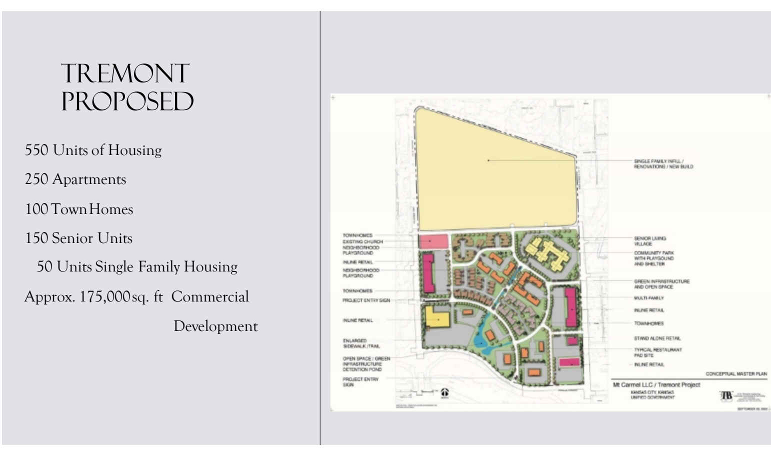
There's the Mt. Carmel Church, which we recently completed. It's a $3.1 million project, the large portion that you see, but there was another church that was built prior to that, you can see it through the trees. That was a $650,000 project and then there's the Boys and Girls Club Youth and Family Center. It was a $6.7 million project and to date all of that is in the ground. So everything that we said we were going to do in the master plan is nearly complete, with the exception of a few houses and we're working on those now.

Our projects for this year, we're working on a Wall of Fame that will be located on the corner of 11th & Troup. We're working with Taliaferro and Browne and some other partners on that project. The Mt. Carmel Church, that's a $500,000 project, and as I stated earlier we're working on completing our housing in Carmelle Estates for another $1.6 million.

Our development team consists of myself, Ervin Sims, Jr., who is now the Pastor of the Mt. Carmel Church, John Harvey, who works for us part-time as a Development Specialist, Brandon Thomas, who is our Development Analysist and Finance person who works for Mt. Carmel, Herbert Hardwick, who is sitting here to my right, with Hardwick Law Firm, and then Taliaferro and Browne, who are our Project Engineers.

To date we have had community communications with Commissioner Gayle Townsend, District 1. We've talked with the Tremont Neighborhood Group President, Ms.Vanessa Robinson. We've talked with Ground Works, Rachel Jefferson. We've talked with all of the Pastors within the area, and various Civic Leaders. We're in the process now of sending out notices to the residents that live within the boundaries that we're talking about. We believe that our project fits with the prioritites of Economic Development and Mt. Carmel, because our goal, or our vision is to improve the life of residents in northeast Wyandotte County. We believe that our projects will create jobs. We believe that it will increase household income, it will generate tax revenue and it will build a stronger workforce.

This is the layout of our project if you will. It is broken down into two parts. So, there's Tremont North and Tremont South. Tremont North is dense with housing, and so we envision infill housing there or renovated homes, and they're all single-family. In the lower portion we envision—let me back up, I'm sorry. The green area is what's in the Land Bank, well the green area is green space and trees. Most of it is in the Land Bank, some of it is privately owned. What's in the red is abandoned properties that should probably be raised. What's in the blue is occupied properties that have been pretty much well taken care of except for up in the corner there on 7th Street, where you see the big blue block, that's a church. That church is fine and it will remain. What you see in the pink are properties that have been—people live in them, but they really are not habitable. They would need a considerable amount of work or those people would need to be relocated.



What you see before you now is our proposed project. We're proposing 550 units of housing. In the upper portion of the project where you see the yellow, that's the infill housing that we talked about before. There's about 50 lots up there that are vacant and ready for development. There's about 94 houses that people occupy and live in. Below you see we have more commercial development there as well as housing. There's 500 units of housing there that consists of duplexes, triplexes, apartments, and townhomes. The senior citizen facility is up there in the yellow. I don't have a pointer, but in the yellow on the corner of Fifth & Parallel Avenue.

Chairman Burroughs said excuse me for interrupting, but I do have a question. It's hard, I can't read the legends on the side where I'm at, but the very top part that looks like a rectangle at the top, is that yellow that you're talking about where the new development is going? **Ms. Smart** said the yellow is where it is very densely populated there. So, there's 94 houses there that people live in and occupy. What we want to do in that area is infill housing. There are 50 lots up there that are in the Land Bank and that's an opportunity for single-family housing, and so that's what's in the yellow. The yellow would be Tremont North. What is below would be Tremont South. Tremont South, what you see in the middle, where all of those buildings are, that's housing. That's about 500 units of housing that consists of apartments, triplexes, duplexes, condominiums. The large yellow structure up in the corner, that's a senior housing facility. What you see in the dark pink, that's in-line retail. What you see in the yellow, in the bottom corner, that's retail. The small orange blocks that you see six of them around the pond, those are pad sites for restaurants. Roughly, four drive-throughs and maybe two sit-down restaurants.

What we think is unique about our project is we realized that in Tremont South there are some houses there that people occupy and what we would like to do is create a program that would give them better housing if they choose to stay in the neighborhood. They could move up to Tremont North or to some of the housing that we are currently building in Carmelle Estates. So, with that, we will take any questions that you have.

Chairman Burroughs said Committeee any questions?

Commissioner Townsend said I really don't have any questions, I just wanted to express my appreciation to Mt. Carmel Redevelopment. Ms. Smart and Attorney Hardwick actually approached me in January of last year with this project. I thought it was important based on experience here on this committee here over the last eight or nine years to be strategic for the betterment of the community to start before Mt. Carmel came to this body, to reach out to the community, and see what they thought of it. Now, there's going to be a bigger outreach to individual citizens, but for those people who have been institutional clients, the churches, some of the other neighborhood groups, these people have already been contacted, which I thought was important. I want to also applaud Mt.Carmel. In my tenure here since ’13, this is the first group that has come up with outreach for a plan, what we, the Commission, have heard repeatedly in that time in terms of request for housing for all groups of people. Those who may be coming out of college, those who are maybe on the senior year and can remain in this area. The other thing I thought was unusual or novel in a good way, was Mt. Carmel’s approach to person’s who have invested by staying in that area and offering them an opportunity to remain there and in a better situation. I thought that was novel and appropriate as opposed to the only option being for those people to move out.

Particularly, facing the northeast area, lower property values, so yeah, even if you paid double what was there, what’s that going to do if you have to move out. So, I thought these were very novel approaches to what the community has been saying they wanted. These things are not fast, so I am optimistic and hopeful that this project can be given a chance to move forward and succeed. It won’t be fast, but the journey of a thousand steps begins with the first one. So, we are at the first one today. I do note, that I believe this is on the agenda for no action, but the ultimate option for the short-term is to make sure that these plots being presented tonight that are in the Land Bank are not crittered away. So, that would be my request. I know that this was for introduction only, so I’ll leave it to counsel and staff is the best way to make sure these areas, particularly in the southern half and any that may be in the northern quadrant are secured for this project.

Ms. Smart said in addition, I would like to give some stats on what we’ve learned about the property if that’s okay. In northern Tremont, there are 94 privately held residents. There are 33 privately held vacant lots. There are 50 lots in the Wyandotte County Land Bank. In the southern part, there are 64 privately held residents, there are 42 privately held vacant lots, there are 216 properties in the Wyandotte County Land Bank and there are 10 that are listed on your website as city property.

Commissioner McKiernan said, Ms. Smart, as I told you in our conversation the other day, I think this has tremendous potential. I support this, I'll go along with Commissioner Townsend and say that this would be absolutely exciting and I look forward to working through the steps of getting to where we can make this happen. Actually I have that last slide which has three items of requested UG support. The first of which is transfer of the Land Bank properties located within the proposed project site. While we don't transfer at this point, our agreements are options. I will just tell you that I would fully support putting a hold on any action on the properties within the boundaries of the southern half, and in my mind, one of the reasons that we originally created the Land Bank was so that parcels and land could be amassed, in mass, so that it could go toward a project like this. I think that holding all the properties within your proposed zone would be consistent with our original intent for the Land Bank and I would fully support doing that. The other two items you have in terms of infrastructure and potential incentives, those would be things that we would collaboratively work through as this moves forward, but as a first step, I would support just putting a hold on those Land Bank properties until we've had the opportunity to work further on this. **Ms. Smart** said thank you, Commissioner.

Commissioner Davis said I am giddy about this. I am excited about this. Just to bring some sub-levity, this is massive for Wyandotte County. It is massive for KCK. I'm jealous that it's not in my district, Commissioner Townsend. I have a lot of residents that have, whether they grew up in the northeast or they still have strong connections, there's a lot of people all over the KC metro that have strong connections to the northeast and just wants to see this area of our city thrive, and so, thank you all for taking that first step and putting your neck out there to really risk this and you are not rookies. Ms. Smart, you laid out your pedigree and the qualifications. I do want to ask Mr. Hardwick and I can let you off the hook. Can you speak to some of your experience in development and things that you've done just throughout the metro area and how that applies to what we're talking about now?

Mr. Hardwick said absolutely Commissioner, thank you for the opportunity to come before you this evening. As noted, our law firm has been in business since 1991. We are a public finance, project finance, real estate transaction and development firm. So, we're specializing in both finance and real estate transactions in development. We work in 15 cities throughout the country. We are one of the few minority, women-owned firms in the country that have the expertise that we have. We've worked on a wide spectrum of projects locally. Everything from the entertainment district in downtown Kansas City, the Loews Hotel, the KCI Airport, and Arrowhead Stadium. We've also switched over and we've also worked on affordable housing, low-income housing tax credit transactions, and deals for seniors. Many of the multi-family housing development deals throughout Kansas City proper we've been involved in over the past thirty years. We've also been involved in strip shopping centers, the development of grocery stores, both either from a financing standpoint or from a redevelopment standpoint. We've set on various agencies on the KCMO side.

The TIF Commission Economic Development Corporation serving the counsel, so not only do we do the transactional work, we understand and represent agencies and boards. So we're pretty converse when it comes to finance and development. It was interesting that this project was a large-scale transformative project. We're working on two or three projects on the Missouri side that are very similar in nature. One is located at 63rd & Prospect. It is a $200 million mixed-use redevelopment project that has been underway for the past three years. We're also working down 18th & Vine. If you drive through there now, there is a great project, 1900 Vine, a six-story multi-family development project that we served as counsel for on that transaction. There are other re-development mixed-use projects that we've been involved in. Not only do we do the work in Missouri, we do the work in Chicago, St.Louis, and we do finance work in cities like Philadelphia, New York, Atlanta, Dallas, Houston and so and so forth. We've been fortunate to have a great experience. We're very fortunate to serve as counsel for Mt. Carmel. My family, I grew up in the Mt. Zion Baptist Church under Reverend Bachus, so when he started ten years ago, I'm sorry, many, many, years ago, he just retired, so we have known him for the duration and we have folk who live and reside on the KCK side. So this is not unfamiliar territory for me and my family, but it's a tribute that we would have an opportunity to serve Mt. Carmel in a transformative visionary project such as this.

Commissioner Davis said thank you, Mr. Hardwick. I wanted the public really for that to be put on record that we do have two really experience developers and people that are really bringing this project forward. I am in support as well about putting a hold on these parcels and you all putting that application, we get that process going. I look forward to working with you all. This is going to be a partnership. When we met I said this was going to be a marathon, not a sprint, we are looking at a partnership dare I say a marraige to really, really carefully and thoughtfully get this project done. It's been a long time, so I'm excited.

Mr. Hardwick said I just want to underscore the point that in order for a project of this magnitude to be successful, it is critical that the UG and the stakeholders support this effort. This is not an effort that Mt. Carmel and I think most developers could take on by themselves. So, the thought is and the hope is that is going to be supported by the leadership of the Unified Government. The Mayor's leadership, across the board, if you will, along with the community members and stakeholders. So, that is the hope of support in order to execute a project such as this.

Commissioner Stites said we don't want you to take this on yourself. We want to be partners and it's, as you were speaking, I seen, Ms. Smart, I didn't have the opportunity to talk with you, but you could see the excitement in your eyes as the comments were coming through that this is so important to you. I too, agree, that for the 16 months that I have been up here, we have talked a lot about northeast investment in housing, in jobs, in what we need to do. I am very excited that this is one of the projects that we can get behind that is going to do what the people have been asking us to do. One of the things that I wanted to ask you was, you said 18 of your single-family houses are in the ground right now. Of those single-family, are all of them occupied? **Ms. Smart** said yes, all of them have been sold, and we're in the process now of building two more. **Commissioner Stites** said two more? **Ms. Smart** said yes. **Commissioner Stites** said the total amount was how many? **Ms. Smart** said 44. **Commissioner Stites** said 44.

Ms. Smart said what I can say to you, Commissioner Stites, is that the original master plan was for 44, but the plan changed somewhere along the way, so we may not be able to get 44, maybe more like 33, 35, and we're working on building those out. So, we've got two that are ready to come out of the ground. We are in the process of dealing with the Osage Nation. That has held up the project until we can go through the surveys and things there. Then we're also working on North Valley where we are preparing to put eight homes in the cul-de-sac around North Valley. We are doing the pre-development work there now. (**Commissioner Stites** was inaudible.) **Ms. Smart**

said I guess one of the barriers that we're having is we've been trying to get these houses built out but we've had so many struggles with environmental issues. We started on 11th Street, we had to go through two and a half years of environmental inspections and all that. We finally got the all-clear, we started the construction, got down 16 feet before we got good soil because the hole was full of bridge material. So, then we had to move to 12th & Garfield and then came up with the Osage Nation. So, we've got to do all these surveys before we can move forward. We have permits, contractors, we have funds, but the project is at a halt until we get those surveys done. **Commissioner Stites** said well, and you've stuck it out. **Ms. Smart** said oh yeah. **Commissioner Stites** said that shows your commitment. **Ms. Smart** said yes, absolutely. **Commissioner Stites** said you've put two and a half years so congratulations on that. When Commissioner Davis asked—Legal they're kind of the pedigree and it just went on and on and I'm not saying, but you know what it shows, it shows. It's nice that you guys have brought forward a proposal that shows all of the folks you have reached out to in your communities. You know we sit here and we have those different proposals that are brought to us and then we have to go back and say well why didn't you go involve these people and talk to these people, and your doing that. That's great, you've got some very impressive folks on your list, and I too support the hold on the Land Bank for this project and look forward to being a partner of your guys. **Mr. Hardwick** said thank you. **Ms. Smart** said thank you, Commissioner.

Chairman Burroughs said Clerk, does Senator Haley have his hand up? **Ms. Sparks** said yes, he does.

Mr. Haley said thank you for recognizing me, I appreciate it so much being so. I certainly wanted to add how excited I am as it bears repeating for what has been presented here for this mixed-use of what has been a continuation there at Mt. Carmel that Ms. Smart and Mr. Hardwick have brought. I have had the good fortune of watching the Mt.Carmel redevelopment from its infancy and to see it now, it blossom as it has, and to have the discussion of how we'll hold, hopefully, those parcels that in which their interested, is something that I am hopeful we will do as we continue to mutually work on it's growth. I appreciate Mr. Hardwick and Ms. Smart for what you've brought before us today. I know this is not an action item, but at such point in time that it will be, as was stated, where the city might or where the Unified Government might be participatory and lend some assistance, I hope that we will be able to add something, as well as the state. There are some areas within state government that might be of some equal assistance as well. I know that our utility, speaking as one member of it, will be happy to make sure that those hookups on these expansions go well. So, I just wanted to, again, commend the project that has been brought before us and the very thorough explanation of it and to lend my excitement as someone who has been involved, remember Ervin Sims, Bishop Sims, and the vision that he has and the expansion that is being so well implemented that was outlined here this evening, and thank you Mr. Chair for that recognition.

Mayor Garner said I just want to say that I'm excited. I'm excited for Wyandotte County. I mean when you talk about investing in the disinvested and what you all have brought forward is something that is really comprehensive. It's just not in fill here or a little something here, or a couple lots here. You all have really done a good job of really planning, and planning to create neighborhoods, quality neighborhoods with the quality development that the people in that part of our community have been asking for and that they deserve. So, thank you for bringing this proposal forward, thank you for having the vision, thank you for the thoughtfulness, thank you for the time you've put into connecting with the residents and key stakeholders, and thank you for just having the vision and the energy to say that the northeast area of Wyandotte County deserves better than what they've been getting. Bringing again key good services and resources, and more importantly housing, for those people that deserve to have quality neighborhoods that they can call home and so thank you for that. As Mayor, I do support any positive initatives that come forth from Mt. Carmel and anyone that wants to bring those types of quality development to the northeast, to Wyandotte County, we support you, we embrace you, and again, thank you so very much.

Chairman Burroughs said it looks like a master plan in our master plan, but heavy lifting. At this time I'd ask the Clerk if any comments have been received from the public. **Ms. Sparks** said no comments were received. **Chairman Burroughs** said I'll now recognize members of the public who wish to address the committee. I'll ask the Clerk if there are any hands raised by the public who wish to speak. **Ms. Sparks** said there are no hands raised. **Chairman Burroughs** said we do have members of the audience that would care to speak. You will be given up to three minutes to make your comments. Please state your name and city of residence for the record.

Carolyn Wyatt said I really like what I'm hearing**.** I had talked to Pam Smart maybe a few months ago and they was telling me what they were trying to do for the northeast area, and I thought it was great, and I think it is great that we can blossom. That we can have some really good homes. Whatever they are going to do, I am in favor of it, and I'm glad to meet Mr. Hardwick and Pam. Thank you very much.

Greg Kindle, Wyandotte Economic Development Council, said I just wanted to echo what several have already said. We've had a chance to meet several times with Ms. Smart and Mr. Hardwick, along with several departments here at the Unified Government. So we had an opportunity to kind of already do some deep diving with the Mt. Carmel team, which I think is fantastic to already have a pretty cross-functional team already working on this. I do want to randomly tell you that I think we're going to need to be fairly aggressive on this project. So, while we would certainly support putting a hold on the Land Bank lots, I do want you to remember back to your Standing Committee Special Meeting just last week where several commissioners mentioned being aggressive because that's exactly how we're coming forward with this project to ensure that we can figure out the most aggressive way to offset the costs that are going to come along with this project to have a significant investment, well over I'd say probably a hundred and fifty-plus million, and it'll be a fairly expensive project. So, if you want what you want, we're going to have to figure out how to be aggressive with it. I think we have a plan and may have some ideas about how to make that happen, but I wanted to preemptively tell you that this will be a fairly aggressive project to put forward, but we are super excited to be a part of it early on and appreciate Pam and Herb for their work already.

Chairman Burroughs said no other comments?

Commissioner Townsend said I'd like to thank everyone tonight who's expressed their support. I know there are others who couldn't be here tonight, but this is just the beginning. So, support for this project would be an ongoing need and when Mr. Kindle mentioned aggressive—that can have negative context in the minds of most people, but he's talking about we may need to employ eco-depot and economic methods in a different manner to make this happen. So, aggressive in a positive way, but that may be what is needed in this area of town to make this a reality. There may be some changes, but the thing is to keep moving forward, and I think the fact that time has been taken already to be methodical is important. So, we look forward to working with other members of the community to have the same type of outreach and the information given to them. One of the churches has already offered their place for meetings, so we're looking forward to that. For the sake of clarity, I believe there may be some empty lots in the northern half as well, and I think it would just possibly make sense to look at this as a whole and also hold those lots as well. I will ask counsel what will be the next step needed to achieve that whole, what needs to happen now?

Patrick Waters, Deputy Chief Counsel, said sure Commissioner. My understanding is that there is already kind of an informal hold where staff is on the lookout for any applications and would notify the Commission if that occurred. Next month for the Neighborhood and Community Development we will bring a formal resolution to set the hold. I think I have the information from Ms. Smart about all the parcels that they would want included. So, yes, we can have that ready.

Commissioner Townsend said so it can formalized for action next month that way? Okay, I was just—I know that Ms. Smart and Counselor Hardwick have a list of those, and just want to make sure that solidifies for the record. So when staff is checking, they have something to check against. Appreciate that, thank you. Thank you again very much for wanting to come to District 1, and how you've worked with me and others to try to get this going. Many of times I've had to bite my lip, Okay, so we need something in District 1, well like Sam and Dave said, hold on, it's coming, but you can't tell everything you know at one time. So, thank you very much.

Chairman Burroughs said any other questions or comments? I do thank you for the time you have given us this evening and your success in Mt. Carmel so far, well we guess success, I anticipate moving forward. So, we sincerely appreciate your presentation this evening. Thank you so very much. **Mr. Hardwick** said thank you so much. **Chairman Burroughs** said committee, that was for information only, there was no action needed. So, we'll move on to item three.

Action: For information only.

Chairman Burroughs said Item 3 is the blue-sheeted item in our packets this evening, that is the presentation of the Downtown Campus Project options.

Item No. 3 – 212207…PRESENTATION: DOWNTOWN CAMPUS PROJECT OPTIONS
Synopsis: Presentation of proposed options for a Downtown Campus Project proposed by Lanier United, LLC, submitted by Patrick Waters, Acting Chief Counsel.

Chairman Burroughs said the presentation will be conducted this evening by I believe Patrick Waters, who is our Acting Counsel, and he will then defer to Todd LaSala, Mr. Lanier, and his counsel. So, Patrick?

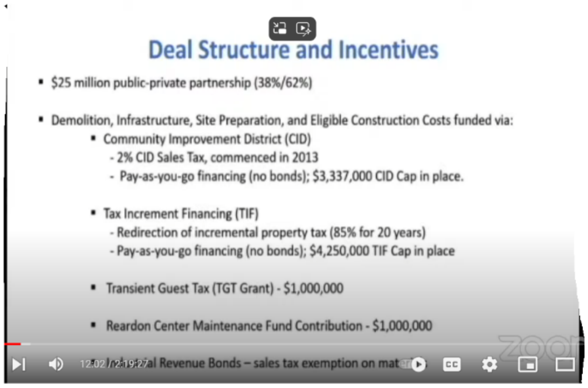
Patrick Waters, Acting Chief Counsel, said absolutely. I'm going to turn it over to Todd LaSala from Stinson.

Todd LaSala said you have in your packet an executive summary of the Lanier Amended and Restated Development Agreement for the Downtown Campus.

Amended and Restated because, you may recall, that this development agreement has been around for a while and has been amended multiple times. So, you'll hear me tonight refer to comparisons against the original agreement. I really mean the original agreement as amended three or four times. So, my presentation will really focus and emphasize the changes from that prior agreement to the agreement that's before you tonight. I'll start with changes to the project itself. This, as before, is a mixed-use project at the site of the current Reardon Center and it's mixed-use. It includes multi-family space, an apartment complex, market-rate apartments, and the apartments have grown a bit. There are more units in this Restated and Amended Development Agreement than in the prior agreement. It's up to 85 to 100 units versus the 75 to 85 in the original agreement. It continues to include five units of workforce housing, based on the household income for those units. There's a new provision added to the agreement that says that the quality of those workforce housing units is required to be the same as the market-rate units in the building.

The project also continues to include 7,000 square feet of retail on the first floor, but in the prior agreement most of that space about 6,000 feet was to be a fitness center that is no longer part of the equation for this project. The new Reardon Center that would be delivered with this project, is as it was, in the amended agreement, 7,500 square feet of first-class multi-purpose to seat 325 people for community events. There was also a component in the original project that is no longer a part of the project at all and that was athletic fields. There was a 38,000 square foot recreational athletic field that is no longer included in the proposed project because there is now an alternative use for that land and there's no longer control of the land and the developer really doesn't have the relationship with the operator for land, that it had before. So, that is off the table at this point.

I'll say or word or two about the timing and then move into the financing. When it comes to the timing, our commencement date, and our completion date for the project, those thresholds are really measured based on when we would approve the agreement, when we would close, and so forth. They are really the same time periods as we had in the prior agreement. They kind of flowed with this project as it's moved forward. The thing that is new and different is that there is a contingency period, for the developer to put its financing package back together again for this project. We would also, in that contingency period, bring forward some changes to the TIF District and the project plan. So, if we go forward with this and the Commission approves this, you should expect us to come back with some technical amendments we would need to make to the project plan and district plan. This agreement would provide a final 270-day contingency period to satisfy those conditions and at the end of that period, the development agreement would terminate if we haven't closed before that time. So, that's new. That is an automatic termination after 270 days, unless the parties would agree to extend it. It automatically terminates and shuts down, so it really is sort of the final contingency period for this development agreement.



A word or two about the financing package, similar vehicles to what we've used before. The project budget has grown to $25 million and the public-private ratio for this project has also grown slightly by 2%. The changes really are about the cap for CID which has grown by $300,000 as you can see in this slide. So the new cap would be $3.3 million. Again, that's up $300,000 from the original. The other change of significance is that the TIF Cap has grown to about $4.2 million from the original TIF Cap, which was three. So, with the growth of the budget, there has been an increase in requests for incentives in the area of CID and TIF. The TGT grants that have always been a part of the project, that number remains the same, as does the contribution from the Reardon Center Maintenance Fund.

One other component that is perhaps worth talking about here is the developer's pursuit costs. As you know this project has been out there for a while. The developers spent a lot of money designing, trying to finance this project. Our development agreement really says that the access to TIF money and CID money isn't really there, it's not available until the project is completed, with one exception. This $884,000 of pursuit costs that the developer has previously incurred would be eligible but not until we close. If and when we satisfy all the conditions and close and the developer is irrevocably committed to going forward, at that point they could submit for 37% of those pursuit costs and be reimbursed from the CID. There are two other milestones to recapture those pursuit costs. One is at four months into the construction cycle, and then the final disbursement of these pursuit costs would be available at a period, which is eight months into the the construction cycle for the project. The rest of the development agreement is largely the same, but these are I think the highlights of the changes to the development agreement. I'll stop there and, of course, be happy to answer any questions you may have and I know that Mr. Lanier and Mr. Fields may have a presentation as well.

Chairman Burroughs said thank you committee, any questions?

Mayor Garner said the pursuit costs, could you describe that a little more in detail and what that actually means and what has been expended as far as pursuit costs? Do we have receipts or anything to validate that to substantiate that amount of $884,000?

Mr. LaSala said sure, Mayor, I'll say a word or two and then I'll let the developer speak to it as well. The pursuit costs I think you'll find are largely soft costs related to design, construction, legal fee, and work on the project up to now. Mayor, there is a very detailed process within our development agreement about Certificates of Expenditure that are required for the developer to submit to us to review in detail exactly what you're talking about to validate those costs before they can ever be paid. So, that process does exist in our development agreement and it would be subject to the same rigor and the same diligence and review that we would do for all of the costs related to the project. Wesley, do you have anything?

Wesley Fields, **Legal Counsel,** for Lanier United, the developer managing partner at Brian Cave Leighton Paisner, 1200 Main Street, Kansas City, MO. To answer your question, Mayor, these costs are folded within the larger budget themselves, they're not a separate and apart from the rest of the cost associated with the project. The only distinction between why we're calling these pursuit costs as opposed to the normal development cost is a factor of timing in terms of when they get reimbursed. Todd's point, the same documentation that we would submit for all other development costs to substantiate those costs were in fact incurred would be submitted in this instance as well. So, does Willie have or does Lanier United have documentation to substantiate it, well, yes, he does, and I'll have documentation to support all the other costs that would be incurring in connection with the project. This is a request and an accommodation to Lanier United in connection with the amount of cost that have been incurred and then carried over this past year in connection with the project to try and release that to put them in a better position to finance the project going forward.

Chairman Burroughs said any other questions?

Commissioner Townsend said Counsel, I'll address this to you. Both Counsel either/or. It is my understanding that the pursuit cost did not necessarily arise because of delay, but these were costs that would be part of the project anyway like a return?

Mr. LaSala said yes, Commissioner, that is correct and I should have probably said this. They are not on top of the other financing that's provided. They're included within that CID cap that we've always had. We also frankly, in the original agreement, had a concept related to these same costs to provide the developer some access prior to completion. So, as Mr. Fields says, it really is a question of timing, it's not anything additional to the other financing that's part of the project.

Commissioner Townsend said okay, the other question I have for clarity, you mentioned the contingency period clause is 270 days. **Mr. LaSala** said that's right. **Commissioner Townsend** said when would that period begin? **Mr. LaSala** said the day we execute this development agreement. **Commissioner Townsend** said okay, and if, within that time period, it does not come to fruition for whatever reason, money and funds are not available, then that would automatically terminate. **Mr. LaSala** said that's correct. That concept is new and somewhat unusual for our development agreements, but it really is a way of saying this is the final contingency period for this project.

Commissioner Townsend said okay. Just my thought on that, it also seems to me to indicate that Mr. Lanier thinks he can do it because it sounds like it's an all or none. I didn't think I'd heard that before, but that to me sounds like there's a lot of confidence here that they can back up with the money so I just want to clarify for my understanding.

Chairman Burroughs said Commissioner Townsend could you talk into your microphone, please.

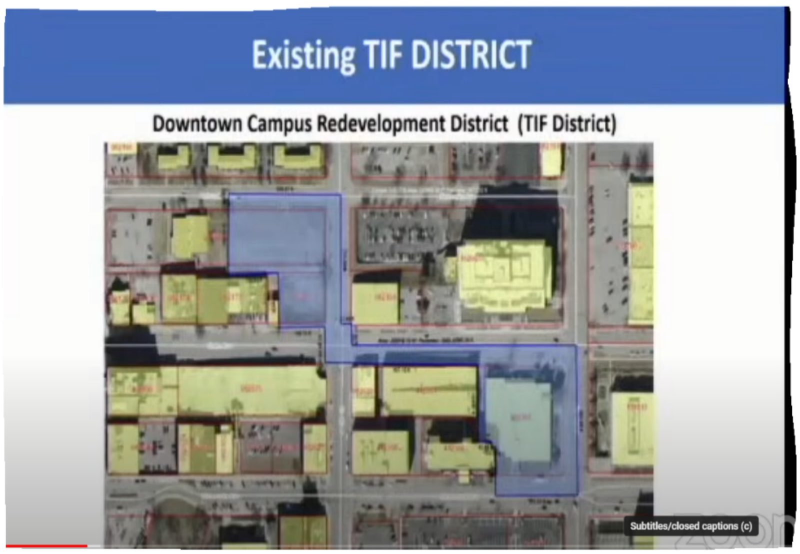
Commissioner Townsend said I'm sorry. Let me repeat it quickly. This new contingency that really is a drop-dead kill, that's it as I understand it. If funding is not achieved and the developer does not move forward after this, it seems to indicate to me a level of confidence and inspiration about what they have said they can do, so I'm optimistic about that and if not, then that's the end of the discussion.

Mayor Garner said these are past, are there any additional pursuit costs that are being factored into this moving forward? **Mr. LaSala** said the answer is yes, there's another say $200,000 of cost that the developer could have access to prior to completion that would be treated the same way as the pursuit cost for timing purposes. Again, it's the same type of costs that are embedded within the budget. It's not anything additional, but there is a total of a little over a million dollars total that the developer can have access to prior to completion. **Mayor Garner** said so that cost could rise as we move forward is what you're saying? **Mr. LaSala** said yes, that number is limited. These numbers are hard-wired into the agreement. The pursuit costs are treated in a particular way and that $884,0000 number is not going to change, There is another number that is related to pre-development costs that is also hard-wired and is $200,000. That number won't increase either. So that is the maximum amount that can be reimbursed prior to completion, unless you do an amendment, those numbers could not change. **Mayor Garner** said for my clarity, this cost prior was already factored into the entire arrangement as an estimate of what it would cost to get this project up and running. So, there's nothing new or anything that is out of the norm because this was already part of the original financing agreement, is that correct? **Mr. LaSala** said I think that's probably right. The developer might say the only thing that's different is the amount of time that those costs have been carried. **Mayor Garner** said okay, thank you.

Mr. Fields said I think this relates to a timing issue of when the costs actually get reimbursed. Does it happen at the completion of the project or has it happened prior to the completion of the project? So, we've carved out, as Todd has indicated, pre-development cost and pursuit cost as a finite amount of dollars, not to exceed that finite amount of dollars, to be reimbursed prior to the completion of the project.

Chairman Burroughs said any other questions? Mr. LaSala I'm looking at the handout and I'm looking at Exhibit D2 and I want to ask this question prior to getting into any other questions people might have. I see Exhibit D2 and committee it's about, I don't know, 10 pages in from the very back, and what it is it's a picture of the plan as it was originally proposed with the sports field.

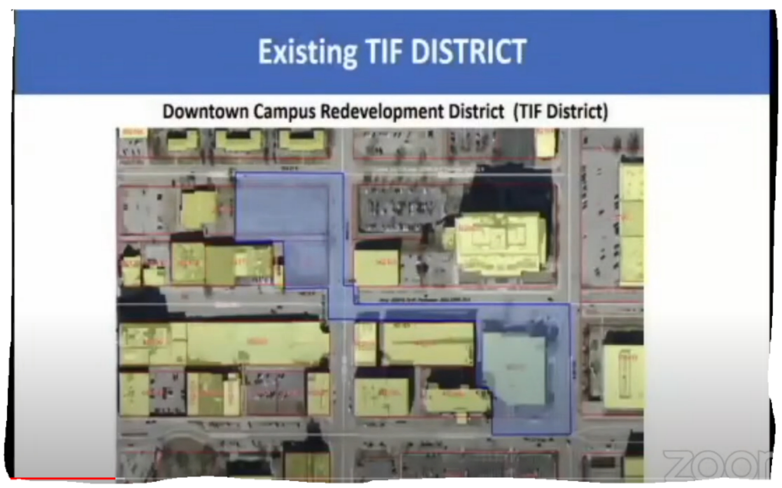
Mr. LaSala said we may have a slide of that, we do.



Chairman Burroughs said that shows the sports field which is no longer there. **Mr. LaSala** said that's right. **Chairman Burroughs** said so the next question I would have, going to the next page, it shows Item 1 and Item 2. I want to get some clarification. When we say the Reardon Center in this plan, this calls for a new Reardon Center detached from the development building, the multi-residential building, and still proposed at the east side of the parking garage. Is that correct Mr. Lanier? **Mr. Lanier** said that is good, that is correct.

Chairman Burroughs said thank you for that clarification. I just wanted to make sure because we've had so many proposals before us that talked about redoing the Reardon Center, building on top of the Reardon Center, changing the dynamics of the Reardon Center, and this was the original proposal as it came forward to have that facility built at the northwest corner of the northeast part of I believe it's State Avenue. **Mr. Lanier** said that is correct.

Mr. LaSala said, Commissioner, while you're here and while we have this exhibit up, when I was talking earlier about how we have to amend the district ultimately, this is the picture I'm talking about that we need to fix because that is the existing TIF District the way it stands today, but now that we're removing the athletic fields component from the project, if you were to go forward and approve this Amended and Restated Development Agreement, we have to go back and amend that district to fix that so that the district only includes this Reardon Center site and we remove that jog down the street to what used to be the athletic field site. **Chairman Burroughs** said if I may, and Mr. Lanier, you may want to check with counsel on this one, I believe that you said that was acceptable, that the new proposal does not include the field, sports field. **Mr. Lanier** said that is correct and I believe that the current 6th & State location is currently being considered for development by the Community College, and so it is not an option for development as part of this proposal as well, but I am here tonight to speak about the Reardon Center at 5th & Minnesota and so forth.



Chairman Burroughs said great, thank you I appreciate that clarification gentlemen. I think there's been a lot of confusion in reference to the proposals as they came forward and we have an opportunity tonight to get a clearer vision as to what this development truly entails and it would be doing you a disservice if we didn't take that time and opportunity this evening to get that correct, so I sincerely appreciate your patience with that question, thank you.

Committee, any other questions? Clerk, does Senator Haley have his hand up? I don't see it. **Ms. Sparks** said he did.

David Haley said I appreciate again this review of this. As many of the questions that have come up, I continue to want to get some clarity. Does anyone happen to know offhand what the current space is of what was the Reardon Center? That part that is now designated for 7,500 square feet.

That would be for kind of like the Bartle Hall of KCK for lack of a better analogy. **Chairman Burroughs** said, Mr. Haley, who did you—**Mr. Haley** said whomever might know. I don't know how much space we're downsizing to or the proposal has to go to 7,500 square feet. That would be from the current size of? **Chairman Burroughs** said Mr. Haley, if I may, you want to know what the current size of the Reardon Center is to see what we're getting with the new 7,500?

Mr. Haley said right, I'm sure it's a significant downsize is that 5%? 7,500, 5%, 10%? What would that look like? I'm trying to get in my mind for those of us who hope to see and continue to hope to want to see some sort of space that's maintained in the community orientation that was with the center, the Reardon Center. What are we moving down to? I mean I do appreciate that the gym won't be there anymore. They won't have the workout area. I appreciate the expansion to 100 residential units. So, I think we're probably getting saturated with residential quite a bit, but what are we losing in terms of should this proposal move forward in terms of what the Reardon Center represents now to downtown KCK? **Mr. Lanier** said I can give some input. **Chairman Burroughs** said please Mr. Lanier, and if I may, I think part of the clarification if I may, Senator Haley, is what will change the design of the Reardon Center will be a two-story. What was the occupancy rate on the lower half of the Reardon Center? I think that is what many of us think of as quote "The Convention Center" because that's where the public facilities were, it's where the kitchen was at, and the main ballroom. Then we had the upstairs that had I think an art gallery and a few other meeting rooms and I think that might be part of the confusion with the question, and Senator Haley, I hope I'm not doing you disservice by expressing that.

Mr. Haley said no, you are helping me bring the clarity actually, Mr. Chair, to the question, and thank you for your clearer articulation of what I'm trying to find out here. **Chairman Burroughs** said if I may, Mr. Lanier, I believe that LaVert Murray is ready to respond to that with that information. It may be information that he has access to so, LaVert, please.

LaVert Murray said in response to the question, the ballroom area is approximately 30,000 square feet. If you will envision the Wyandotte Room, which is upstairs, the Wyandotte meeting room is 5,000 square feet and what is proposed to replace the Reardon at 7,000 square feet is just a couple of thousand square feet larger than the Wyandotte room upstairs.

Mr. Haley said Mr. Chair, Mr. Murray, thank you. Which was the Wyandotte Room? Was that the one with the museum, I mean, or the I remember the structure of that, but which was the one? **Mr. Murray** said the Wyandotte Room is just to the east of the McCarthy Art Gallery. So, that’s your larger meeting room just to the east of the McCarthy and I assume that’s what you're calling the museum. **Mr. Haley** said okay, I don’t know whomever we can look to for what the 7,500 square feet, and to be honest with you all the other parameters that have been discussed, I’m wildly supportive of with the exception of losing the Reardon Center and what it uniquely means to a downtown or to any city to not have some sort of viable convention space. I’ll just put that right on the table. Members of the committee, those who are presenting, and wherever else, we need to have a significant, in my mind as a member of this committee, as a member of the BPU, as a member of the legislature, we, Kansas City, Kansas need to have a viable, attractive convention center-style space beyond the Municipal Auditorium. That’s just my one opinion, but I think other people understand where I’m coming from, and so I don’t know what 7,500 feet would look like, how it’s configured, what the size of the ceiling or roof would be, how attractive it might be for bringing in various entities to hold that and that is my outstanding question. I won’t belabor the issue further, but just know as we move forward, that’s the only hesitancy. The only hesitancy on this one members from my position, and I thank you.

Chairman Burroughs said thank you, Mr. Haley. Anybody want to respond to the comments that might be made? Yes, Mr. Lanier.

Mr. Lanier said thank you for the comments. I believe that there might be a discrepancy in terms of the actual square footage for the meeting space within the convention center. If we, per our architectural team and the amount of resource and information that we’ve done for the past three to four years, we believe that the meeting space is in the area of approximately 15,000 feet. That is what we consider, we traditionally know as the downstairs, we go downstairs in the Reardon Center you have three banquet rooms there. So, that would be an approximately 15,000 feet. The kitchen size is additional square footage, which is much, much, much larger than a traditional kitchen for that size of a property. The overall Reardon Center exceeds over 40,000 square feet, but that‘s because you have a lot of circulation area upstairs and downstairs with large hallways and so forth areas, underneath the escalator. You have a large, large backroom for storage and capacity and so forth. You also have an upstairs where you come in off Minnesota, and there’s a significant amount of space upstairs that is also space that didn’t typically have the type of usage over time. I do want to point out that when we aimed and presented this option, it was to be at a minimum of 7,500 square feet and it has the opportunity to be larger.

Our research showed us that the 325-400 people would be seated at table rounds within 7,500 or 8,000 square feet, and speaking with Peachtree Hospitality, their leadership team out of Atlanta who owns the hotel, who is in line to operate the facility for us as well, they have been hand-in-hand in our discussions from a design standpoint and believe that the market bears that size facility would be consistent for today's market based on the competition around the 435 metro area and so forth. So, we should actually try to clarify my statistics and so forth but I do believe that the meeting space, the three ballrooms on the bottom lower level are approximately 15,000 feet. We will reduce that and have a different type of configuration where we had better usage of the space. So, although we're going down to 7,500-8,000 feet, we could accommodate a very well-current 2023 design that would allow for us to be a first-class facility with a lot of technology and compete in the open market place and that's what we will be building here. Our architectural team is BIM Architects. They've been in Kansas City, operated for over 40 years. So if you look at their working capacity, their history shows that they have the ability to create great public assembly facilities and I think that the community would be more than pleased with how this building would perform in the presentation of this building. **Chairman Burroughs** said thank you, Mr. Lanier.

Mr. Haley said yes thank you, Mr. Lanier, thank you, Mr. Chair. So, a brief follow-up would be that this then these units, the housing, and the other workforce-related units would be on top of the existing space or adjacent to and I'm sorry I don't have the diagram or blueprint in front of me as proposed, but where would that 7,500 and then the ancillary space be in relationship to the others, above, below, or to the side, or a combination? **Mr. Lanier** said what I'm going to do to respond to that statement is turn it over to my attorney, Wesley Fields, and he will present on the screen here some images that will help you better understand that. **Mr. Haley** said thank you very much.

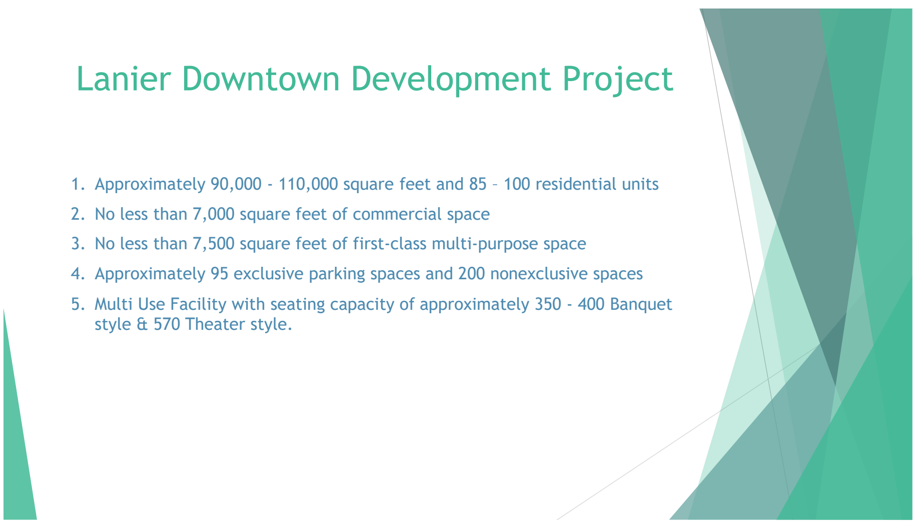
Mr. Fields said this is a rendering that we've provided to you in the past, to give you an indication of what we anticipate the site will look like upon completion. **Chairman Burroughs** said, Mr. Fields could you put your microphone a little closer please so that the audience can hear and we want to make sure that we're able to record this accurately. **Mr. Fields** said yes sir. This is a rendering that we've provided to this committee before. It shows the depiction of what we believe and anticipate the site will look like upon completion. I think there's a slide that's missing. **Chairman Burroughs** said it's building on the low on the right-hand side? **Mr. Lanier** said on the lower right-hand side is the convention center. The newly built design convention center that is adjacent to the BPU parking garage. That is connected from State Avenue to Minnesota by a breezeway that would allow for the Federal Courthouse to be engaged in the commerce of Minnesota. So that it would allow for a passageway for visitors, employees, or whomever to ultimately be able to pass through the site and come to Minnesota to go to the Merc or any future retail development. On the 5th Avenue side of the parcel is a multi-story apartment building. That apartment building starts on Minnesota, turns the corner, and heads down 5th Avenue. That department building will be separate from the Reardon Center. So, you have two buildings on the site. Apartment building and a dedicated convention space. The convention space will be, as I presented earlier, a well-designed and most of the square footage is in the meeting space.

As you can see, you come right off the sidewalk there and practically a very small, smaller entryway that can still be accommodating to users, but then you enter to the meeting space as well. This design worked very well because we have a relationship and a parking agreement with the BPU in order to have customers or guests utilize the parking garage and the hotel is nearby as well. So you have the same type of proximity and so forth to the parcel and to the building. So in order to create a sense of place, we did receive communication from the Downtown Shareholder group regarding a public park and a green space, we'd try to incorporate that into our plan. We're trying to check several boxes in terms of creating a public place where people can gather, we can create housing, we will create commercial usage on the first floor on the Minnesota side and then I'll create a brand new convention space that would allow the hotel to actually get out there and bid on new contract opportunities for groups to come in and so forth. The hotel has approximately 150 rooms. Not approximately, it does have 150 rooms, and so therefore it's not going to go after business that needs 200-300 type rooms. So, right now the Reardon Center is being right-sized for today's market, and we started this research, we did studies around the city from the architectural standpoint, and this is pre-COVID, and so we already understood at that time what the best size for a facility to be with all of the new facilittes that have come running around the market, around the city right now.

After COVID, it's even exaggerated the way to really define public spaces and what type of business could come, and on top of that, help the hotel have financial operations that would allow them to be profitable in terms of operating a convention space that needs to generate revenue off pro head, keep operating costs down, and try to be profitable. Right now the current facility did not have an operating kitchen for over nine or ten years at least in the predictional research and so the hotel says they want to be able to control food, prep, and sell the space. Right now the old way of doing business in today's environment that's so competitive, you aren't able to bring in third-party caterers because most of the profit goes out the door to the caterers. So we were in very—t we had a lot of focus and intent on how to best design something that would work for this community from operation standpoint and the visual appearance as well.

Chairman Burroughs said thank you, Mr. Lanier, committee any other questions? Any other comments?

Mr. Fields said I can continue to walk through this PowerPoint if you'd like me to. Todd touched on this a little bit as he talked about the actual terms of the development agreement.

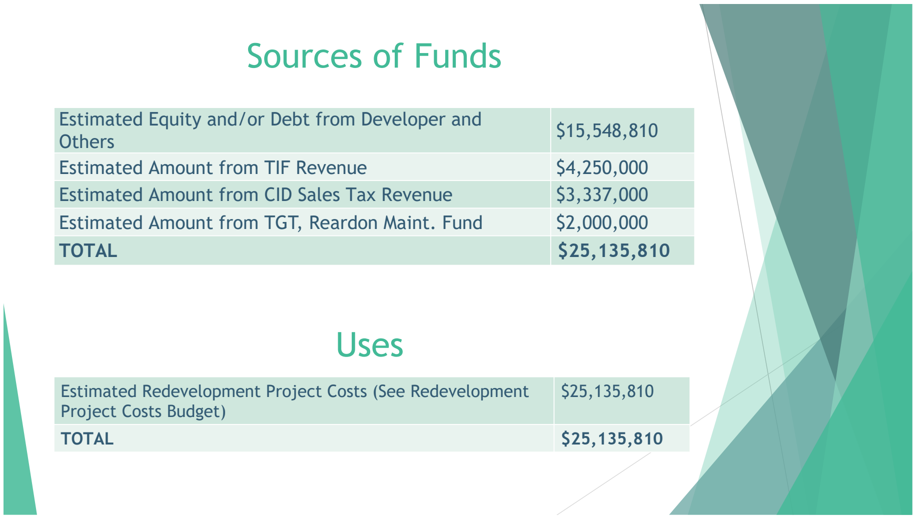


You'll note these are the elements of the development agreement that have been refined slightly from the last time we came before you. 90,000-110,000 square feet for that mixed-use building, 85 -100 residential units. Todd's already alluded to five of those units would be workforce housing and this is up from the 70-85 units that we had in the previous iteration of the development agreement. No less than 7,000 square feet will be commercial space on the first floor of that mixed-use building. Previously we had indicated that we thought we would bring a fitness center to that location. Now we have opened it up to more commercial uses, not exclusive to a fitness center, and likely will not be a fitness center. Mr. Lanier has already alluded to the square footage that will be within the Reardon space itself, no less than 7,500. We're estimating anywhere from 7,500-

8,500 square feet of multi-purpose space, usable space that will permit anywhere from 350- 400 banquet-style seated guest. If we were to do a theatre style seating, you could accommodate up to 570 people. As Mr. Lanier already indicated, we spent close to four or five months negotiating with the BPU parking agreement that would accommodate not only the residential space, but also the multi-purpose space at the newly built Reardon Center, 95 exclusive spaces for the residents.

Then up to 209 exclusive spaces for a guest that would attend the Reardon Center for events.

The construction timeline would be virtually similar to what it was in the previous development agreement, about 18 months that would include and that's from the commencement of construction to the completion of construction. We have the pre-development architectural engineering occurring May, it's approximately August of 2023, and then construction to start this fall, and then ending at the beginning of 2025.



Sources of Funds

Estimated Equity and/or Debt from Developer and Others	$15,548,810
Estimated Amount from TIF Revenue	$4,250,000
Estimated Amount from CID Sales Tax Revenue	$3,337,000
Estimated Amount from TGT, Reardon Maint. Fund	$2,000,000
TOTAL	**$25,135,810**

Uses

Estimated Redevelopment Project Costs (See Redevelopment Project Costs Budget)	$25,135,810
TOTAL	**$25,135,810**

Our sources of funds and uses are, as Mr. LaSala had identified in his presentation, about $4,250,000 of TIF revenue, $3,337,000 of CID, and then a combination of $2,000,000 of the TGT as well as the Reardon Maintenance Fund. That rounds out to be around 36% of the total cost, which is commensurate with where we were in the previous iteration of our development agreement. So, the costs have gone up slightly, the developer's contribution has gone up and as has the UG's requested contribution so we still maintain that percentage of public-private participation., and that concludes our presentation Mr. Chairman.

Chairman Burroughs said great, thank you. Madam Clerk, are any hands up? **Ms. Sparks** said there are no hands up, we do have one hand that just came up from Community Conscious Action Network.

Chairman Burroughs said okay, I will get to them. I just want to make sure if any of the Commission members that are joining us remotely, I know that Mr. Haley is in Topeka and is not here and I just want to make sure there's any other questions he has, he has a chance to ask them. **Mr. Haley** said thank you, not at this time.

Chairman Burroughs said I do have LaVert Murray that would like to speak. LaVert, you have additional information? **Mr. Murray** said I do. You have to forgive me, I just received copies of the agreement today around 4:00 P.M. so I'm still going through the agreement, but I did have a couple of questions just to seek clarification and maybe Mr. LaSala, Mr. Lanier, or Mr. Fields can answer those. But as I interpret the agreement, the pursuit costs, for example, there's a difference when you look at the reimbursement and the expenditures of public funds versus what is identified as pursuit costs and that schedule is different because as I read it, the pursuit cost timing will start at closing. When I look at the agreement, closing is determined by when you actually close. You don't start construction, but you close and you're ready to take down the property. I would point out, and not to be critical of the project, but you could take it down, take down the ownership of the property, and not commence construction. So, I just wanted to point that out, but if you are eligible for part of the pursuit cost payment at the time of closing, that means that before a shovel goes I the ground, the project team is eligible for $325,000 reimbursement up front, is that correct? **Mr. LaSala** said yes, that is correct, 37% of the pursuit costs are available the day you close, and then the next threshold is four months into construction, but what Mr. Murray says is correct.

Mr. Murray said okay, and the other thing, I did look for the Exhibit E in the agreement. Exhibit E spells out the TIF costs and provides for a budget for the TIF fund use. Exhibit E pursuant to this agreement is not attached and thus to be attached later. So, again I just wanted to point out that if you approve this, without Exhibit E and without some knowledge of how the true TIF dollars will be generated and used similar to and you have agreed to adjust the site plan for the TIF because it includes the land on Nebraska, etc., and I think that certainly makes sense, but I just wanted to point out the Exhibit E, which is referenced as a part of the expenditure breakdown is not attached. **Mr. LaSala** said, Mr. Murray, with great respect, the Exhibit E will be the TIF project ordinance that we need to redo. Exhibit H is the Exhibit that includes the total project budget including the breakdown of the elements that are CID eligible versus those that are TIF eligible and those that we would reimburse with TGT. It's Exhibit H and not E, if that helps, but it is here. **Mr. Murray** said and like I said, I had a limited time to review and the agreement states E, so I look for E and so I hadn't had a chance to get to H yet. **Mr. LaSala** said okay, and my apologies if there's a typo somewhere, here and we've got the wrong exhibit listed. If that's true, I promise I'll fix that and I'm sorry for any confusion related to that.

Chairman Burroughs said okay, so Mr. LaSala, I understand the Exhibit H is Exhibit E. **Mr. LaSala** said well no, Exhibit H is the budget, and if the internal references are calling for a budget that's attached as Exhibit E, we need to fix the internal references, but H is the budget, it is included. E, at least in the list of exhibits, is the ordinance that we're going to attach when we fix the project plan.

Mr. Fields said yeah it looks as if page two is where I see Exhibit E in the development agreement and it does in fact—I'm sorry, the Exhibit E, I see that on page two of the development agreement and it references as Mr. LaSala just pointed out the TIF project ordinance. **Mr. LaSala** said yeah, but Mr. Murray's right, when I look at section four, about the financing, it is referring to H, so, that is a mistake on my part. These exhibits move around on us sometimes as we negotiate in draft. So, that is a mistake, Mr. Murray, and that is my fault, but we will clean up those internal references.

Chairman Burroughs said great, thank you, and I'm sure throughout this contract, as extensive as it is, and many of us had an opportunity to read it over the weekend and staff, I do want to thank you for getting this to us in a timely manner. That was one of the concerns as Chair, that members have requested of me to ensure that we have a timely opportunity to review your documentation before we're blue-sheeted and Mr. LaSala, I appreciate you being here to explain in person the nuances of the contract and the agreement. That helps considerably to expedite the discussion we're having this evening. If there's no more questions from the Commission, I will now ask the Clerk if there are any comments received from the public? **Ms. Sparks** said no comments were received. **Chairman Burroughs** said Clerk, I will now recognize members of the public who wish to address the committee. I'll ask the Clerk are there any that's remotely joining? Are there any members joining us remotely who care to speak?

Ms. Sparks said we do have a hand raised from Community Conscious Action Network. **Chairman Burroughs** said okay, please. **Ms. Sparks** said go ahead and speak.

Louise Lynch said I'm from Community Conscious Action Network. First, I just want to say that you know KCK, we are a first-class city, with one convention center. If we tear it down, we will have none while you go ahead and put through this proposal that you have. You know for a meeting conference center of 7,500-8,000 square feet as opposed to 30,000 square feet, which is a huge difference. You are going to be putting in housing, but the housing of mixed-income, what does that look like? What about the people of lower income? The other thing that I want to focus on is that in hearing Mr. Lanier talk about it being more compact, and the entryways are reduced, and this meeting space are reduced, that may sound good, except to somebody who utilizes disability accommodations. I can tell you that I have been in many Peachtree Hotels across this nation and there is not great room for people who are in a wheelchair or disabled to get around. If you are condensing already the space that used to be 30,000 to 7,500, you've limited that. If you're talking about now also, as Mr. Lanier said, making smaller the entranceways, so if someone has a disability device be it a walker, be it a wheelchair, there's not going to be much room for other people to go around if you are condensing that space. You talk about you can have how many tables. How many of them are comfortably able to accommodate with that kind of space a wheelchair, a mobility scooter—**Ms. Sparks** said one minute remaining—**Ms. Lynch** said to hear that these things are reduced and the bathrooms are reduced, people with disabilities need to have larger spaces. We need our convention center of 30,000 square feet. We need to use the building that we have. We need to not misplace the economic growth that can happen in the northeast by putting this there and knocking down our convention center, also, destabilizing our Hilton Center, and other businesses that we can be bringing in to this. We've spent a million dollars on the roof. I would strongly urge you not to vote for this and if we can't get all these slides up now and get the corrections done while we can see it, I would really ask you not to vote for this until it is ready. They've had four and a half years—**Ms. Sparks** said your time has expired. **Ms. Lynch** said thank you.

Chairman Burroughs said thank you, Ms. Lynch. Okay, any other hands raised Madame Clerk? **Ms. Sparks** said no other hands are raised. **Chairman Burroughs** said are there any members of the public here that wish to address this. You will be given three minutes to make your comment. I ask that you introduce yourself by name and residence and please three minutes.

Ellen Wyatt said I live at 359 Troup. I am not against development at all. I love development. Now you said they're going to reduce the size of—so the meeting room would be smaller than the convention center space that we have right now. You have to realize when they have conventions, you don't know how many people are going to be there, plus when you have class reunions, they're pretty large and then you have space for dancing. I don't think we need to reduce our space, if anything, you go bigger. Wyandotte County always have went smaller on things. I think we need to look for the future, that means bigger or the same, and I think through all the conventions that the churches have, I don't know how many churches you have here in Wyandotte County, but when they come for a convention, it's a large number and so we don't need to go smaller. We need to go larger if anything because you can use the space for everything. Anything you think you might need, you'd have the space, but if you make it smaller then you're limited.

Also, the workforce housing, I'm not against housing at all. I think housing is good, so I'm not against that. I'm thinking that—when you take away from what you have, then you're really not serving the people. I live in the area, I've been in this area all my life and I've always been at the convention center for different programs, different dances, the reunions, everything and I'm thinking that we just need the space. The other hotel there now, is that going to be eliminated, torn down, the other hotel? **Chairman Burroughs** said if your question is the other hotel being torn down? That was your question Ms. Wyatt? **Ms. Wyatt** said yes. **Chairman Burroughs** said not that I'm aware of. **Ms. Wyatt** said oh, so it'll still be there? **Chairman Burroughs** said yeah. **Mr. LaSala** said the hotel is going to remain. **Ms. Wyatt** said okay, so like I said, I'm not against development, the only thing I see here is that we need our space.

Stevie Wakes, 533 Oakland Avenue, said there is a concern for space. I think that is a major concern within the entire community. As a Pastor in Kansas City, I do know that the National Baptist Convention USA Incorporated plans to host the National Baptist Commission USA this fall and the beginning of this project beginning prior to then or commensurate with the time that you plan your project will also interfere with that, or any other convention that plans to come to our area. Thank you.

Reese Towers, 709 N. 6th Street, said I'm in favor of new development, but I am asking that we keep our Civic Center. We don't have any other convention center here. As a person who owns a couple businesses, I have over 200 vendors. We look for places to put these, to house these 200 vendors. I do not want to take them over to KCMO, I want to keep them here, where I'm from, so I can do business in my own city. So, I'm in favor of the development, but I ask that the developers will actually see what the community wants instead of listening to other people that don't actually live in this community. I like how Mt. Carmel did it. Mt. Carmel went around, they did a survey, they spoke to the needs of the people. If you all can think about collaborating with them, coming together, and see what the actual need of the people want, because I'm telling you we want our convention center. We have too many churches here, we have a lot of black-owned businesses and Hispanic businesses that are coming into the city. We need our own convention center. We shouldn't have to go anywhere else but to Wyandotte County. Thank You.

Daniel Silva, **President/CEO of the KCK Chamber of Commerce,** 727 Minnesota Avenue, said, now I'm going to read a prepared statement. The KCK Chamber of Commerce is greatly encouraged by discussion of the plans for a downtown convention center. The Chamber supports Economic Development in Wyandotte County that improves and enhances the community through increased tax revenue, workforce expansion, and collaboration with local business. The KCK Chamber of Commerce supports a downtown convention center that can host up to a thousand people. KCK's ability to host events, conventions, and conferences will greatly enhance downtown KCK's visibility, attract businesses, and support our local business owners. We proudly represent 500 members across the metro and we see tremendous benefit in having the convention center that meets the needs of the community. Thank You.

Alan Carr, Executive Director of Visit Kansas City, Kansas, said I live at 441 Armstrong Avenue. I'm just a block away from the proposed site where this will be. I am happy to be here to talk a little bit about tourism in our community. We've done such a great job of using tourism as an economic development tool to bring visitors and new money into our community. One area right now where we are mightily struggling is meeting facilities. We currently have no operating meeting facilities in Kansas City, Kansas attached to a hotel or adjacent to a hotel that we can bring a large meeting into Wyandotte County. I use the example all the time our State Tourism Conference is about 250 people. We can't bid to host that conference right now because we don't have the facilities to host that event, and we feel that every day. We, just since the first of the year, have heard from 10 different groups looking for meeting space in Kansas City, Kansas.

Under one roof is what a lot of groups are looking for so, you have something that's attached or near to a hotel. Those events represent approximately 4,000 hotel room nights that would bring about $371,000 into our community. We cannot bid for any of those events right now. So, just since the first of year, we've lost those opportunities. So, we need meeting facilities. We do know that there are some outside of this project that are on the horizon, that you've information about. Margaritaville, I know will have a large convention and meeting facilities. So, what we want, our board has not taken a position yet on this project, so I'm not going to speak specifically to that, but what we see and what we feel like we need for visitors here in Kansas City, Kansas is a downtown meeting facility. We think it's very, very important to have meeting—**Ms. Sparks** said one minute remaining—**Mr. Carr** said facilities in downtown Kansas City, Kansas, especially near the Hilton Garden Inn. It was built with the Reardon Center to be it's meeting facility so it is suffering as a result. We need development that will bring activity and vibrancy into downtown Kansas City, Kansas and we need to build the gateway into our community off of I-70 onto Minnesota Avenue, making it a vibrant place where visitors want to come and visit. So, I hope you look at this both from the short-term potential of what we can support downtown, but also from the long-term potential of what we need throughout our community. We are in the process of working to develop a destination master plan. We were just starting those discussions. I don't think that exists in Wyandotte County so that we can be smart about the tourism development here, but we do need meeting facilities here in Kansas City, Kansas. Thank You.

Greg Kindle, Wyandotte Economic Development Council, said and a resident of Kansas City, Kansas. We concur largely with what Alan just talked to you about from Visit KCK. The calls we get, we often send them to Alan's shop to inquire about meeting spaces and banquets, but those are actually the calls that we tend to get. They're not so much about large events. They typically tend to be more about large meeting spaces, quality meeting spaces, and that's really what I wanted to kind of differentiate from some of the other speakers is that if you choose not to go down this path, which walking away from a $25 million investment in our downtown core is something that you all have talked quite a lot about, the investment into the downtown. Then, what's the next step because we have not had anybody else walk forward to kind of make that kind of investment in the downtown and as a result of this project alone, you all know that many other projects have already been delayed because folks are watching this conversation unfold in the public as to the time and how we've done this project. What I would say is that if you're not going to do this project, then you need to have a game plan for what you're going to do with the existing Reardon Center.

Now, there's varying opinions about what that's going to cost, but it's anywhere from 5-10 million plus just to get it back up to speed and if we're not prepared to make that kind of investment into this facility, then it's going to continue to sit there and deteriorate. So you would be then put in a position, in my opinion, as both the Economic Development Council trying to help you market the downtown, helping you market this county, that don't continue to leave us in a lurch about what you want the downtown to look like, and how you want us to advance forward because this will make a decision about our Economic Development activities because it will continue to affect the way that folks interpret how we are moving forward in the downtown area. I think Mr. Lanier and his team have been very forthcoming and they've been very open to working with the Unified Government, with us, we've enjoyed working with them. The Unified Government team, they've had multiple of different types of options presented. This is the option that you all have consistently—**Ms. Sparks** said one minute remaining—**Mr. Kindle** said that you want to proceed with and we would just say look if you don't want to go this direction, that's perfectly fine. We're enamored with the fact that we would have quality space and it is important that whatever the ultimate development agreement comes out with that we are in fact talking about a technologically advanced, high-quality meeting space, not just one big room, and I don't think that's what Mr. Lanier has in mind, but I think it's important that if we're going to build it then let's build it very, very nice, but if we're not, then we need a different plan, and we need one pretty quick to put money into that facility. Thank you.

Joey Ortiz, Burns McDonald, said I am the past chair of the Chamber of Commerce and also the co-chair of the Public Policy Committee for the Chamber. I want to state something Daniel said earlier that I want to make sure that we're clear on. The Chamber is not endorsing or saying that this needs to be a thousand-person facility. We do need a larger convention space here in Wyandotte County, we believe that strongly. We're not necessarily saying that this needs to be that. We're saying that we do need one of those here in Wyandotte County. We support economic development in Wyandotte County and most importantly what we support is moving forward with economic development and not seeing things stall or stagnate. So, the more that we could move things forward, the more we support economic development in our community and I just wanted to make sure that we clarified that. Thank you.

Chairman Burroughs said any other comments from the fifth-floor conference room?

Mr. Murray said since the question came up, I think perhaps Mr. Kindle raised questions about, or someone did, about the cost to rehab the Jack Reardon Civic Center, and don't know if all of you are aware of it, but just a couple of weeks before the Interim County Administrator left, a report was provided to the Interim County Administrator covering the costs to reopen the convention center and, of course, six or eight months ago, there was a full-blown report covering the total rehab costs for the convention center. I just wanted to point out that the Facilities Management staff in their review as reported to the Interim County Administrator indicates that it would cost approximately two and a half million dollars to open the facility and that could be done fairly quickly. The report that I mentioned that took place six or eight months ago, showed a total rehab costs, meaning to renew the convention center to make it look new, would be from $6-$8 million dollars, but since that came up, and since Mr. Kelly did provide this report, I felt I needed to share that with you. Thank you.

Chairman Burroughs said any other comments or questions? Committee? I think we've had public comment. I think this is the third time. I think it may be the sixth time I've had presentations on the will of the Lanier project so this thing has cooked along quite a while. Mr. Lanier for the benefit of a few of us, 7,000 square feet, and maybe LaVert Murray can answer this, what is the square footage within Memorial Hall ballroom? Do we have an idea how many square feet the ballroom is upstairs? That might give the perception for some of us as to what 7,000 square feet may look like. **Mr. Murray** said sorry Commissioner, I don't have the information on Memorial Hall, and I don't recall the size of the meeting space on the second floor. I can tell you that the ballroom area if you will, the main exhibition area within Memorial Hall is smaller than what you have at the Jack Reardon Civic Center. **Chairman Burroughs** said thank you, that gives you somewhat of a picture perception as to what sizes might be. Of course, upstairs is a little bit different than downstairs. I know that, Mr. Lanier, you had mentioned that the kitchen area, 7,500 square feet, would any of that be taken away for the kitchen or is that exclusive of the kitchen space? **Mr. Lanier** said that would be exclusive of this kitchen space. **Chairman Burroughs** said thank you, I appreciate that verification. Committee we've had plenty of discussion.

Commissioner Stites said, Todd, you might be able to answer this as to someone, I think it might have been Greg, that brought up but I'm not 100% sure. They talked about the Margaritaville.

Margaritaville is going to have a convention center and if I'm not mistaken, is it roughly 30,000 square foot? **Mr. Kindle** said I think that's right. **Commissioner Stites** said so there will be a venue in Wyandotte County that hosts a meeting space, 30,000 square feet right? Now, I know that's out west and it's not downtown. **Mr. Kindle** said right. **Commissioner Stites** said but now, what I also want to say is we don't have just hamburger stands or hot dog stands. We have steak, we have chicken places, we have fish places, all meeting spaces don't have to be the same. We need to be just like housing, it's not all single-family, it's not all duplex, it's not all apartments. We have to have a variety and I think the question here is, what I keep going back to, is 7,500 square feet with the ability and I want to make sure that I'm right when Mr. Lanier spoke that it's flexible. I mean we can if it turns out that 75,000 which is, what I got was about 350 seats, but it can expand. If we had an event that needed more space, it could flex up to the 15,000 square feet. **Mr. LaSala** said I'll let him speak to flex space. **Commissioner Stites** said okay. **Mr. LaSala** said just to be clear, our agreement says no less than 7,500. **Commissioner Stites** said okay. **Mr. LaSala** said they get into their marketing and they decide to build 8,500 or 9,000 feet that they're welcome to do that, they just can't build less than 7,500. **Commissioner Stites** said so there's the potential that it's going to be larger than 7,500 square feet?

Mr. Lanier said oh, most definitely, but that would be determined during our design phase and so forth, but it would not be where the building is built to expand larger than the footprint of the building at the time of completion. **Commissioner Stites** said I would go back, and Commissioner Burroughs, I think we've talked about Memorial Hall and how that the reason that we're not able to utilize that as much as we would like is because there's not a full-blown kitchen where people can come in, have food, and I'm glad to hear because this is the first time that I am hearing that there is a full kitchen on site. I think that's very important on what we can attract, and I will tell you that I'm in support of it. I don't want to look at this as something—view this as something what are we losing. I think somebody had mentioned what are we losing, I like to look at it as what are we gaining, what are we getting, what are we gaining. We're gaining housing, retail, investment in our northeast, which we've been saying that we want, and we're having, in my opinion, a right-sized convention center. I don't know when the last time when, and no one's ever brought the numbers to me, I haven't seen them, that said that we turned away, or we had a thousand people at the Reardon Center ever. I don't know if we ever had that, so I think that site was too big to begin with. So, I think we're doing the right thing and getting it down to the size that's needed. So, I appreciate your time and the presentation. Thank you very much.

Chairman Burroughs said for clarification, the public comment has been closed, and so I want to go back to the commissioners, and I believe that the public will have an opportunity to engage in this process a little later down the line, but right now the public comment has been closed for this evening. So, again, Commissioner Davis?

Commissioner Davis said I've just been kind of listening and really just trying to ascertain what the main concerns are. I think we've solved the pursued cost issue, pretty standard in development agreements, and it's not extra money, it's not an extra burden on the taxpayer, it is included within the development agreement. The other thing that we haven't really pointed out is within the agreement the Unified Government, please correct me if I misread this, we'll be able to use the Reardon Center for free 10 times, and after that tenth time, we'll have access to use the Reardon Center for a discounted rate, and so I want to echo what my colleague Commissioner Stites said, I don't know how we have brought in deficit thinking when we have a building that we own, that doesn't generate any taxpayers dollars, has been money going out the door and is currently not open? I don't know how we can go from being pro-economic development and saying we want to move our community forward to now focusing on what I would consider are important details but it loses what we are gaining. We are gaining housing, we are gaining additional tax revenue, we are gaining more density downtown, we are gaining other development that may look at this and say if Lanier can pull it off, it's safe enough, let me go ahead and invest in downtown KCK.

I wouldn't be doing my job if I let this project just walk because it is transferring this ownership of a building that we do not have the funding to take care of. I have no interest, and I believe the majority of my colleagues have no interest, in spending \$2.5 million to open, and \$6-\$8 million to renovate when we are at a structural deficit for our city. We're talking about city property and city budgets, it's just irresponsible in light of the tax burden that folks are dealing with. I see this as a benefit because it's going to bring more money, more sales tax dollars, more resources to our community. We talked about the retail space, we talked about, 290 plus parking units. Let's not forget about the BPU PILOT dollars that will come so, that's more money going into the city coffers as well as 18% for local businesses, 15% for minority businesses, and 78% for women-owned businesses to participate in this development, we are gaining.

Action: **Commssioner Davis made a motion, seconded by Commissioner Stites, to move forward for a discussion full commission, so the rest of the governing body can weigh in, but I move to approve.**

Chairman Burroughs said okay committee, I want to ensure that we have any other discussion opportunities before I entertain a motion. The motion's been made and seconded. So, I just want to ensure that everybody's had their chance to say something before we cut off discussion out of respect for the other members that have been here awhile.

Commissioner Townsend said with all due respect to everyone who spoke tonight, glad to hear what their concerns were. I can remember when the discussion was about no meeting space and that was unacceptable to me and the other Commission members at the time, and as well as those who are currently on it. Mr. Lanier rose to the challenge, and today the proposal you heard is a result of that. I think it's so important again to look at how we are going to be bettered with this convention center and people are watching. We could have had the ribbon cut on this by now for a lot of reasons, COVID. Look at how our work environments and home environments have changed post-COVID. What may have been ten years ago in terms of size and space and the need for a convention center as big as that one was may be be no more, but you've heard Mr. Lanier say what the minimum is. The other dollars that weren't talked about is the ongoing cost to the UG of maintaining an old outdated Reardon Center.

We need the new, we need the improved, we need to be competitive, and this will not be the only opportunity for Wyandotte County and developers that are coming in to build convention space, but we have someone at the table who's been at the table who, in my opinion, is offering a reasonable brand new, updated conventions so that we can really be competitive for people who want to come in. It may not be as big as people want, but this doesn't have to be the only convention space and I think it's important with a lot of the things that are coming, not just to the Kansas side, but the Missouri side for us to be able to compete and offer space. So, I am in favor of the motion and the second that's already been offered and the rest of the project.

Chairman Burroughs said thank you, commissioner. I understand Senator Haley has his hand up.

Mr. Haley said I'm hesitant to support the motion, and this is a new and improved area, Reardon Center, and let me say I'm very supportive of the overall project but many of the concerns that I have for what our downtown looks like for what we host, what we are able to accommodate. As we see the growth not only in our surrounding metropolitan areas, but we need to be competitive. I don't care what you put in Margaritaville, that is a part of Wyandotte County, that's well and good, but a city is defined most often by its downtown, every major city is. I mean I enjoy what we have out west and as we continue to watch the growth and the expansion of opportunities that are happening to our neighbor to the east in Kansas City, Missouri. As we see those opportunities there, there has to be in Kansas City, Kansas, a downtown space.

There has to be an area where we can come together and offer to those that would come to Kansas City, Kansas a viable space to be. I want to thank Mr. Lanier and I want to thank his team, Mr. Fields and those that have worked so diligently to bring us together. If I thought that I was going to be the deciding vote that would not take this on to the full commission, I probably wouldn't cast my no, but there is no place for unanimity completely when we have left laying on the table the unanswered questions as to where our downtown space and how our downtown spaces will reflect a larger, more comprehensive ability to have a community attendance and to bring in those from outside who are having conventions. I think it's short-sighted, all due respect, to everyone else to suggest that new and improved but too small to accommodate would suffice. It doesn't and it certainly doesn't enjoy my support at this point in time.

I remember, finally in closing, when we were looking across the street over there in the what I'd call the bank or the Merc parking lot, and I asked at that point in time, I said which is the preference of the Lanier team to be on one side or the other and indeed, they said they want to come back here. I had hoped by coming back to the Reardon Center side of an enhancement, they talked about $8 million or so to enhance the existing Reardon Center, that indeed would have been the case. So, I just share that I continue to want to reflect what the community and what I feel is the best option for downtown Kansas City, Kansas, to define ourselves by an improved space that can accommodate visitors into our city in a meaningful and productive way. Thank you, Mr. Chair.

Commissioner McKiernan said I want to just echo and agree with some of the comments I've heard tonight regarding our meeting spaces. I think that our meeting spaces across the entirety of a community can provide the necessary resource for all sizes of meetings. The Reardon Center would fit one slot, Margaritaville would fit another slot, Memorial Hall properly updated and renovated would fit another slot, and we would have the capacity that we need. I do want to address, and I think I may have misheard this, but I thought I've heard somebody say we're all filled up on residential downtown. In my opinion, that could not be further from the truth. We need more people downtown, we need more people in the east end of Wyandotte County, we need to build housing, multi-family, as well as single-family. We need to increase our housing stock, yes, across all levels of affordability, but we need more people to support the amenities that we all want and that we all benefit from. I'm not willing to, nor do I think we can afford, to put large amounts of cash into the existing Reardon Center facility. So, I do think that this project gives us amenities, retail, it gives us multi-family housing, it gives us a state-of-the-art meeting space, which will be one of an array of meeting spaces that we can utilize and so, I just wanted to say that I am in favor of moving this proposal forward for further discussion.

Mayor Garner said my comments mirror Senator Haley's and some of the other people in the audience. For the record, we support Mr. Lanier. I don't think there's anybody here at this governing body that does not support Mr. Lanier, what he's brought forward. He's taken the time, he's been patient. I know that he's put a lot of energy and effort into making sure that we get what we want in our downtown and he's still here, he's still at the table, and for that, thank you. But he's wanting to know what we want, and he wants to accommodate what we want because I"ve talked to him and he just wants better for Wyandotte County. He wants to be that developer that brings the type of development that meets the needs of this community. I tend to lean more towards a facility that can host big conventions and I heard one of our commissioners say well we've never seen that convention center packed out, I have. I've been there numerous times when there was standing room only, and sometimes there wasn't enough space. I've been at those conventions over the years. Were those consistent, no, but those rooms were divided up to accommodate smaller venues as well as large venues, and so I don't want to short-change this community on having an opportunity to be able to host and compete with our neighbors to the north, south, east, and west for convention space. Not spread out and car block throughout the community but in one space with adequate parking, with adequate resources to have an adequate and substantial convention at the gateway to our community.

I do believe that Mr. Lanier has responsibly looked at all the options, which you haven't heard is another option that he had to do just that, to expand the Reardon Center if that’s what you want, and to not diminish those meeting spaces, but to make sure that space is brought up, maintained, and redeveloped to be a first-class convention center in our downtown like most communities have. I know we say oh, there’s a smaller convention center. I don’t see meeting spaces of 7,500 feet or square feet being a convention center. I just haven’t heard of a convention center that’s 7,500 square feet. I mean I could be wrong, but I know convention centers usually house well over 500 people to have really robust conventions, meeting space, breakout rooms, and kitchens well planned out. The technology that can go when you talk about state-of-the-art that’s sort of what it really looks like and so, I know Mr. Lanier has another option. I’m going to ask you, can you just briefly talk about that other option, just for this Commission as we move forward, that would allow for the Reardon Center to be reconstituted and brought up to a first-class facility to include the housing that we so desperately need for our residents here in Wyandotte County.

Commissioner Stites said do we have that option—**Mayor Garner** said okay, well that’s a question that I had, Commissioner, and so I want him to answer. Thank You. **Mr. Stites** said no, I’m saying do we have that? **Mayor Garner** said you don’t have it, I want him to talk about it.

Mr. Lanier said you don’t have that right now. I was asked to come today to present what you saw today and we prepared our presentation in order to do that and that only. In trying to work with the community for over four years and find a way to meet various needs, I have come up with two or three different potential scenarios that require different levels of investment. I’ve made a lot of investments on 5th & Minnesota. To any options that I look at will be on 5th & Minnesota. I can’t go anywhere across the street, down the street, nowhere else. However, what Mayor Garner is speaking to, is a scenario where apartments will be built adjacent or to the current Reardon Center and the Unified Government would still provide funding. Now, this project would allow for maybe trying to take some costs from the original construction, move it into renovation, but that would be partial renovation of the Reardon Center only. A partial renovation and so there would still be a need for significant funding at some point in time down the road that would be millions of dollars. But in trying to meet a request, there is always a way to do something if the right funding is there, and if we were to build apartments, there was an element of expense that could be applied to renovation of our Reardon Center, and that's what Mayor Garner is speaking to. But that would be a very, very, partial renovation, and we still would have the majority of the building and other spaces that need to be renovated in order to turn into revenue producing areas. So, that was something that in terms of trying to find how to work within this community that was discussed at that time.

I do believe that the current Reardon Center is not ADA compliant to this day. It has a lot of other deficiencies that we're not within current building codes right now, and so, with the building being inoperable today, it has been closed down for four years, it's not able to even have the public inside. But if the public was coming inside today, the bathrooms are not sufficient and so there'll be a lot of enhancements just to get up to code outside of just doing cosmetic improvements to the facility. However, so, the point that Mayor Garner is asking is how can you build apartments that gives housing, that gives first part commercial, and find a way to redirect some dollars towards some cosmetic improvements to where the convention space can function in the current building footprint. However, that is not a forward innovation by far.

Mayor Garner said thank you, there is money that is there. I believe we had a meeting about two weeks ago Friday where you did present that forward reconfiguring some things, including the escalator, things like that, is that what you're referring to? **Mr. Lanier** said yeah, so, the areas that would be reconfigured obviously would be the areas that the public would need to see and use. That would be flooring in the entryway, flooring in the convention room, new wall panels, downstairs just updating those colors, and so forth, and other miscellaneous things in that current area where you go downstairs and so forth. Two of the three ballrooms for sure would be renovated. The one closest to the Minnesota side has water damage and that would have a structure sitting on top of it, so we're not sure how much space would be utilized there but that would be a way to get the majority of all three spaces could be utilized by redirecting some of the monies and the construction budget that would not need to be used if there was additional expenses in this current project. At the end of the day, the commercial kitchen in this building to accommodate a much higher level of people needs to be much bigger, and so forth. The kitchen equipment right now, in the current design, that we're proposing it's almost $800,000. You know this is going to be $ 1 million, $3, to $4 million to accommodate a much larger kitchen operation, and remember the hotel only has 150 rooms. So, we're trying to not compete against a lot of other facilities around the metro area that come online. All we done in Gardner, has a convention space, you know Lenexa, there's hotels, there's even restaurants you know expanded to be in the small group space because everyone's trying to figure out a way to get additional revenue for themselves. So, operating and operating costs are a big thing here that needs to be factored into how and what decisions are made so that long-term viability is there, but there is a way with additional investment, to treat a build of that whole Reardon Center that you can accomplish the task, but I didn't know that additional investment was going to be on the table, other than what I can try to do within my current construction budget.

Mayor Garner said okay, thank you, Mr. Lanier. I think that question was brought forward to just let this Commission know as we go to the full commission that there are other options on the table depending on the investment. I'm a person that likes to be community-driven, and if the community says they want a larger, rare incentive to accommodate real banquets, conventions to compete. We are a lot closer to the airport than a lot of our neighbors to the south, and there's a lot of overflow opportunities, and I have seen the Reardon Center at capacity on several occasions. I just want to make sure that we are doing everything we can to give this Commission all the options that are available so this Commission can make an informed decision on what options are available to them and then move on down the road. You have been identified as being the developer of choice for this project, and congratulations to that. We support you, we want you to be successful. We want new redevelopment in our downtown,but we want it to be right and we want it to basically accommodate the needs of this community says that they want. I believe in being community-driven.

I don't know how far we've gotten with really reaching out to a lot of our stakeholders prior to me becoming Mayor. I've heard mixed results on that, but I have gotten a lot of feedback after the fact of me being Mayor and the resounding ask to me, just from the folks I talked to, is that we would like a first-class, state-of-the-art convention center that can accommodate 500 plus seating capacity for conventions to compete, and I think we could compete if it's done right with a lot of our neighbors just by our geograpphical location, so I do want you to be successful. I've told you that before. We really need this project to be successful for our downtown. We need the housing. I'm happy that you're the developer of choice. I just want this Commission not to ignore the fact that there are stakeholders that have been asking for this Commission to take seriously.

The ask to accommodate the meeting space downtown that can accommodate real conventions. I think northeast, and our downtown deserves that. I know that there's a lot of talk about things going out west, but I'm going to continue to fight and say we need these sites of good services, amenities, and resources to the people that live east of 635, have that same balance and level of opportunity because we invested, we put out west as well and I think our close proximity to downtown KCMO, and then being the entryway to our great community here. Kansas City, Kansas deserves that, and so I'm going to support this Commission in whatever they decide. I definitely support you in your effort to just hang in here as we work through this long tedious process and whatever comes out, I really hope that it is the best that Kansas City, Kansas and the great resident's of Wyandotte County deserve.

Mr. Lanier said, Mayor, thank you for your comments, and thank you for coming tonight. I want to point out that, as the whole world knows I am a black developer, okay, and that shows when it comes to downtown KCK. I brought my own resources to this marketplace when I saw nobody else showing up, beating the doors down to try to do development, and at the same time, I have to work with whoever the elected officials are at such time. Whoever is employed and staff. Whoever is there, that's who I will work with, and unfortunately, I did the process. As Commissioner Burroughs said, I did the process, many, many times over, and we have had public meetings where the public can come out, we sent letters out to addresses nearby and so forth and we've had neighborhood meetings. We've done what developers are asked to do. We paid for legal support on both sides, the UG's legal support, my legal support, I have come and done what hopefully the developers of Margaritaville are doing. Hopefully, the developers of anything else in Wyandotte County. All I can do is say what is the process?

Don't change the rules and let me try to perform. I brought first-class, A-class, companies to this city to ensure quality. Something that will last the test of time. All of those things, you can go down the roster of a list of companies that I'm utilizing. I've made a public commitment. I will far exceed the L/M/W requirements, but I'm doing a lot as a black developer, more than what white developers are asked to do. I can only do so much. I want to be here in this community. It's four years in the making. Right now, with COVID, with interest rates, with materials going up, and inflation, I'm still knocking on the door. So, I can tell you right now, I'm giving everything I can. Hopefully, you hear it in my voice, I'm ready. I'm ready to do and so to anyone that felt like it didn't know what I was being asked to do, I look in the camera and say I apologize. I apologize if communication and I apologize if the information wasn't disseminated correctly. I'm still here. I'm still here, so I'm willing to listen, modify, the best I can, so that collectively we can get something done. The only reason there was a fitness center in my initial program is because there wasn't any downtown fitness center period. That's the only reason I said I will do it. I'm not going in the fitness business, but print it on my lap and let me do it.

So, I will tell you right now if I can work with you, I can work with staff, commissioners, and so forth, or anybody, what I'm proposing, I believe would not be the best thing for everybody, but I do know where we stand today and I've watched this place for four years. We have not had meetings at the Reardon Center since I showed up and I can't tell you how much that is painful because I know what it means, it doesn't have foot traffic, people aren't coming to the hotel, people aren't even out here doing things. We can't even do things where we can support the Farmer's Market that comes across the street to the Merc. My resources could be something that expands outside of development. I should be able to teach young African Americans what construction means, how to get a job as close to your house, not 30 miles away at the Legends. Okay? So, I need to do some things here, and I need to do it, but it's on my back. I have no help and no support. I'm asking this body to finally say it's time to move forward. Thank you.

Commissioner Townsend said, there is a motion and second, and I'm calling for the question with all due respect. We have seen as many people in these four years and currently and want the current size that Mr. Lanier is proposing, as those who are not as pleased. I think the important thing is we call for the vote on the project as presented and move forward.

Chairman Burroughs said where I come from calling the question is really shutting off community debate. I just want you to be mindful that should it be an issue that you want to have debated and when somebody calls the question that takes action off the table and moves right directly to the motion. This has been an issue that is very important to Mr. Lanier and to the community, so you've called the question, so Clerk call the roll.

Roll Call was taken and there were four "Ayes," Davis, Townsend, Stites, McKiernan and two "No's," Haley, Burroughs.

Chairman Burroughs said I will give you my explanation of no vote is I want the public to have an opportunity to have a hearing in full transparency Mr. Lanier. The community deserves to hear the time and effort that you have put into this project and that's what the Chair was trying to do this evening, to get an actual clear picture of the development that you have presented with us this evening. So, please don't take my no vote as being opposed to the project. It's an opportunity to have the public speak in an open forum at the full commission meeting.

Ms. Sparks said the vote was four to two, and the motion passes.

Chairman Burroughs said thank you committee. **Mr. Lanier** said thank you. **Chairman Burroughs** said that ends our discussion this evening of the Economic Development & Finance Committee.

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

Ms. Sparks said Mr. Haley would like to make a comment.

Chairman Burroughs said please Senator Haley? **Mr. Haley** said thank you for your brief consideration. I just wanted to echo sort of what the Chair had said regarding this project. I am amazingly enthused by what it can mean and what it will mean. I'm only concerned about the space. I want to be as encouraging not only from the local government, but also from the state to see this project come to fruition and I'm sure that the utility, the BPU, will be anxious to work further to help the project come into be. Thank you.

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

<u>Public Agenda</u>

No items of business.

The meeting was adjourned at 7:30 p.m.

JG

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, August 14, 2023

The meeting of the Economic Development and Finance Standing Committee was held on Monday, August 14, 2023, at 5:00 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, McKiernan, Townsend, Stites, and BPU Board Member Haley, (arrived at 5:11). The following officials were also in attendance: Wendy Green, Deputy Chief Counsel; Andrea Vinyard, Cash Manager/Deputy Treasurer; and Monica L. Sparks, Deputy UG Clerk.

Chairman Burroughs said before I call the meeting to order, I want to announce that some committee members, staff, and the public are attending remotely via Zoom as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. When speaking, please speak directly into the microphone to ensure everyone listening is able to hear your comments and to ensure a clear record is made. During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants and is the current guidance from the Kansas Attorney General.

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

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

Chairman Burroughs asked if there were any revisions to tonight's agenda. **Monica L. Sparks, Deputy Unified Government Clerk,** said we have an addition. Item No. 3, under the Committee Agenda, it's a resolution regarding the American Royal Association Industrial Revenue Bonds.

Chairman Burroughs said we have no minutes to approve this month.

<u>COMMITTEE AGENDA</u>

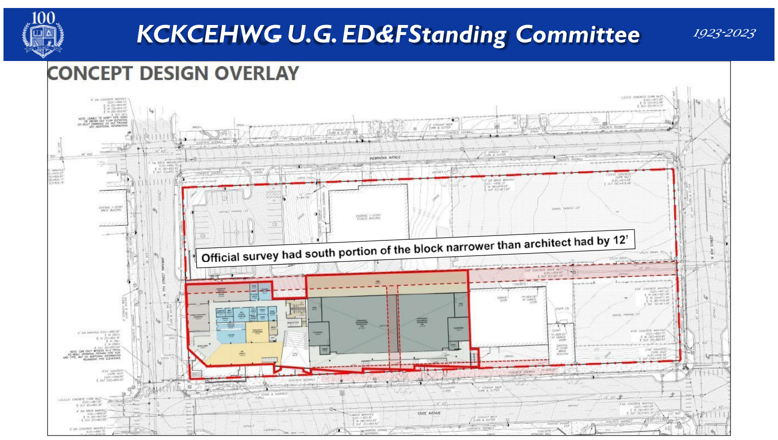
Item No. 1 – 212627…RESOLUTION: REAL ESTATE PURCHASE AGREEMENT WITH KANSAS CITY KANSAS COMMUNITY COLLEGE

Synopsis: Approval of a resolution approving a purchase agreement with Kansas City Kansas Community College for real property located at 600 and 645 Nebraska Avenue, submitted by Jeff Conway, Assistant Counsel.

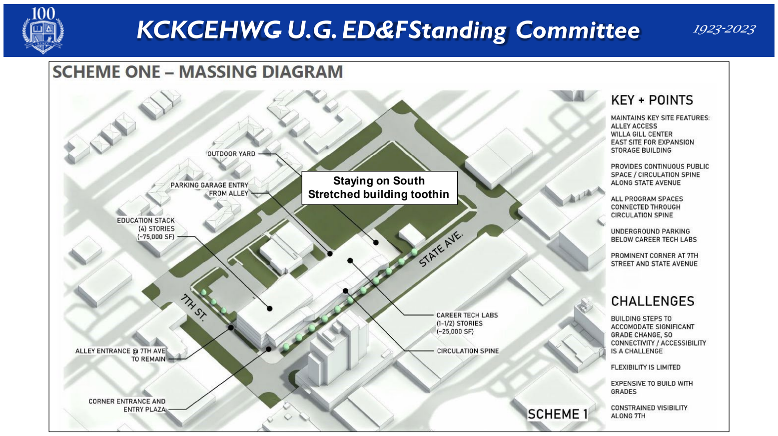
Wendy Green, Deputy Chief Counsel, said we do have Dr. Mosier who is going to present.

Dr. Greg Mosier, President, Kansas City, Kansas Community College, said thank you commissioners and everyone for having us here this evening. This is a resolution very similar to what we had before you approximately a month or so ago. After we had that meeting, we found out some additional information about the block which changed the orientation of the education and partner building. I have a set of slides that kind of walks through that and happy to answer any questions.

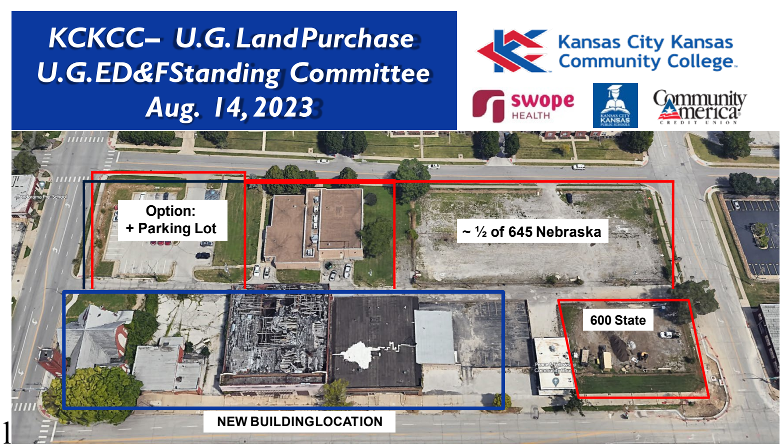
At our last meeting, this is what we had made the request of the Commission, which was of the Standing Committee and the Commission, which was approved. The boxes in red outline the pieces of the property that are owned by the Unified Government that we were looking to obtain at that time.



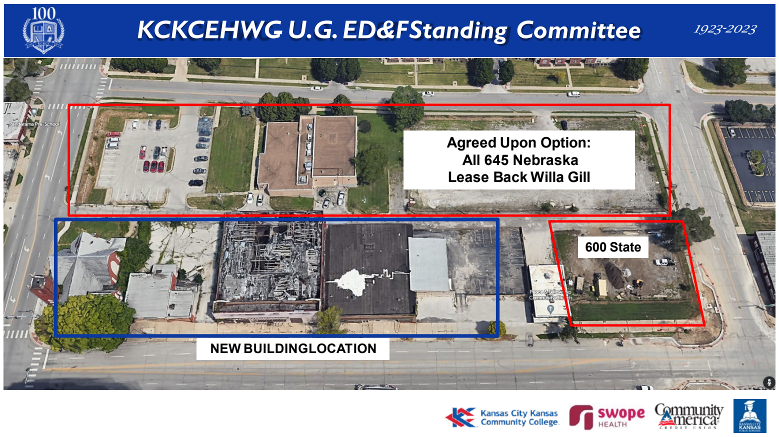
Literally, about three days after the full commission meeting, we received the official survey back and from the measurements on the official survey we found, through our architect, the distance south to north to the line of the alley was about 12 ft. shorter than the measurements that they previously had when we had been doing all the illustrative and conceptual work for the last couple of years. The dotted line is the alley and the heavy redline is the outline, the footprint of the building.



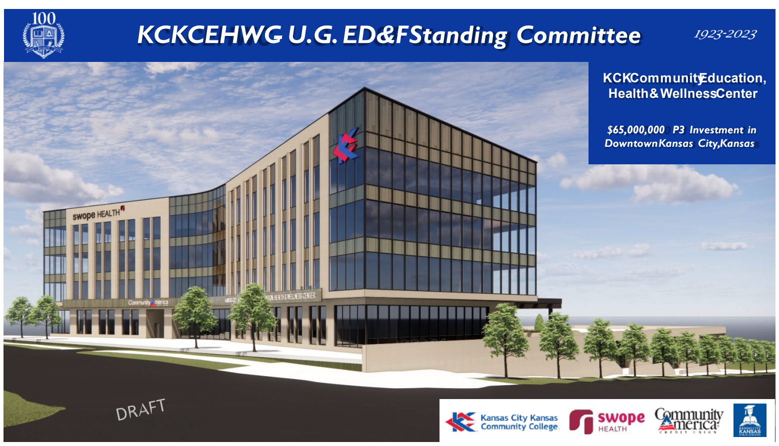
We've looked at trying the stretch the building to make it stay within the building parameters of that space and it made the building actually so thin that it would not be a functional building. We looked at different types of layouts. This is the one that the partnered group landed on which changes the orientation from the educational/partner building going north and south along 7th St., which puts the northern half of the building on the current parking lot for the Willa Gill Center, which we have not requested that land at that time. The initial desire was, in the long run, to have the entire city block. Of course, we didn't want to displace any services to Willa Gill.

1 

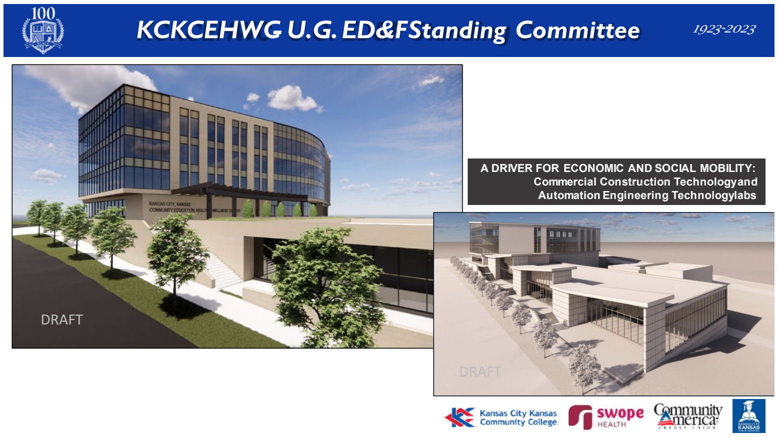
We got together with the Mayor's Office, with the City Administrator, UG Legal, City Planning, Willa Gill, the people who operate Willa Gill, St. Mary's and the hot lunch group and talked about some different options. This being one of them which left the Willa Gill building still within UG ownership, but with the desire of the long-term desire to obtain the entire block at the conclusion of that building.



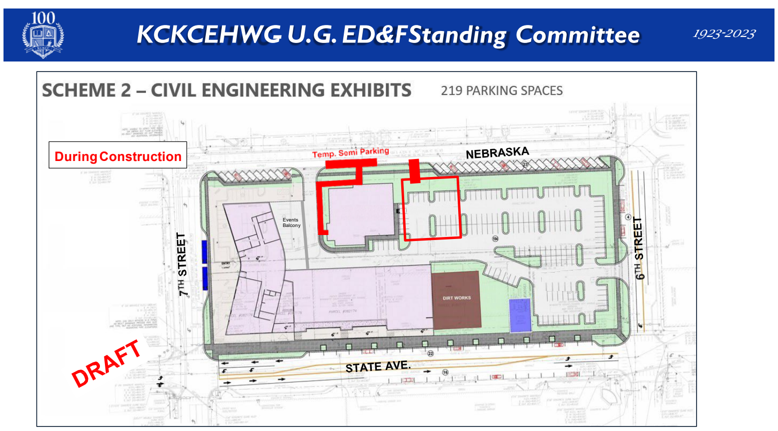
This is the layout of what we decided to request from both this committee and the full commission. With this in the resolution, you'll see that we still are maintaining our original promise from several years ago that we won't interfere with the operations of the Willa Gill Center either during the construction period or afterwards until there is an alternate location found. We still have that same commitment made.



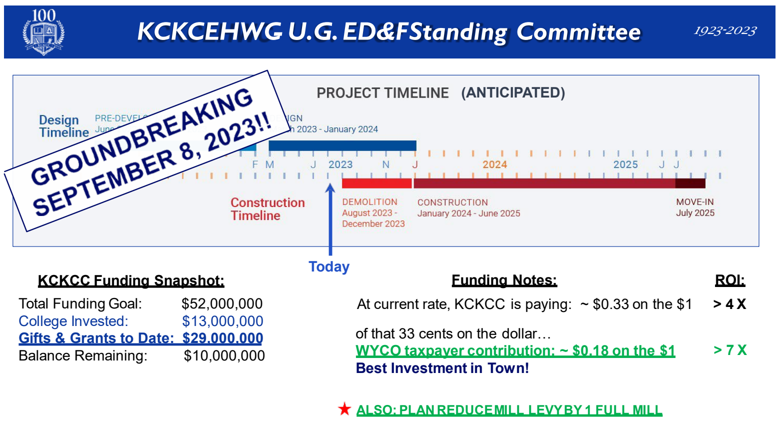
With the change of the orientation it's actually a more beautiful building and will have greater impact, I believe on Downtown KCK for future development.



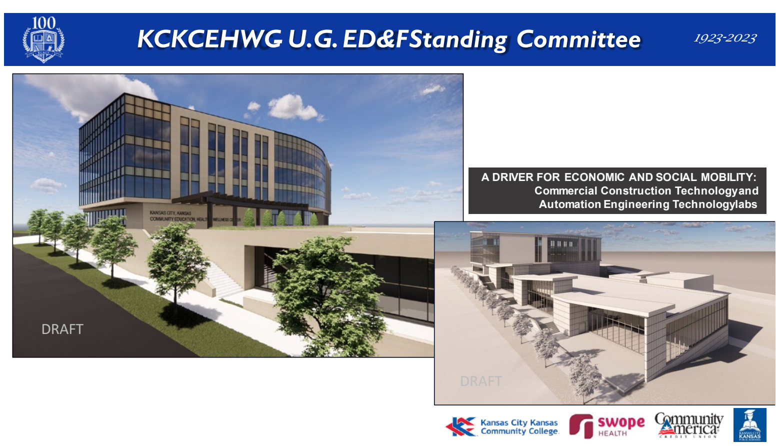
I just want to show you an illustration of what the new center will look like. This is the east side and then the technical labs have not been illustrated out by the time that we needed to put this together, but this is where the building sits and you can still see the Willa Gill Center.



During construction, as we will be using the parking lot on the west side of Willa Gill, we will make a concrete barrier on the east side of Willa Gill of the appropriate size so that it will be marked only for Willa Gill employees and patrons so that they can pull in and park. It's actually a better parking location than the western side because there's about an 18 ft. difference in gray from the parking lot down to the center. This will put the parking on the same plain as the footprint of the Willa Gill Center. You can see on the west side of the Willa Gill there's a location for trucks to drive around and through. And then for the semis, we would do a temporary and possibly a permanent by cutting into the sidewalk for semi-parking for food deliveries. They don't take any deliveries into the back south side of the Willa Gill where there is actually a loading dock, but it stands 8 ft. off from the ground and alley so they use the west entrance. So, we would even tear out and build them a better sidewalk to take deliveries from Nebraska Avenue and purchase them a hydraulic lift cart so they can move things easily as well, wanting it just to make it as easy and convenient for them as possible.



I just included this because this is our timeline we're still on it. We continue to receive very good funding for the project. They see it as a great benefit for both the community and the taxpayers. It will be a $65M project still, but with the money that we've raised for our Wyandotte County taxpayers, they're getting the building for approximately .18 cents on the dollar if we continue in this same fundraising category. Then, also just as an additional note, next week we do have a proposal for the KCKCC Board of Trustees to also reduce our mill levy by a full mill, which is $1.92M approximately. We're still trying to balance those things out as we're looking at this project.



But with that we have the resolution for the purchase of the entire north half of the block here and 600 State Avenue. With the contingencies of that, we will lease back the Willa Gill building to the Unified Government so that the operations of Willa Gill can continue through the construction and even after the construction period until an alternate location is found. That concludes my presentation.

Ms. Green said I just want to reiterate everything that Dr. Mosier has said that this has been through Legal for review and the real estate purchase agreement has been agreed to between the different attorneys and the different organizations and the resolution states that. What you don't see is the lease for the leaseback. That will be a separate agreement, so the lease terms you're not going to see in the purchase agreement because that's just not the appropriate place for them. There will be a separate lease agreement for that.

Chairman Burroughs asked, so Wendy, will that lease agreement come back to this commission before full commission or will it go before full commission? **Ms. Green** said I don't know that the lease agreement has to be approved. It's not typical that the Commission approves leases, that's usually a County Administrator function. He will either approve it or if he determines that it would be better to go in front of the Commission as maybe an information only item, then that it would come in front of the Commission, but I believe it would just be the County Administrator that would sign the lease, and it would not need Commission approval. **Chairman Burroughs** said I asked that because of the concern of Willa Gill—**Ms. Green** said, right—**Chairman Burroughs** said being a part of subject matter and I know the Commission, many commissioners, have spoken about the Willa Gill issue, so I just wanted to verify if we were going to have an opportunity to hear about—**Ms. Green** said correct. Well, I do believe the purchase agreement takes that into consideration, so I think we're covered with the purchase agreement.

Dr. Mosier said if I may, I forgot one item. It was meant to go on the agenda, but did not make it in time. Our desire is to expedite this if approved by the standing committee to the full commission on Thursday as we have plans to start the selective demolition of the church in September. **Ms. Green** said that's also Legal's understanding. I meant to bring that up too. **Chairman Burroughs** said thank you. Basically, you want to fast-track this. **Dr. Mosier** said yes, fast-track it.

Commissioner Burroughs said okay, thank you. Are there any questions, comments, from the Commission?

Commissioner Townsend said I think Commissioner Burroughs alluded to the question that I had about the lease agreement, and I see in Section 2 that this pertains to the college leasing back to the Unified Government the Willa Gill Center its grounds and parking agreements. Counsel Green, that's the lease that you were referring to? **Ms. Green** said yes, Commissioner Townsend, that's correct. **Commissioner Townsend** said okay, and as I read it, the resolution before us tonight talked specifically about the two pieces of property, the 600 State Avenue and 645 State Avenue which Dr. Mosier's presentation depicted. So, to me though, I guess, those are the three main things, those two pieces specifically identified property and then the leaseback agreement because Chairman Burrough's was correct. I did have some concerns about where this would leave Willa Gill. Thank you.

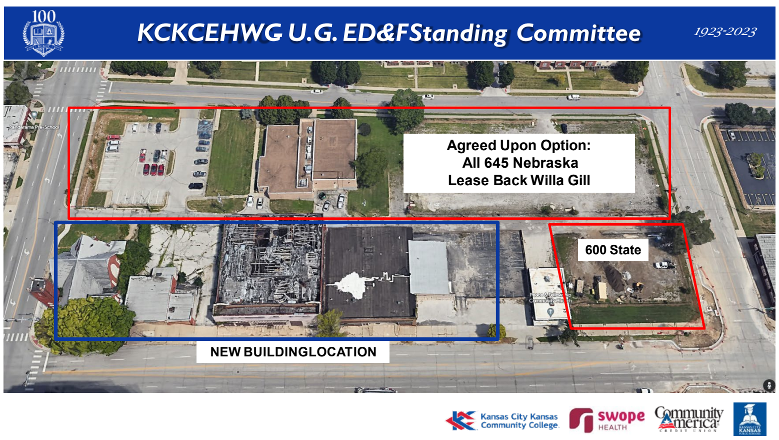
Chairman Burroughs asked any other questions Commission?

Commissioner McKiernan said I just want to verify, so will the Community College then take over the ongoing maintenance of that structure and the parking lot next to it after the leaseback or after the sale rather? **Dr. Mosier** said there has been some discussion about that at a very recent, but there's not been a conclusion on that. We will insure it as the owners as we're leasing it back. There is no revenue stream for the college to be able to afford the maintenance. So, that's just a conversation still yet to be had. **Commissioner McKiernan** said oh, I apologize, I thought that was a conversation that had been had prior to that. I do think it would be good for us to verify who will have the ongoing responsibility for maintaining that building. **Ms. Green** said I believe it was just agreed to today that the UG will continue maintaining that building just as we have been in consideration of them giving us an indefinite time to use it. Then, also, we will also have a first right of refusal for an indefinite amount of time. If they decide that they are not going to need that land for their development, we get first right of refusal to get that back. **Commissioner McKiernan** asked, could they choose, as the property owner, to then want to sell it. **Ms. Green** said correct, and both of those periods would be indefinite amount of time instead of limited.

Chairman Burroughs said Commissioner Townsend, you have another question.

Commissioner Townsend said I'm a little bit confused and Commissioner McKiernan is kind of getting to the point I'm still not clear about. This resolution talks specifically about the two pieces of property for sale. By what document is the Unified Government, if at all, selling the property on which Willa Gill is currently located? **Ms. Green** said there is also a purchase agreement, the terms of which have just recently been approved by all the parties. It's provided here on—it was on the tables. It was provided for the commissioners. I don't know if it was emailed out. Monica's indicating that it was also emailed out to everyone. So, there's the resolution, whereby the Commission approves the purchase agreement and then there's a separate purchase agreement that will be signed off on by the County Administrator. **Commissioner Townsend** said a separate purchase agreement. Will that come to this body before that sign-off is accomplished? **Ms. Green** said I believe it was emailed out, but the final agreement has been finalized by both sides and that was what was emailed, and the resolution is what is approving that agreement, and it will go to full commission if passed today through a fast-track to this Thursday. The Commission itself doesn't sign the agreement if that's what you're asking. It's only going to be signed by the County Administrator, but this resolution is the Commission approving that purchase agreement.

Commissioner Townsend said I'm still a bit confused because the resolution that I'm looking at that was sent, you know, a couple of weeks ago doesn't talk about the property specifically that's Willa Gill. You're saying there's another resolution or agreement somewhere? **Chairman Burroughs** said if we may, Commissioner Townsend, I believe Commissioner McKiernan might be able to shed some light on this. **Commissioner Townsend** said thank you. **Commissioner McKiernan** said I hope because I'm looking at the—there's a blank resolution that's included in our packet for tonight. In Section 2 it talks about leaseback to the Willa Gill Center and its grounds and parking areas. **Commissioner Towsend** said, right. **Commissioner McKiernan** said that specifically designates the property to be leased back. Are you looking for something different than that? **Commissioner Townsend** said we're talking about the leaseback. What is the document, I guess, that turns over ownership that says the Unified Government is selling the Willa Gill property. **Commissioner McKiernan** said that's in Section 1 of the same draft resolution that approves the sale of all of 600 State and 645 Nebraska Avenue together with any other property such as alleyways that may be owned by the Unified Government for this in consideration of the sum of $10. **Commissioner Townsend** said I looked at that as Dr. Mosier's presentation tonight showed the 600 and 645, but it didn't particularly identify Willa Gill as part of that sale. This Section 1 paragraph information is intended to cover Willa Gill as well. **Commissioner McKiernan** said that's my understanding is that it covers the entirety of 600, no, it'd be the 645 property. Anyway, the property that abuts Nebraska from 6th to 7th. The entire parcel would be sold and then the Willa Gill Center and it's adjacent parking would be leased back. Wendy, correct me if I'm wrong on that. **Ms. Green** said no, that is correct. **Commissioner Townsend** said could I see that schematic one more time because I was focusing on the 600 and 645 and it didn't seem to me that it identified the Willa Gill other than with reference to this lease and I'm saying well, when did we sell it? **Dr. Mosier** said it's like, I'm sorry, it's slide seven.



Dr. Mosier said, Commissioner Townsend, here's the slide they were talking about, and the Willa Gill Center sits in the middle of 645 Nebraska. That address covers from 6th Street to 7th Street. **Commissioner Townsend** said okay, you just answered my question for clarification. Thank you so much. I have no further questions.

Commissioner Stites said I have a question going back, Wendy, to the maintenance of the building that we are selling. We're selling a building, but yet we're still on the hook for the maintenance of a building we no longer own. **Ms. Green** said yes. That's actually typical under a lease agreement. Most commercial buildings are rented under a triple net basis which means that the lessee does all the maintenance on the building. **Commissioner Stites** said but we're no longer the owner. **Ms. Green** said no, but we are going to be the lessee—we're not leasing it out. **Ms. Green** said no, we're the lessee under this situation and that's most commercial leases that's how it works. The lessee does the maintenance, and the lessor only takes care of major structural issues if under normal triple net lease. **Commissioner Stites** said, we are the lessee. **Ms. Green** said, we are the lessee, so let's see let me get this straight. **Commissioner Stites** said, right. **Ms. Green** said, the community college is the lessor because they're going to be the owners. We will be the lessees because we will be leasing it from them. **Commissioner Stites** said, but you're saying any major repairs, right? **Ms. Green** said if it's a structural issue. Let's say the building started to cave in or something like that would be on the community college as the owner of the building, but if its HVAC, if it's plumbing, if it's this floor got messed up and we need to fix it. Everything that we've been doing currently to just keep the property going is what we would continue to do. **Commissioner Stites** said although it's not a structure that is bringing in revenue. **Ms. Green** said, correct, because that's part of the agreement and in consideration of us doing that—**Commissioner Stites** said it's only a part of the agreement if we agree to it. **Ms. Green** said that is correct, but that would be part of the lease. **Commissioner Stites** said that's what's in the proposal.

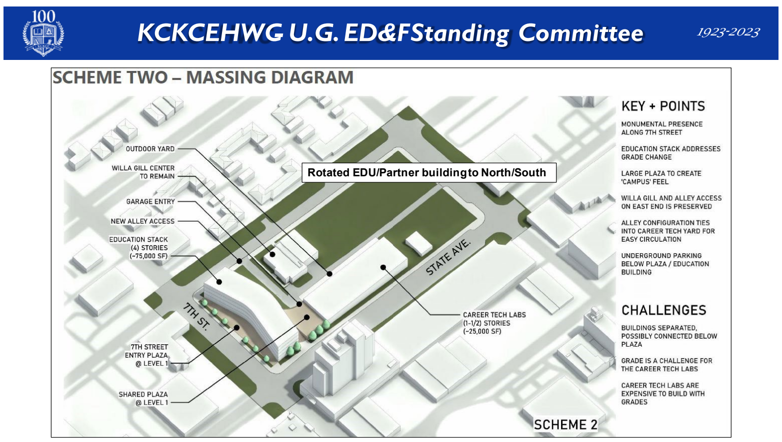
Commissioner Stites said I wasn't going to bring this up, but since it's in your proposal or your presentation tonight, it also says that a planned mill reduction by one full mill. This current year, how many mills is your budget going up? **Dr. Mosier** said our budget mill is flat. Our flat mill, I believe, it is 27.25, that includes both the regular real estate and the capital. It's about twenty five and two. **Commissioner Stites** said so, from last year to this year how much has your budget increased from last year to this year? It's how many mills? **Dr. Mosier** said it's approximately, with the reduction of one mill is approximately 3%. **Commissioner Stites** said how many mills? **Dr. Mosier** said what I just described. **Commissioner Stites** said I don't want percent, how many mills? **Dr. Mosier** said right, that's what I'm talking about. I believe a total mill is 27.25. So, it's about 25 mills on the regular revenues and approximately 2 mills on the capital. I don't have those exact numbers in front of me. I apologize, but…**Commissioner Stites** said I could say though from last year to this year your amount of revenue that you're bringing in from last year to this year is significantly more than last year. **Dr. Mosier** said it's approximately 3%. **Commissioner Stites** said which is what number, how much? **Dr. Mosier** said I would have to calculate that. **Commissioner Stites** said we're here. I'm ready.

Chairman Burroughs said just for clarification, are you asking the dollar value due to the new appraised value? **Commissioner Stites** said correct. **Chairman Burroughs** said assessed value? **Commissioner Stites** said assessed value from last year to this year is a number. If it was 1.92 million from last year, to this year that would be equivalent to one mill, right? Because that's what was presented earlier. The mill is 1.96. **Chairman Burroughs** said he said 3%. I'm looking at a six mill increase. **Commissioner Stites** said so a six mill increase which means roughly, roughly that's $12M more dollars that's being brought in from the taxpayers from last year to this year, but there's no room in the budget for maintenance on a building that we are selling to the college. I don't understand it. I don't know that $12M from last year to this year is not an insignificant amount of money. **Dr. Mosier** said it's not a $12M increase. I can guarantee you that, but I don't have those numbers in front of me.

I bring that up as the college is both trying to improve the education of our community which creates a healthier and wealthier community and additional taxpayers, but at the same time we're also being cognizant of the county tax rate and we're doing our part by reducing it by $1.92M is what will be presented to the Board of Trustees and which I do believe that they support. **Commissioner Stites** said that's what I was trying to get at is, let's just round it up to $2M out of what amount of $10M, $8M, $9M, I don't know. Commissioner Burroughs said he thought it was around $12M, so I don't know. I'm not able to figure that up so that's why I was asking what the increase is from last year to this year and hopefully, we can get that. This may or may not be the right place for that, but there's also, and I agree with you about the economic impact and hopefully with this facility, that other things it sparks more development, but also there's an ongoing maintenance cost up to this location. We got to hire more teachers, we've got to hire people to staff it, we have to hire janitors. We have to have all the people that it takes to run this new facility, which I'm afraid that we will probably never ever see another mill reduction after this gratuitous, after this one mill gets put into this budget and then we'll never see another one. That's all I have to say, thank you.

Chairman Burroughs said any other questions from the Commission. The only question I would have, Dr. Mosier, you had talked about the alley? The original engineering determined that the building was encroaching by 12 ft. into the alley. **Dr. Mosier** said yes, approximately, sir. **Chairman Burroughs** said are you continuing to go back with that plan and just going to truncate the alley into the parking area on the east side? Is that how you plan on doing it to take control of that additional 12 feet of the alley? **Dr. Mosier** said our request is to vacate the alley because the building spans all the way from the south to the north. We'll be putting the utilities and everything underground so we can maximize the off-street parking. There will be no alley. **Chairman**

Burroughs said I know you've changed the design of the building on the front, which is a very attractive building, by the way, I must say. **Dr. Mosier** said, thank you. **Chairman Burroughs** said it's a geography of the corner a lot better, but the new building that you proposed I think in one of the other prior plans it showed a gateway off of 7th Street into the main entrance of the building. I think you were using that alley cut-out portion. Am I mistaken on that original plan? **Dr. Mosier** asked may we go back to the slide. **Chairman Burroughs** said absolutely. I just want to get the clarification that we are going to vacate the alley and build the building wider than versus lengthening out as you had stated.



Dr. Mosier said here's the latest schematics. There's no entrant, no driveway from 7th Street onto the property. There's one from Nebraska and one from 6th Street and there's probably going to be an exit onto State Avenue. I believe what you might be thinking about it is pre-COVID when we had two buildings. The community college was going to be on the southern half of the block where the earlier illustration shows. Then we were going to retain the alley and then on the northwest corner of the block was the Health and Wellness Center and with COVID and the extreme escalation the Wyandotte Behavioral Health Network and the YMCA had to drop out of the project, so we took Swope and added it to the one building. **Chairman Burroughs** said understood. Actually, I think it addresses some of the concern of pulling out on 7th St. that would have been with the old design. There had been a concern about traffic flowing out onto 7th St. right after a light, so this is a much better layout. **Dr. Mosier** said thank you, sir.

Chairman Burroughs said any other comments from the Commission? Seeing none, I'll ask the Clerk if there are any comments from the public. **Ms. Sparks** said no comments were received. No hands are raised.

Commissioner Townsend said, Dr. Mosier, the last comment concerning Health Care Organization that was going to come in, I guess in the future as part of the design, has there been any thought about including the services that Willa Gill provides as part of that, so that even at some point Willa Gill as we know it is not there building wise, those same services are still offered there as part of and contiguous with the new college. I was thinking about this because I went to an urban university in Philadelphia, the University of Pennsylvania, and the university had to coexist with everyone else who lived in that neighborhood, those who were houseless, those who were in need as well as those of us who were students at the university. I just wonder if any thought had been given to that concept. **Dr. Mosier** said thank you, Commissioner. Swope Health Care is still part of the project. They will be providing full health care services including dental and vision. They're a federally qualified healthcare provider so can provide those health care services to individuals with low income, no income. They are the entire fourth floor of the current building. The price tag on the construction right now all-inclusive is $650 a sq. ft. We would not be able to build that additional square footage to incorporate the services currently provided by the Willa Gill Center. **Commissioner Townsend** said well, thank you for that information, Dr. Mosier. I'll just state on the record, I hope that the services that Willa Gill has provided for years is allowed to continue for as long as possible at that location. It's just part of the community. It's hard to relocate those services. I mean it's challenging, and universities and other strong community organizations have to realize that, you know, you come to a community and it's difficult to ignore what's already there and what is needed. We're talking about a lease. I hope it's not a one-year lease. I hope it's allowed to continue, and those services remain there for a long time to come. Thank you.

Chairman Burroughs said any other comments from the Commission.

Commissioner McKiernan said, Wendy, would I assume that to get to Commissioner Townsend's point about it's not a one-year lease, as I read this, it says that Section 4 says the UG has a first right of refusal should the college ever choose to sell. That would effectively be our guarantee of services continuing, right? **Ms. Green** said in addition, it's my understanding that as consideration for us maintaining the building, we also have an indefinite lease. We get to lease that building and provide these services until we can find a different location. **Commissioner McKiernan** said I appreciate that. I wonder if that language might be good to include in this resolution. **Ms. Green** said I think you could make that part of your motion definitely. **Commissioner McKiernan** said okay. If I were to do that, that can be saved until the full commission meeting, correct? **Ms. Green** said correct. **Commissioner McKiernan** said thank you.

Dr. Mosier said, Commissioner McKiernan, is that in Section 2, is that the language that you're looking for? **Commissioner McKiernan** said no, because in Section 2 all I see is leaseback and the building and enough parking spaces to accommodate the number of staff and clients and the building to be used substantially the same basis it's currently being used. I will say substantially the same basis makes me wrinkle my brow a little bit. I'm not exactly sure what that means, but what I'm looking at is nowhere else here does it say that Willa Gill will be able to operate indefinitely other than we have the right of first refusal should you as the new owner elect to want to sell that 645 Nebraska plot. I don't see anything here that says there is an indefinite-I don't see the language that Wendy was just referring to. **Ms. Green** said that's correct. It's not in the current version of resolution now. **Commissioner McKiernan** said thank you. **Ms. Green** said if you choose to pass it on, you could make the motion, to add it. **Commissioner McKiernan** said I personally do think that if we were to move forward with this, we should explicitly declare that Willa Gill is a current and an important part of our downtown and service provision to people in our downtown and that Willa Gill will be afforded the opportunity to continue to operate indefinitely until the need changes or until they choose not to or until we choose not to. I think that should be explicitly stated in here rather than just saying well, we have the right of first refusal in the case of a sale. We'll get to that. **Dr. Mosier** said yes sir, that is our intent so that's perfectly fine.

Commissioner Stites said I think what's important is to notate is right of first refusal at what price. **Ms. Green** said, I'll be completely honest, I don't know if that's been negotiated or not, but I want to make sure that we address it. **Commissioner Stites** said if it hadn't been, it definitely should be, and then will that location—**Greg Goheen, KCKCC Counsel,** said there's a purchase contract that was submitted to the committee as well, was my understanding. **Commissioner Stites** said we haven't got that. **Commissioner McKiernan** said we have the resolution draft. **Commissioner Stites** said no contract. **Ms. Green** said was it at your seats, there was a copy of it here. **Chairman Burroughs** said here, a purchase agreement, underneath your blue sheet. **Commissioner McKiernan** said this was not included with the original—**Ms. Green** said I think this just got finalized today. Do you know specifically what section that was in? **Mr. Goheen** said I don't recall the specific section, but basically, the right of first refusal would be at the same price that we're paying for the property, so it'd be $10. **Ms. Green** said that's Section 11 on page 4. **Mr. Goheen** said as I understand it, just for whatever benefit this is, we would be leasing back the building and grounds for the Willa Gill Center, but the Unified Government is the entity that has the lease and license with the occupants of the Willa Gill Center. There's actually a separate set of documents between the UG and the folks that run the Willa Gill Center that have nothing to do with the college.

Commissioner Stites said so now I can assume that this property will now go on the tax rolls because it is no longer owned by the Unified Government and then it's subject to property tax. **Ms. Green** said it could also be subject—because they are an educational institution, they could also apply for a property tax exemption. I don't know if that's their intent or not, but because they are an educational institution, they can apply for property tax exemption. **Commissioner Stites** asked, is that the intent? **Mr. Goheen** said yes. **Commissioner Stites** said no property taxes.

Chairman Burroughs said I would encourage us if there's any amendment you would like to have made, talk to Wendy, our Legal Counsel, for guidance on how to put that proviso forward or that legal amendment to the contract. The fact that we just received this blue sheet and haven't had a chance to review it, I would be remiss just to take any action on this sheet this evening and we may want to hold it over until full commission to get a blue sheet with a contractual agreement, a real estate purchase agreement. I would caution us about taking any action until the committee has had the time.

Commissioner Davis said I agree, I think there's still some questions here. Instead of us making a motion at full commission, maybe in the meantime we can just communicate with Legal and get that additional language added. I would hate for there to be an um or I or whatever and then it's not very clear. It'll be best if it's written down and that both entities are able to look at it, agree to it and then come back here. That'll be my recommendation. Thank you, Chairman.

Chairman Burroughs said just for clarification, you would just as soon have the language brought for us, brought back to this committee before we approve the resolution this evening. **Commissioner Davis** said, if not, then for full commission for consideration, if we just do that, but not via a motion, the language in the contract. **Chairman Burroughs** said I would agree with that. **Ms. Green** said since it has to be blue-sheeted to the full commission anyway, there's no reason that we can't get that done and have the resolution with the changes that you all want as part of the blue sheet as well. **Chairman Burroughs** asked, is that satisfactory to the committee? **Commissioner Davis** said, alright. **Chairman Burroughs** said okay, we'll do that.

Commissioner Townsend said we're talking about blue sheeting it to what meeting instead of coming back to ED&F standing committee. **Chairman Burroughs** said the next full commission meeting, I believe, is slated for this Thursday. **Commissioner Townsend** said okay. Is there any way Counsel might know how far in advance of Thursday we could see these changes. I hope it's not a 3 o'clock blue sheet because I would just as soon have it come back as Commissioner Davis suggested to the next month ED&F. **Ms. Green** said I can assure you that as soon as you all give me what language you want in there, it will get done, same day. **Commissioner Townsend** said, thank you.

Chairman Burroughs said do we have any other comments from the commission? Seeing none. I'll ask the Clerk if there are any comments from the public. I believe I saw Commissioner Bynum stand up. **Chairman Burroughs** said, Commissioner, would you like to address the committee?

Commissioner Bynum said I think my concern was entirely about the protection of the use of the Willa Gill Center for its current services and I think Commissioner McKiernan has suggested a remedy and that would be contained within the resolution that you will vote on tonight. Then my understanding is that the purchase agreement is a separate document entirely that you will not be voting on tonight, but that could come to full commission on Thursday because you said earlier those types of things tend to be administrative. **Ms. Green** said that was only the lease agreement, not the purchasing agreement. **Commissioner Bynum** said I see. The purchase agreement would come to the full commission on Thursday night, but hopefully tonight the language can be amended within a motion to protect the duration of how long Willa Gill can be in the space providing the services that they provide. That's what I was concerned about.

Chairman Burroughs said, Commissioner Bynum, we won't be taking any action on an amendment tonight. That amendment will be drafted by Legal and recommended at Thursday night's meeting along with the purchase agreement. **Commissioner Bynum** said I don't mean amendment, that's not the right word. I mean within the motion that the language is modified tonight to include the protection for the Willa Gill Center. **Chairman Burroughs** said if I understand your question, I want to be clear. The committee has agreed to talk to Legal about adding some additional language to the resolution that's before us this evening to include some protections for Willa Gill, the long-term whatever agreement they come to, a recommendation, that recommendation will then be forwarded along with the purchase agreement to the full commission Thursday evening, that's my understanding. **Ms. Green** said that's correct. **Commissioner Bynum** said I'm good. Thank you very much.

Chairman Burroughs said I'll ask the Clerk if there are any other comments from the public.

Commissioner Davis said I'll just reiterate I'm in favor of there being some sort of relationship or long-term plan for Willa Gill. If it's not going to be at the college, where is it going to be. I think that's for our consideration to figure out. If we do not like this particular language or whatever language is proposed to us, we can always vote it down or send it back to this committee. I do think this kind of gets at that sweet spot to where both the UG and the college can agree on a pathway forward, but it is always all right to say the language does not look correct and we need to go back to the drawing table. Thank you, Chairman.

Chairman Burroughs said well as Chair I've taken the time this evening to let the committee work trying to guide Legal as to what we need to do, but also be mindful that we have a $68M development project that is also a part of this agreement. I don't want to lose one for the sake of hypothetically another. The business before us tonight is the purchase agreement of the property and the Willa Gill aspect will be a part of the real estate purchase agreement. This resolution tonight does not include that presently. We just want to work on the resolution, okay.

Does any member from the public wish to address the committee? Anybody else raising hands online? **Ms. Sparks** said no hands are raised online. **Chairman Burroughs** said anybody from the audience that wish to speak in favor of this, state your name and you'll have three minutes, sir.

LaVert Murray, Chief Economic Development Advisor, stated primarily to address the concern expressed by Commissioner Davis. Let me just say there is a whole staff team, not just folks in the Mayor's Office that's assisting trying to identify locations to relocate the Willa Gill. For example, there is a tour tomorrow of a building, a facility, that could possibly be used for such relocation which has been embraced by the County Administrator as well.

Again, I just wanted to point out that with all deliberate speed, you know, these services are being provided to accommodate Willa Gill, but we were also concerned about having unlimited time to make that happen. I'm certainly happy that the agreement you're looking at provides for that, so just wanted to say that it's not something that's being overlooked.

BPU Board Member Haley said it's amazing, that was kind of my concern. I remember St. Mary's Kitchen when we had many of the services that Willa Gill has. I remember the concern and the appropriation when Willa Gill was constructed. I think former Senator Dole had a large part of that appropriation and for those services being within the vicinity of where they are now. First with St. Mary's where we now have the Police Athletic League. The PAL is there now in that old building and now made new and now the Willa Gill Center and its new use, which will be, I think, for the enhancement of the community as St. Mary's has been. If Willa Gill is incorporated into what I consider to be a productive progressive plan that the community college is bringing, but where those are and that is my fundamental concern. I didn't know anything about this sheet, apparently neither did anyone else, about the ancillary purchase agreement that's before the Commission, but as we know the only bite at the apple is here at the Economic Development Committee. I don't have any real say so before the full commission, but I'm hoping that there will be something firmly in place for the very necessary needed services that have been provided by Willa Gill prior to the full commission making a full confirmation of it. I appreciate the questions that have been posed by the members of this committee, Mr. Chair, as well as by Mr. Murry, the answer that Mr. Murray gave too. **Chairman Burroughs** said, thank you, Mr. Haley.

Chairman Burroughs said we have adoption for a resolution approving a purchase agreement with Kansas City, Kansas Community College for real property located at 600 and 645 Nebraska. It's time to entertain a motion.

Action: **Commissioner Davis made a motion to approve, seconded by Commissioner McKiernan, to approve. a purchase agreement with Kansas City, Kansas Community College for real property located at 600 and 645 Nebraska.** Roll call was taken and there were two "Ayes," Haley, Davis….

Commissioner Townsend said question. **Chairman Burroughs** said Commissioner Townsend had her hand up, I'm sorry. Do you have another question, we're right in the middle of a roll call. Is it a comment that we can make after we take the roll? **Commissioner Townsend** said it's clarity that would impact my vote. As we were discussing, there's going to be an addition of language. Is it going to be to this document or to another document. What is the blue sheet language going to address? **Chairman Burroughs** said there's no blue sheet language tonight. There was a document that was given to us late in the process this afternoon. That is the real estate purchase agreement and it is roughly, I'm going to guess 13 pages in length, but we're not voting on it this evening. We're voting on the resolution with the agreement that there may be additional language coming forward on to the full Commission that will add additional language to the resolution, not the purchase agreement. **Commissioner Townsend** said for clarification, I think the motion seems to ask us to adopt this yes or no as it currently reads. That was my concern. **Commissioner Burroughs** said it does. That's exactly what the motion does. Legal will bring forward the new motion or the new resolution with a suggested amendment for full approval of the entire Commission Thursday. If you don't want to vote for this resolution without the language in it, I think that's what you're asking me now, that would be on you. That may be the prudent thing for you to do. **Commissioner Townsend** said I see. Let me make it clear that I am favoring the sale, however, with the last 20 or 30 minutes worth of discussion about the language to this resolution is going to be added, since the motion does not reference that, my vote would be no on that basis. **Chairman Burroughs** said thank you. **Ms. Green** said if there is a concern since we haven't reached a full vote yet, at this time, Commissioner Davis could request to amend his motion…**Commissioner Davis** said I will do that, request to rescind my motion. **Ms. Green** said thank you. I would include that if it's to be fast-tracked, you also might want to include that in your motion as well. **Chairman Burroughs** said it has to be approved the second. **Commissioner McKiernan** said I will withdraw my second.

Action: **Commissioner Davis said I'll make another motion to approve with the understanding that staff will add language that will solidify the indefinite and so far undetermined amounts by which Willa Gill and the other service providers will operate out of 645 Nebraska and that this item be fast-tracked to the August 17th full commission meeting, seconded by Commissioner McKiernan.**

Chairman Burroughs asked, Commissioner Townsend, does that address your concerns? **Commissioner Townsend** said I love working with these gentlemen. Thank you, it does. Thank you, counselor. Love clarity. **Chairman Burroughs** said just goes to show everyone pays attention.

Commissioner Stites said before we take roll call, is this the appropriate time to ask a follow-up question? **Chairman Burroughs** said please do so before we start. **Commissioner Stites** said it sounds like from comments from the public that there sounds like it's currently in discussion to try to find a location for Willa Gill now, quickly, which I'm not sure about, but I would assume that relocation is going to come at the expense of the Unified Government, a new location. We are going to foot that bill for a new location for Willa Gill. I bet there's not anyone out there that's going to donate us a facility that's going to allow the services for Willa Gill. Again, this is another expense that the Unified Government, property owner, we're getting into us purchasing another piece of property as we are looking at our current budgets right now that are out of control. Now we're looking at probably going and purchasing another building. That's all I have to say about that.

Chairman Burroughs asked, any more comments or concerns?

Commissioner McKiernan said, Commissioner Stites, I completely appreciate where you're coming from on that and what I would say is that I think it would be fine if we were to consider the possibility of an acquisition knowing full well that we don't have to execute that acquisition, that we can keep this resolution and this purchase agreement as codified at a future meeting in place indefinitely.

Commissioner Townsend said well, as Commissioner McKiernan says, and this goes to my point too. This has been going on for a while trying to find an appropriate location for these services, which makes it all the more important to do as we've already been discussing about leaving Willa Gill there in the community in which it's been as an integral part of the university which has come to this area. It just goes to that as Commissioner McKiernan pointed out, we don't have to be a part of any purchase that we do not agree on. I love Commissioner Stites eye on the dollar. I agree with that, but I think this underscores the importance of allowing Willa Gill to provide the services that it has for so many years where it is.

Chairman Burroughs said I entertain a motion. **Ms. Sparks** said we have a motion and a second.

Chairman Burroughs said I'm real concerned that we've just made this about Willa Gill and haven't made it about the resolution itself. As your Chair, I feel that the discussion has gotten a little off track as to what our priorities are here tonight and that's to pass a resolution. I understand that Willa Gill is an aspect of this, but it does throw a shadow or some shade onto the resolution moving forward to the full commission that, as your Chair, I want to be able to walk in and either support and speak in support of a resolution. However, I'm concerned about the impact Willa Gill may have on a $60 sum million development without community's input. I just want to have that for full clarity, not knowing what the amendment is going to be if we're willing to lose a $68M investment for downtown, that is something we should consider here, but this is about passing a resolution on the property to the community college. I just want to make sure that we understand exactly what it is and it's not about the Willa Gill protection, it's about the purchase agreement—or it's about the resolution for the community college. I just want to make sure that the public is clear, that commissioners are clear, and that the community college is clear. As your Chair, I'm trying to keep the subject matter focused on what is before us this evening. Okay, we have a motion and a second.

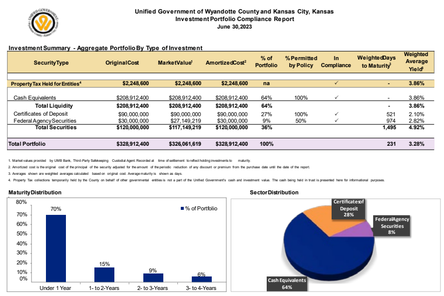
BPU Board Member Haley said can we restate the motion because it did change, is that possible because it was changed, it was amended.

Action: **Commissioner Davis** said move to approve the resolution with the understanding that staff will bring back a resolution to full commission that has language that provides protections that is undefined and indefinite for Willa Gill and the other service providers. In addition, that this item be fast-tracked to the August 17th full commission meeting. **Chairman Burroughs** said and the second approves? **Commissioner McKiernan** said absolutely, second.

Chairman Burroughs asked any questions, comments, concerns, any hands, none. Clerk, roll call please.

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

Item No. 2 – 212630…REPORT: SECOND QUARTER 2023 INVESTMENT
Synopsis: Second Quarter 2023 Investment Report, submitted by Andrea Vinyard, Acting Treasurer.



Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2023

Investment Summary - Aggregate Portfolio By Type of Investment

Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	**$2,248,600**	**$2,248,600**	**$2,248,600**	**na**		✓	**-**	**3.86%**
Cash Equivalents	$208,912,400	$208,912,400	$208,912,400	64%	100%	✓	-	3.86%
Total Liquidity	**$208,912,400**	**$208,912,400**	**$208,912,400**	**64%**			**-**	**3.86%**
Certificates of Deposit	$90,000,000	$90,000,000	$90,000,000	27%	100%	✓	521	2.10%
Federal Agency Securities	$30,000,000	$27,149,219	$30,000,000	9%	50%	✓	974	2.82%
Total Securities	**$120,000,000**	**$117,149,219**	**$120,000,000**	**36%**			**1,495**	**4.92%**
Total Portfolio	**$328,912,400**	**$326,061,619**	**$328,912,400**	**100%**			**231**	**3.28%**

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

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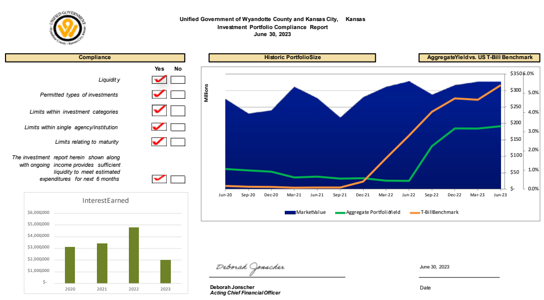
Andrea Vinyard, Cash Manager/Deputy Treasurer, said this is going to be our Investment Portfolio Report for Quarter 2 which would end June 30, 2023. Theometrics, I want to point out first of which the average yield shows is a 3.28% holding strong. We've got days of maturity that did go down. We were at 274 days in Quarter 1, which reflected some maturities that happened then, dropping it down to now where we sit at 231 days. Portfolio as a whole sitting at 64% in cash and then we have 36% invested between certificate of deposit and then federal agencies.



Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2023

Compliance	Yes	No
Liquidity	✓	
Permitted types of investments	✓	
Limits within investment categories	✓	
Limits within single agency/institution	✓	
Limits relating to maturity	✓	
The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 6 months	✓	

Deborah Jonscher
Deborah Jonscher
Acting Chief Financial Officer

June 30, 2023
Date

Y:\CASH MANAGEMENT \Quarterly Inv Reports\2023\2Q 2023\2023 Invstmt Report - Q2 page 2 of 4

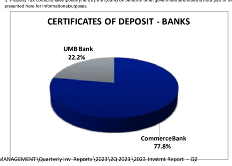
As alluded to on the first slide, our average yield shown on the graph here was at 3.28%, which is up from Quarter 1, which was 3.16%, still holding strong below the target T-Bill rate, which is what we want to see every quarter which has hit a high for my tenure, 5.42%, that's good for now. Interest earned total, we're sitting at $3M for the year bringing in 1.9M in interest for Quarter 2 bringing the total to $3M for the whole year so far in interest for our portfolio.

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2023

Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	**2,248,600**	**2,248,600**	**na**	**See note 3**	✓	**0**	**3.86%**
UMB, Wyandotte Operating	201,258,400	201,258,400	62%	25%	✓	0	3.71%
UMB, Wyandotte Health	7,654,000	7,654,000	2%	25%	✓	0	0.14%
Cash Equivalents	**208,912,400**	**208,912,400**	**64%**		✓	**0**	**3.86%**
Commerce Bank	70,000,000	70,000,000	21%	25%	✓	411	1.15%
UMB Bank	20,000,000	20,000,000	6%	25%	✓	110	0.95%
Certificates of Deposit	**90,000,000**	**90,000,000**	**28%**		✓	**521**	**2.10%**
US Treasury	30,000,000	27,149,219	8%	*50% of total portfolio*	✓	0	0.00%
Federal Agency Securities	**30,000,000**	**27,149,219**	**8%**		✓	**974**	**2.82%**
Grand Total	**328,912,400**	**326,061,619**	**100%**			**231**	**3.28%**

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



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Next, I want to kind of go over the portfolio as an issuer as a whole holding a little bit of property tax and part of the procedural process about $2M that we had not distributed yet moving into a next distribution here in September. Of the total amount, we're at $90M in investment and then we have—that would be the CDs between now two different institutions, Commerce Bank and UMB. Then we have a couple treasuries that we will be holding onto which is about 8% or $27M.

Unified Governmentof Wyandotte County and Kansas City, Kansas
Investment Portfolio ComplianceReport
2nd Quarter 2032 - April 1, 2023 - June 30, 2023

Quarterly Transactions Detail - Aggregate Portfolio

SettlementDate	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q2	NA	UMB, Wyandotte Operating	3.856%	6/30/2023	10,126,150	10,126,150
Thru Q2	NA	UMB, Wyandotte Health Reserve	3.856%	6/30/2023	1,592,000	1,592,000
Cash Equivalents					**11,718,150**	**11,718,150**
Purchases					-	-
Calls/Maturities					-	-
Total					**11,718,150**	**11,718,150**

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No activity in Quarter 2. Mainly focusing on watching the portfolio strongly watching money. The rates kind of all we were really focused on here moving into Quarter 3. Obviously, we did not go out for bid nor did we have anything mature. I did want to point out that we are going through the process of recertifying all of the institutions locally here at the county, city of Bonner Springs and Edwardsville along with KCK to allow for new or, you know, investors that had not been interested last year, we're finalizing that all. The deadline was Friday the 11th. I have ten solidified already with three I'm still waiting on and I am more than happy to allow them to come in even if the deadline has passed. You know business needs. I want to get as many on that list as we can. We are working through that process now with the idea of potentially doing some investing this next quarter once we review the portfolio a little bit stronger and including that new group of investors.

Commission Agenda Item Report

Title: Report: Second Quarter 2023 Investment

Proposed Agenda Date: August 14, 2023, EDF Standing Committee

Presented by: Andrea Vinyard, Finance Department/Treasury Division

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BACKGROUND:
- a summary of the investment report going over the investment portfolio for Quarter 2, 2023
- dates of April 1, 2023, through June 30, 2023

BUDGET IMPACTS / FINANCIAL CONSIDERATIONS:
- No budget impact; we are reporting activity that has occurred during the second quarter

POLICY CONSIDERATIONS:
- No policy changes required by this item.
- Per the Unified Government's Cash and Investment Policy- a summary of the investment report will be provided quarterly to the Economic Development and Finance Standing Committee

PROCUREMENT CONSIDERATIONS:
- N/A

LEGAL CONSIDERATIONS:
- No issues to be aware of

RECOMMENDED ACTION:
- For information only

COUNTY ADMINISTRATION COMMENTS:
-

MAYOR AGENDA DIRECTION:
-

Ms. Vinyard said just real quick, where our cash fund balances are. We're sitting at 26% in bond documents for the capital projects, 27% in the General Fund, which is shown to be combined for reserve liquidly needs, emergencies budgetary, and we have 20% in the Enterprise Funds and 26% in a combination of state statute for functions like the Special Revenues Grant Tax Levies and

Internal Fund and a 1% for the semi-annual debt service payment that we make. That would be my presentation this evening.

Chairman Burroughs said I want to echo one of my colleagues that this was good news. Anytime we see $3M coming into from Investment Portfolio that's a welcome after the historic lows and/or no interest. **Ms. Vinyard** said it's tricky, but were watching it. Many ideas. The rates are going very high. Our overnight hit the highest in my nine years doing this. It's interesting to see that, but also continuing to watch. We are speaking with Baker-Tilly residually to make sure we're following everything we want to be doing there and having, you know, the outside perspective as well. **Chairman Burroughs** said well, I know we've had a talk in the past, Andrea, in reference to one of our policies that says we can't go over 25% in one particular institution. However, we don't want to lose our margin because of that policy. There is some risk there, but it's minimal risk, the return has to be greater than the risk. **Ms. Vinyard** said, correct. **Chairman Burroughs** said any other questions or comments. It's a bit of good news especially going into the budget.

Chairman Burroughs said I'll ask the Clerk if there was any public comment. **Ms. Sparks** said no comments were received and there's no hands raised. **Chairman Burroughs** said okay, wonderful. Anyone in the audience wish to speak? No one stepped forward.

Action: **Information only**

Item No. 3 - 212639…RESOLUTION: AMERICAN ROYAL ASSOCIATION INDUSTRIAL REVENUE BONDS (ADDED PER BLUE SHEET)

Synopsis: Resolution approving the intent of the UG to issue Industrial Revenue Bonds in the aggregate amount not to exceed $250M for the benefit of the American Royal Association, submitted by Jeff Conway, Assistant Counsel. It is requested that this item be fast-tracked to the August 17, 2023, full commission meeting.

Chairman Burroughs said we were blue-sheeted an item. Item No. 3 is a resolution and this is an action item by my agenda. This item is also being requested to be fast-tracked to Thursday night meeting of this week. I know it says Jeff Conway, but I believe Wendy Green is going to be giving the overview. **Wendy Green, Deputy Chief Counsel,** said actually she is going to be passing it off to Todd LaSala to give the overview.

(Slides not presented through PowerPoint)

Jackie McClaskey, President/CEO of, American Royal Association, said I do apologize we had to switch to paper. We were prepared to do it on the screen, but apparently that's not available. **Chairman Burroughs** asked to introduce themselves. Kevin Lee, Polsinelli Law Firm, Legal Counsel to the applicant and developer. Jackie McClaskey, President/CEO of the American Royal. Todd LaSala, Stinson, Outside Counsel. Kevin Wempe, Gilmore & Bell, the U.G. Bond Counsel.

Ms. McClaskey said I'll start off with giving an overview of the American Royal Project. I've been working on the American Royal Project as an employee of the American Royal since 2019. For four years before that I was working on this project from the state of Kansas. In total, I have been working on this project for eight years and if you haven't driven by the property, there was no one happier than me on March 17th to stand in the snow and let us and show us finally moving dirt. We're excited that the American Royal is taking place. For those of you who followed the project for a long time you know that we went through the final development plan process and were preparing to turn dirt in 2020. Obviously, 2020 was not the right time to move forward with a project that was focused on bringing a lot of people together and putting them under one roof, so we paused the project.

The thing that I want to share with you tonight about pausing that project that we think is very important, is the idea that during that time, we spent a lot of time researching other facilities and really believe that today we are offering a plan. The plan that we put through for the final development plan, that is a better facility and will more effectively allow us to hold the events that we want to hold here in Wyandotte County.

In addition to that, it also gave us the time to really step back and ask the question of what do we want to be, who are we, and what is the American Royal. If you look at the first three pages of your handouts, these walk you through the key components of our strategic plan. We redefine our purpose, our mission and our vision and our mission I think is something that's going to be really important to the people of Wyandotte County. It's to be the nation's leader for food and agricultural education events and engagement. By focusing on that mission and focusing on our purpose, to champion food and agriculture, it really gives us the opportunity to make a difference in the world in regard to food and Ag.

The next page goes through our guiding principles. I won't go through those in great detail, but it tells you where we focus.

The next page is our strategic objectives. If you're not familiar with the American Royal and what we do, these six objectives really lay it out for you. First and foremost, we produce high-quality agricultural events and experiences. We do that, at the same time we're educating both intentional and unintentional learners by delivering agricultural discovery learning and engagement. We also know that there is a great need to encourage young people to choose the food and agricultural industry. We believe that the youth of Kansas City, as well as youth who come to our event facilities from over 46 states today, need to be inspired and we need to develop talent for the food and Ag industry.

None of this do we think we can do in our current home, all of which has led us to the desire to build the nation's premier agricultural event entertainment engagement campus that will allow us to be able to lead and influence agriculture, all of which we intend to do while being a high performance organization.

Many people think about the American Royal and think about one event. You think about barbeque, you think about rodeo, you think about livestock shows or you think about horse shows.

The next page just gives you an idea of in this current year the number of American Royal events that we are doing and we think that it's giving you the chance to see that is important. But what's exciting, as you look past the next two slides, the next one's just meant to give you a vision of the future well, actually I lied, I'm going to come back to that other slide, but hold that thought of the current events in there. As you continue to flip through the slides, you're going to see our location map. I think most of you know where our location, is but just in case you don't, this shows you exactly the area outlined in red is what we call Phase I of the project. This sort of orange block to the left will be Phase II.

As you flip to the next page of the site plan that shows both the current phase and the future phase. It identifies everything we're building under our current project, as well as our intent to build 120 plus acre festival grounds next to us.

The next piece of the site plan lays out exactly what is in our final development plan. We have a barn that is the equivalent of 6.9 football fields all under one roof that will allow us to hold the kind of events we need to hold to be a regional and national leader in food and agricultural events. It's a three arena, three arenas that are connected to each other. One that we consider our main event arena shown on your map as Arena A. A multi-purpose arena shown as Arena B and an outdoor arena. You can move from one arena into the others and so they can all be put together as one big event or we can separate those and hold different events in each of those spaces.

Primary today, American Royal Mission, you will see to the north the learning and engagement center which is about 80,000 sq. ft. of learning space that also will provide high-quality meeting space that we anticipate many people in the region will be interested in using. Then in addition, we always—you can't do anything like this without offices and storage and maintenance shops all of which are also shown on the map.

As you continue to flip through, you see a bigger picture of the barn. In this case you see what it looks like to have 10x10 horse stalls within that barn and how many that actually is, allowing us to have 1,500 usable horse stalls in the area to be able to unload over 80 trucks and trailers at the same time. If you've ever had the joy of being caught on the interstate when we are unloading and unloading days at the American Royal, you'll know what it is that we have that kind of structure.

The next page shows you the arena plans and how they all connect, as I mentioned earlier, and how that Ed Center works right into them.

The next page just shows you a greater, a little greater detail, hard to see on these for sure, of the education center or the learning and engagement center which has everything from an auditorium that can also be used as an auction ring to a VIP space that you can actually see into the arenas from providing a really unique experience during our events. When it comes down to it, there will be education around every corner, in the barns, in the arenas, in the education center itself because that really is key to our overall mission. We want everyone who shows up on site whether they're there for a livestock event or a basketball tournament to learn something about food and agriculture, our nation's largest industry.

Now, you get to see the additional events that we would plan to add. This just gives you an idea of what a new list of events will look like in the new American Royal. All of these events are things that we can actually imagine branding and all of these events already exist in our strategic plan which takes us through 2026. We would imagine many of these things being able to happen by 2026. A few probably won't, but our goal is to get as many of these going by 2026 as possible.

When we start looking at the number of days we use for current events, we expand our branded events, then we talk about hosted events. Our phones are ringing constantly of people who are ready to book this space. There are groups we've been talking to for a long time like National High School Rodeo Associations. We've been talking to all the breed associations that hold large Junior National shows in the summer, talking to other horse shows, and other cattle shows, but not more importantly, but in addition to that we're getting things we never thought of. We had a call the other day from a group that wants to have a rabbit show that would put 2,000 rabbits in our facility, or a hog show that would put potentially 4,000 hogs in our facility which are just crazy numbers, but we're building a facility that will allow us to do that. As you think about that, and you think about what that means we are right now drawing 390,000 people to the American Royal limited to our 100-day calendar. As we start to expand that calendar, expand our existing events, add new events, you're looking over one million visitors a year within the first five years of operation. We believe that by the 20th year of operation in that first 20 years, we'll average over two million visitors per year. We're very excited about what we can do and what we're bringing to the area. As you look through the rest of the slides, I'll just let you flip through those on your own, but those are designed to just let you see a little bit about what the facility is going to look like. Right now, it looks like a lot of dirt, but there's a lot of exiting things coming. That gives you an update on the project. I think I will turn it over to Kevin to talk about what we're doing here tonight specifically.

Kevin Wempe, Gilmore & Bell, UG Bond Counsel, said really the reason giving rise the request this evening is the IRB request that's currently contemplated under the existing development agreement that we have out there from back in 2017 and then updated in 2018. I'm sure that Todd will tell you some more about this as well, but as we got further into actually commencing construction and looking at sales tax exemption and is that something that we are, by right, already entitled to as the American Royal Association or is that something that we need to go and pursue IRBs for. We are now back before you because the existing development agreement does contemplate that situation getting sales tax exemption on construction materials through that and so we submitted an application back at the end of June. I think there was a miscommunication, is what I'll call it, between your staff and ours to where we thought we were on this committee regularly without having to blue sheet. Then in the last couple weeks we have been scrambling and working with your staff and legal counsel to come to a place that we could get on this agenda. The request of us was that we give an overall project update knowing that we'll be back before you in the near future, here with a larger amendment to the framework of the development agreement. I think the project, as you heard from Jackie, the core components of it are largely unchanged. We think it's a better, more purpose-built design now, but we will be back before you just with the time that's passed and bringing the current. They wanted a larger global updating connection with this request.

Kevin Wempe, Gilmore & Bell, **U.G. Bond Counsel,** said as the applicant stated again, the most urgent part of their incentive request here under their application is the sales tax exemption on construction materials. As this group knows, is granted by approval of a resolution of intent by the Commission and that allows the developer to access the sales tax exemption certificate from the state. Also, it is daylighted by the applicant. We do foresee re-engaging on the broader development agreement making the necessary tweaks and so forth to get the broader package together.

Again, this is why this request takes the lead in that series of events. In recognition of that, this resolution contains a few unique and specific attributes compared to what you'd normally consider for a sales tax exemption. In Section 10, it calls out that if certain milestones along the way of considering a broader development agreement aren't accomplished in the first quarter of next year, there'd be a clawback of these incentives and repayment of any sales tax foregone by virtue of the IRBs. It really is just in recognition again that this is being considered before we dive into the broader details.

Todd LaSala, Stinson Leonard Street Law Firm, stated I would only add that those items, I think, are in recognition of the fact that there's a bunch of work to do. This development agreement was originally entered in 2017 which was a long time ago. The project has evolved a long way since then. Kevin is right, the industrial revenue bond financing that's contemplated here really for purposes of sales tax exemption only, not for tax property tax abatement. It was always there, but among other things it contemplates that it was to happen within three years after we signed that agreement in 2017, unless you otherwise agree, so here we are. There's a lot of activity out there. It makes good sense that they want to do that first.

Some of the communication about this, the request from the UG about communication was about the evolution of the project, not only the change in the plan, but the change in budget and the incentives and the timing and so forth. I think the County Administrator and the staff were hoping for a big picture about what the development agreement would look like, how we would amend the project plan and a timeframe on getting started with the feasibility study that we necessarily need to do because you'll remember this development agreement is STAR Bonds, CID, and this Industrial Revenue Bond piece which is the smallest piece of the three.

That's the context. That's why we're here tonight. The limited item in front of you tonight is just this resolution of intent, which would allow the developer to get a project exemption certificate and therefore an abatement on the sales tax on the construction materials and the labor going forward.

They will also, if we didn't already say so, they are also asking to fast-track this item from tonight to the full commission meeting on Thursday night, the 17th. That's the full request, we're happy to answer any questions.

Chairman Burrough asked are there any questions.

Commissioner McKiernan said I've supported this project from the very beginning, and I voted affirmly to move it forward from the very beginning, but wow, so Mr. LaSala, help me to feel good again tonight like you've done before. Currently, the UG has about $598M of IRB that we have issued, not responsible for and that's one of the things I want you to help me understand that we're not on the hook for any of this, but this $250M would be almost 50% again in what we already have issued. It's a large amount of money and I just want to have peace of mind that issuing these IRBs will in no way, negatively impact the Unified Government nor its credit rating. **Mr. LaSala** said I can make you feel good about that. These are very different than other bonds that you issue, Special Obligation Bonds. These bonds are really for the sole purpose of going to get that sales tax exemption, sole purpose. I mean Kevin can elaborate here. There really is no impact to your credit rating. There is no risk to the UG. It is a mechanical tool provided by the statute that gives the developer the opportunity to get this project exemption certificate and abate sales taxes on constructed materials. That's it.

Commissioner McKiernan said you touched on the second point, I want to make sure that I'm just clear that we are under no obligation for the repayment of these bonds as the issuer. **Mr. LaSala** said none whatsoever. **Commissioner McKiernan** said thank you, Mr. LaSala, I appreciate it.

Mr. Wempe said, Commissioner, I'll just add that absolutely these are anticipated to be, to buy your own bonds deal with developers purchasing its own bond. Solely responsible for repayment and also that the IRB statute prohibits pledging the full faith and credit of the Unified Government for repayment of these types of bonds.

Chairman Burroughs asked, what is the projected cost of the project? **Ms. McClaskey** said right now the overall project cost is $350M with about $300M of that being related to construction. The other $50M is everything that includes our land purchase to educational exhibits, and costs we've been accruing since 2015 to be perfectly honest. Then, the $300M, when it, I don't know that I have that breakdown in front of me of what it is of actual construction costs versus fees and all the other components that are in it. We have basically, at this point, we have taken this project, we have reduced the cost of the project through value engineering to make it about a 35% increase of where we were in 2020 so we're feeling pretty good about that. It's just a lot more money than any of us ever intended this project to be.

Commissioner Townsend said correct me if I'm wrong, Commissioner McKiernan, did you say already we had approved something like $598M in this project on IRBs. **Commissioner McKiernan** so no, not on this project at all. That one other IRBs that the Unified Government has issued for a whole continuum of other projects. **Commissioner Townsend** said got it. Not this particular one. Okay. Is this the first request then for IRBs for the American Royal Project? **Mr. LaSala** said, Commissioner, in a sense it is. It's the first time they've asked for a resolution of intent to proceed. It was always a part of the development agreement all the way back to 2017. **Commissioner Townsend** asked, have we already approved a prior request for IRBs for the American Royal? **Mr. LaSala** said no. **Commissioner Townsend** said well, then I don't have to ask my second question about needing this for sales tax exemption because there were no previous requests as this one, correct? **Mr. LaSala** said correct. They have never asked for a resolution of intent to issue IRB. We have not done any IRBs for this project.

Commissioner Townsend said okay, thank you. I did look through the resolution. I'm always looking for a Section 6, which talks about the Unified Government's obligations as the issuer on that, echoing Commissioner McKiernan, the concerns he raised. I'm always looking for that. I've seen it and that's my understanding, we are not on the hook for this. Unfortunately, I do not have before me the printout I guess that Ms. McClaskey presented, so I don't have that list, but what occurred to me is, will this enhanced version of the size and scope of the American Royal contemplate a group like the Future Farmers of America that used to be such a boom to Kansas City, Missouri. I'm wondering if that's on the list of possibles. **Ms. McClaskey** said I'd be happy to answer that question. The FFA Convention has gotten exceptionally large. It's actually one of largest conventions in the country and we don't have the hotel capacity in the Kansas City region to compete for it. Right now, it's usually held in either Louisville or Indianapolis, but if they don't actually downsize it, they're going to push themselves into a choice like Atlanta, San Diego, Las Vegas, not the greatest place to take high school students. I answer the question that way because what we intend to do is work with them on some other opportunities for national conferences for students to attend that would be held here at the American Royal. Their 100th Anniversary is coming up in 2028, so we also imagine having an anniversary event with them. While we don't believe we will bring the convention back, we believe that we can help them establish other events that youth from across the country could attend. **Commissioner Townsend** said thank you for that update. When I worked downtown years ago, they used to call that weekend Black Friday for Kansas City, Missouri because it brought in so much business and profitability. I was hoping that that might transfer over here, but it sounds like they're already beyond our means to accommodate them, but who knows what the future holds. Thank you very much.

Commissioner Davis said I was not on the Commission or on this committee in 2017. I remember someone asked me about the American Royal, what is that? I quickly had to get caught up to speed. What is you all's and I know timelines change, interest rates, what have you, but ideally what is your timeline for the completion of this project? **Ms. McClaskey** said it is a big project and it's shocking to most people when I told them we turned dirt in March that we won't even go vertical until November or December. We'll start with the barns and basically move our way north so the first thing that will be completed is the barn facility that you saw on the outline. It should be done late first quarter of 2025 and the complete project at this point is on schedule to be done September 2025. For those of you who are familiar with the American Royal, that's right in the heart of the biggest part of the season. Whether or not we will move events in 2025 or wait until 2026 is to be determined and depends on how close we're staying on schedule. **Commissioner Davis** said that is very exciting. The other thing is if Legal, if you'll just send me the contract or the development agreement for this, that would be great. I know it's been some years back just so I can review it. Thank you all so much. I'm excited to see this with everything happening in the metro area, in FIFA and everything that's happening with the World Cup. I think it could be really cool if we can include this as well within the festivities, but yeah, I'm excited for this project. Thank you, Chairman.

Chairman Burroughs said any other comments? I know this has been out there for a long time, Ms. McClaskey, as you well know. We have seen this thing a number of times. It's just short notice to read through a document. $250M is a lot of money for us to take a bite at the apple in a short amount of time and then fast-track something. I personally am not accustomed to doing that. It's been out here a while. I don't understand the expediency, why it's necessary that we have to fast-track it. It hasn't been communicated to me as Chair. I don't know if the other commissioners have heard as to why. Maybe Legal can express some reasons as to why it needs to be fast-tracked after sitting out here for four years and then tonight, we're hitting 30 minutes before the meeting with a document and a $250M IRB request. **Mr. LaSala** said, Commissioner, I think I would say to you that this is really about the construction schedule for the American Royal. I actually think the developer is the right person to answer this question because as we talked about nights when it could come forward, I think they're going to tell you they are really chomping at the bit on construction and ordering materials and moving forward. I think where we are tonight is as much about the construction schedule as anything else.

Ms. McClaskey said absolutely. Let me talk you through kind of what our schedule was. The first thing we're doing after dirt work that really accumulates significant potential sales tax liability is the sewer line that we're putting in. To be perfectly honest when we originally came forward, we thought we'd be doing a public sewer line, but we're doing a private sewer line, so we are paying. If you've been out there and seen the five-foot tall sewer lines those are—that's what we're paying for so those bills came forward faster than we anticipated that we were going to be responsible for. We started having the conversations in June about filing our IRB paperwork. We filed it on June 28th. I had a conversation on July 7 asking for this to be expedited to the August 17th commission meeting and that's where I think some level of miscommunication came from because we didn't get asked for any additional information until August 4th. If we were to have provided it, that's on me. I'll take that responsibility. We thought on July 7 that we were good to go to not have to blue sheet this. We still would have asked tonight to expedite it to Thursday, but we're hoping it would have been in your agenda and all of these things would have been worked out. But literally, we were going through when it came to our attention that the UG wanted requirements about the timing of the development agreement and all of those things, we were working on that over the weekend to get that language included. Whatever error we made in not communicating more clearly in early July, I will take that, but the reason that we were—that even at that point I was asking for an expedited approach to this between this meeting and Thursday's meeting was because of the construction schedule and the fact that we would like to place orders for things like steel very quickly because the time to wait for things like to place our order to get in, we have to be six months ahead of time. Our steel order is setting and waiting for us to be able to place that order.

Chairman Burroughs said I can appreciate that. $250M, as I stated, we have $500 and sum million already out in IRBs that we've issued and now $250M more. That's just shy of three-quarters of a billion dollars that the Unified Government's credit risk is out there. Should there be a default, it's going to come back on the proprietors, but our reputation is tied to those risks.

Mr. LaSala said Kevin might want to speak to this as well. Commissioner, with great respect I do appreciate the conservative nature. We have talked about this so much on other things. In this arena with Industrial Revenue Bonds, it's just not the credit risk. It is not—the market is not watching these, these are bonds bought by the developer themselves. They're not sold out there publicly and the rating agencies are not watching these. It is a very different risk profile than what we're talking about when we go to issue the STAR Bonds and sell those publicly or go issue CID bonds for Homefield or other things. It is just not the same ballpark, it's not the same sport.

Chairman Burroughs said I understand that, Todd, and I've read through this quickly. I'd like to take some time to read through it. I'm looking at Section 9 and Section 10 in reference to the resolution. The \$250M to pay for construction and make orders, I don't look at \$250M as the amount of money in sales tax that you're going to be saving. I mean why \$250M? Is it to cover the entire project? If you applied for STAR Bonds or is STAR Bonds request going to be less now because of the IRBs? I'm just trying to get a figure here as to how we, as commissioners, have a comfort level of giving \$250M in IRBs out in addition to an additional \$500 more. The public has a difficult time understanding the financial aspect of these contract agreements and if there's going to be a property tax exemption, if there's going to be requests for a PILOT, is there going to be additional requests coming forward in addition to STAR Bonds request, we need some solidification of some sort financially for this community to know that we're on good graces with this project. It's been four years and all of a sudden earth's moving pretty quickly out there and then we're hit tonight with \$250M IRB and the public should have been able to see the plan. I know it's short notice and then to fast-track it just raises flags for me personally. I don't operate that way, but the committee will take its action accordingly, but I just want to do what I can to guide the committee forward with this motion.

Mr. LaSala said, Commissioner, just a couple of things in what you just said. One, no tax abatement, no property tax abatement for not ad valorem property tax abatement, no PILOT, that's not part of the equation here at all, just sales taxes on the construction materials, the equipment, and the labor.

Two, the general picture for financing for this project, it's been a long time, but the big picture here was about \$80M of STAR Bonds and Community Improvement District proceeds. It was \$80M of those two things combined that was the financing package, that plus IRBs for this purpose. In our discussion, in our very healthy detailed discussions with the developer of late about the big picture and the evolution of the project, it is our understanding that it is still the program. Those may not still be the numbers. The budgets are evolving and changing, but conceptually those are the same tools that we've been talking about, and I don't think that is evolving. Kevin, any other piece of this that you want to take?

Mr. Wempe said real quickly, back to your comment about financing and how the STAR Bonds and the IRBs play together. Todd mentioned a minute ago it's separate, it's a different ballfield between STAR Bonds financing projects costs versus IRBs and as he said, I think of the IRBs purchased by the developer as more of a vehicle for granting the incentive of sales tax exemption rather than a true method to finance the costs. The developer in this case will privately finance all their project costs and then most typically the IRBs are issued near substantial completion and again, are purchased by the developer to reimburse themselves for the costs for which they need the IRBs. The costs for which they need the IRBs are those that absent other exemption sales tax would apply. I think I heard $350M total costs or something in that ballpark. The request for IRBs in front of these for $250M and the applicant might add additional context here, but my guess is the exemptions existing in that $100M negative space that's not requested with the IRBs includes labor and land costs and those are otherwise exempt under separate statute for new construction projects meaning the $250M really applies towards labor, furniture fixtures, and equipment and other materials contained in the project. Again, they'll privately finance, but need the IRB approval to forego paying sales tax on those costs. **Chairman Burroughs** said if I remember correctly that's what STAR Bonds pay for. The STAR Bonds pay for infrastructure. You stated you were going to go build your own private sewer systems, but yet STAR Bonds pays for that infrastructure. STAR Bonds pays for everything, but vertical construction. It pays for water, sewer lines, roadways, sidewalks, all the signage, and everything else and yet we still have a $250M request for sales tax for construction costs. I'm just trying to understand the financial picture of what we're looking at here.

Mr. LaSala said again, with great respect, don't think of it as $250M on top of the $80M. It's not like that. It's the developer purchasing things with the bonds that they bought themselves. It is really a pass-through vehicle between them and the bonds. It is not additional money coming into the project where the UG has issued eight—if the number winds up being $80M, it's not like we're going to go publicly sell and give the developer $80M of STAR Bonds and then there's $250M of new money that comes in from someplace else. It's their money. I know it's a really confusing vehicle and I don't know if Kevin and I are doing a good job of explaining it, but we should not think of it as new money coming in from someplace else or new money that the developer is giving or that we're giving to the developer. That $250M is a function of their construction costs and using this vehicle solely for purposes of getting that sales tax exemption.

Commissioner Davis said I actually understand what you're saying, but would it be fair for—I'm thinking of like a coupon or like a certificate where it's not necessarily that company that is purchasing that, but it is saying that it makes it more affordable in some way, shape or form to purchase whatever. I'm still liable, but if I use that coupon or that discount, would that be a comparable comparison here in some way? **Mr. LaSala** said in some way, in some ways I think so. Actually, the fact that you call it a certificate and it really actually is so spot on because the whole point of this exercise—like if the legislature would say that without issuing Industrial Revenue Bonds, we could just grant them the project exemption certificate that they're really looking for, this would be a lot simpler. I mean—but for the fact that the legislature requires this vehicle and the issuance of bonds and their money flowing through the bonds to pay their own construction costs, but for that requirement of the legislature if it just said we could go give them a project exemption certificate to abate the sales tax, that's what we would do. **Commissioner Davis** said that's how I look at this as a coupon that would basically say you now have to pay sales tax for what you're purchasing. **Mr. LaSala** said I think it's a fair way to look at it.

Mr. Lee said I think everything that Todd and Kevin said is spot on. $250M does seem like a staggering number. The intent behind that is not to exceed an amount that's large enough to include all purchases that would be subject to sales tax potentially. When we're talking about the actual amount of sales tax savings that's projected from that, it would be something substantially lower, you know, 10% overall sales tax rate as rough figures to multiply it by that. If we were to issue all $250M, you'd have the $25M of savings would be total. We're expecting something much less than that. It's not actual money out, there's no dollars that change hands other than issuance cost paid at closing of those IRBs. It is a large number, but it really is not to be viewed the same as STAR Bonds. They're just different mechanisms and it's not a true financing tool.

Chairman Burrough asked, any final words? **Mr. LaSala** said thank you for your patience with Kevin and I. It's difficult to explain. I'm sure we didn't do it very well, but we appreciate your patience with us.

Ms. McClaskey said I do have a couple of things I just want to say. Again, I want to apologize. If there was something that we should have done earlier, we would have happily done it. We were waiting for the project cost to get pretty close to where we felt like we knew where we were going to be.

The second piece of that is we wanted to get started. It has been a long wait and once we started we really could dive in and say this is the project, this is our cost. We started this paperwork as soon as we really could. I apologize that we didn't get this to you earlier.

We do intend to be back to talk about our STAR Bond package. The STAR Bond packages as we've talked about now six going on soon to be seven years old, the project costs have expanded substantially. I do want to be upfront and honest with you all that we will be working with the team to look at that development agreement and working with the state on the overall project agreement and our goal. We agreed that we have to be done by the first quarter, but we'd really like to get it all done in 2023 if we possibly can. You're hopefully going to see us a few times in the next few months.

Commissioner Stites said all the buzz out there right now is American Royal. That's my district. I drive up and down there all the time and there are folks out there that are excited. There are groups that I'm involved with that keep saying man, it's finally happening. We're excited for the American Royal. Look at the equipment. Go to social media, look at it, you'll see it. Everyone is excited about this. This $250M, it's not our money, it's not money that we would ever get. It's the developer's money. There's no risk to the Unified Government. It's just a tool that allows them at least what I know of, you're probably not going to order your steel vertical material from any business here in Wyandotte County. It's money people that are outside of Wyandotte County. This is just a tool. It's really, and Kevin, I think you did a great job Todd. I understand it completely, but your pre-authorized really, that's what it is, you're pre-approved to $250M, that's really what it is not to exceed. It's very clear. With that being said I'm excited. I look forward to all of the things that are on the horizon. We've heard about this for years. I'm not saying that to be negative. It's the right time now. The other times, it wasn't the right time apparently, we went through COVID. It wasn't right, the stars didn't line up. We're there now. There's a lot of things happening out in western Wyandotte County that's also going to help benefit downtown Wyandotte County east of I-635. I know that there's a lot of different things. I've been to several meetings and where you look to expand the education process, things that are happening in agricultural, the food. I think this a great project.

Action: **Commissioner Stites made a motion, seconded by Davis, to approve and to approve the issuance of IRBs not to exceed $250M and to be fast-tracked to the August 17, 2023, full commission meeting.**

Chairman Burroughs said I'll ask the Clerk if there were any other comments? **Ms. Sparks** said no written comments received, no hands are raised online. **Chairman Burroughs** said anyone in the public who care to speak on the issue. No one appeared.

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

Chairman Burroughs said please know the apology is accepted. We have what we call on-threes for educational purposes. We have a public when you hear $250M granted by the UG going through Budget, we're the ones that bear the brunt of that. We understand the IRB process. We understand STAR Bonds. They understand $250M is going to somebody. That's the concern that I, as Chairman, want to ensure that my committee understands and that the public understands.

Chairman Burroughs said I'll entertain a motion to adjourn.

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

The meeting was adjourned at 6:51 p.m.

tk

Tracking ID: 21414

Report to

MEETING DATE	PRESENTER	DEPARTMENT
NOV 0 4 2024	Andrea Vinyard, Director of Revenue/County Treasurer avinyard@wycokck.org x8226	Finance

AGENDA ITEM

RESOLUTION: ANNUAL CASH AND INVESTMENT POLICY APPROVAL

BACKGROUND

- Section 5 of the Cash Management and Investment Policy requires that the Board of Commissioners adopt the Cash and Investment Policy annually.
- The Policy shall be reviewed on an annual basis by the Cash Management Committee Commissioners. The Committee met virtually in early October 2024. The committee includes the following voting members: the Unified Government's Chief Financial Office, the Clerk, the Director of Revenue/County Treasurer, the Chief Counsel or designee and the following non-voting members: the Legislative Auditor or designer, Accounting Manager, Cash Manager and one member from the municipal advisory firm of the Unified Government.

RECOMMENDATION

Approve

Approval

BUDGET IMPACTS / FINANCIAL CONSIDERATIONS

No cost, for approval only.

IT/POLICY CONSIDERATIONS

- No policy changes required by this item.
- Per the Unified Government's Cash and Investment Policy

PROCUREMENT CONSIDERATIONS

N/A

LEGAL CONSIDERATIONS

No issues to be aware of.

ATTACHMENTS

Resolution Adopting 2024-2025 Cash Management Policy - DRAFT 10-17-24 KR, Cash Investment Policy Final 2024-2025, Cash Investment Policy Final 2024 Adopted 12/14/2023, Cash-Invest Policy Presentation ED&F 11.4.24

Approved by Mayor and/or Chair and Administrator to add to agenda.

10/23/2024

Approved

RESOLUTION NO. R-______-24

A RESOLUTION ADOPTING THE UNIFIED GOVERNMENT'S CASH MANAGEMENT POLICY FOR 2024-2025.

WHEREAS, the purpose of the Cash Management and Investment Policy (the "Policy") is to identify the policies and statements of the Unified Government regarding the safe and responsible management of Unified Government funds and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy's objectives.

WHEREAS, the Policy shall be reviewed on an annual basis by the Cash Management Committee and shall be reviewed and approved annually by the Board of Commissioners. If it deems it necessary, the Cash Management Committee will recommend changes to the Policy to the Board of Commissioners. Any recommended modifications to the Policy must be reviewed and approved by the Board of Commissioners.

WHEREAS, the Cash Management Committee reviewed the previous Policy approved by the Board of Commissioners December 14, 2023, and had no recommended changes to make for 2024-2025.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT:

SECTION 1. Adoption of Cash Management and Investment Policy. The Board of Commissioners of the Unified Government hereby approves and adopts the Policy, as set forth in Exhibit A, attached hereto. The Board of Commissioners finds that the attached Policy sets forth procedures which will allow the Unified Government to invest funds in a manner that will meet daily cash flow demands while providing a reasonable rate of return with the maximum security in conformity with all Kansas statutes governing the investment of public funds.

SECTION 2. Authorizations. That the County Administrator and all other employees and agents of the Unified Government are authorized to take all actions and to approve all instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

SECTION 3. Effective Date. This Resolution shall be effective upon adoption by the Unified Government Board of Commissioners.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS [DAY] DAY OF [MONTH], 2024.

____
Tyrone Garner, Mayer / CEO

Attest

____
Unified Government Clerk

Approved as to Form:

____
Chief Counsel

Commission Resolution:

Last Adopted: 12/14/2023

Unified Government of Wyandotte County
and Kansas City, Kansas

Cash and Investment Policy

Section 1. General Purpose Statement
The Board of Commissioners has authority to invest all funds held by or belonging to Wyandotte County/Kansas City, Kansas ("Unified Government" or "UG"). The purpose of this Cash Management and Investment Policy is to identify the policies and statements of the Unified Government regarding the safe and responsible management of the Unified Government funds~~,~~ and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy objectives.

Section 2. Legal Authority
The Unified Government Board of Commissioners is granted the authority to invest temporarily idle funds, i.e. those funds which are not immediately required for the purposes for which the moneys were collected or received and the investment of which is not subject to or regulated by any other statute, under K.S.A. 12-1675 and 12-1677b which also identifies the types of investments the Unified Government may purchase.

Section 3. Policy Statement
The policy of the Unified Government is to invest its funds in a manner which will provide a reasonable rate of return with the maximum security while meeting the daily cash flow demands of the Unified Government and conforming to all statutes governing the investment of such funds.

Section 4. Scope
This Cash Management and Investment Policy shall apply uniformly to all officials, employees, departments, agencies, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the Unified Government's idle funds. All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials will conduct themselves as good stewards of public funds that will promote public confidence in the Unified Government's ability to govern effectively.

This Cash Management and Investment Policy applies to the Unified Government's cash management and investment activities primarily focused on idle funds and general obligation bond proceeds held by or under the control of the Unified Government. Debt service funds, reserve funds, and other financial assets held by various fiscal agents and trustees as provided under various bond ordinances are invested at the direction of the Unified Government but are not held by the UG nor under the direct control of the Director of Revenue/County Treasurer.

Section 5. Adoption and Annual Review
This Cash Management and Investment Policy shall be adopted by resolution of the Board of Commissioners. The Policy shall be reviewed on an annual basis by the Cash Management Committee

and shall be reviewed and approved annually by the Board of Commissioners. If it deems it necessary, the Cash Management Committee will recommend changes to this Policy to the Board of Commissioners. Any recommended modifications to the Policy must be reviewed and approved by the Board of Commissioners.

Section 6. Cash Management Committee; Delegation of Authority
A Cash Management Committee shall be established. The Cash Management Committee (CMC) shall consist of the following voting members: Unified Government's Chief Financial Officer, the Clerk, the Director of Revenue/County Treasurer, the Chief Counsel or designee and the following non-voting members: the Legislative Auditor or designee, Accounting Manager, Cash Manager and one member from the municipal advisory firm of the Unified Government. The Chief Financial Officer shall serve as the Chairperson of the CMC.

Responsibility for the operation of the investment program is delegated to the CMC which shall establish procedures and internal controls for the operation of the investment program consistent with this Policy.

Daily and routine investments of Unified Government idle funds will be made by the Chief Financial Officer or designee, under the guidelines set forth in this Policy and as recommended by the CMC.

Section 7. Investment Procedures
This Policy is administered through a separate set of written Investment Procedures, which should be referred to in conjunction with this Policy. The Cash Management Committee is hereby authorized to adopt written Investment Procedures consistent with this Cash Management and Investment Policy. Such Procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the Procedures adopted by the Cash Management Committee. The Director of Revenue/County Treasurer shall be responsible for all transactions undertaken and shall establish a system of internal controls to regulate the activities of subordinate officials.

In the development of the system of internal controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority, limitations of authority, and custodial safekeeping.

Section 8. Staff Qualifications

A. The Unified Government shall hire a Cash Manager or shall retain an outside manager to manage investments. The Cash Manager will have the necessary qualifications to perform investment duties as outlined in the Cash Management and Investment Policy and the Cash Management and Investment Procedures and will be supervised by the Chief Financial Officer or designee.

B. Duties of the Cash Manager position include the following:
   1. Management of the short-term and long-term investment portfolios in accordance with K.S.A. 12-1675 and 12-1677b and amendments thereto, with any other applicable statutes or ordinances or resolutions, and with this Cash Management and Investment Policy and the Cash Management and Investment Procedures and amendments thereto;
   2. Tracking investment transactions; ensuring accuracy and security of investments, monitoring record keeping of investments;

3. Performing inspections on safekeeping receipts held as collateral to cover investments; alerting banks regarding insufficient collateral;
4. Prepare cash flow forecasts;
5. Generate investment performance statistics and activity reports; and
6. Other duties as assigned by the Chief Financial Officer or the Director of Revenue/Treasurer.

C. Specific qualifications include a bachelor's degree in Finance, Accounting, Economics, Business, or Public Administration and two years of progressively responsible investing or accounting experience, or any equivalent combination of education and experience sufficient to successfully perform the essential duties of the job. If the individual appointed to the Cash Manager position does not possess the requisite investment experience, the individual will attend government investment training approved by the Chief Financial Officer within one year of appointment.

Section 9. Investment Advisor
The Chief Financial Officer, with the approval of the Cash Management Committee, may appoint an independent Investment Advisor registered with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940 and the rules adopted thereunder, or a "Municipal Advisor" as defined by Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, amending Section 15B of the Securities Exchange Act of 1934, and interpreted by the Securities and Exchange Commission in its final rules adopted September 10, 2013, to advise the Unified Government on investment activities. The Investment Advisor will be selected through a competitive process under the Unified Government's Procurement Code. The terms and conditions of such relationship shall be set out in a contract. The duties and responsibilities of the Investment Advisor at a minimum shall include the following.

1. Providing advice and analysis on the Unified Government's Investment Policy, portfolio management techniques, portfolio structures, and new investment securities and products;
2. Assistance in developing or improving and implementing cash flow modeling;
3. Providing advice on investment benchmarking and performance reporting;
4. Evaluation of the capabilities and usage of software utilized in management of and accounting for the investments;
5. Assisting in any investment related presentations to the Cash Management Committee or Board of Commissioners; and
6. Providing analysis, advice, and assistance on other investment-related matters, including investment of bond proceeds.

Section 10. Standards of Care

A. *Prudence*
The standard of prudence to be used by investment officials shall be the "prudent person standard" and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering first the safety and liquidity of their capital

and next the probable income to be derived. If outside investment professionals are retained, they shall be held to the "prudent expert standard," that is, they shall exercise the judgment, care, skill, prudence and diligence, under the circumstances then prevailing, which persons of prudence, discretion and intelligence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments so as to minimize the risk of large losses, unless, under the circumstances, it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

The Chief Financial Officer, other investment officials, and the members of the CMC, when acting in accordance with the written Investment Procedures and the Cash Management and Investment Policy, and when exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

B. ***Ethics and Conflict of Interest***

Unified Government officers and employees authorized to perform investment duties shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial decisions. For purposes of this Policy, "officers and employees" means voting members of the Cash Management Committee and the Cash Manager; it shall not mean elected officials.

No officer or employee shall use his or her official position or office to obtain direct or indirect personal financial gain for himself or herself, his or her family, or any business in which the officer or employee has a financial interest. Officers and employees are governed by this Policy, the Unified Government Code of Ethics, and any applicable laws.

Investment staff shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Unified Government.

Officers and employees shall disclose annually to the Legislative Auditor and to the Ethics Administrator any financial interest in financial institutions with which the Unified Government conducts business or any benefit which the officer or employee obtains from any Unified Government contract or from placement of an investment of Unified Government funds. For purposes of this Policy, "financial institution" means banks, savings banks, or savings and loan associations as defined in K.S.A. 12-1675a and amendments thereto. For purposes of this Policy, "financial interest" means (a) ownership or any interest or involvement in any relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than $5,000 per year, or its equivalent; (b) ownership of such interest in any property or any business as may be specified by the Ethics Commission; or (c) holding a position in a business such as an officer, director, trustee, partner, employee, or the like or holding any position of management. Financial interest does not include household operating accounts or a depository relationship with a financial institution.

Each financial institution in which the Unified Government deposits funds and each investment manager and each consultant retained by the Unified Government shall be notified of this section of the Policy and shall conform to its provisions and shall not participate in any violation of this section or in any effort to influence any officer or employee to breach the standards of ethical conduct set forth in this section.

Section 11. Objectives
The primary objectives of the Unified Government investment activities, in priority order, shall be:

A. ***Safety***. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

1. *Credit Risk*
Credit risk, the risk of loss due to the failure of the security issuer or backer, will be minimized by:

   a. Limiting investment to the safest types of securities;
   b. Pre-qualifying financial institutions, broker/dealers, intermediaries, and advisors with whom the UG will do business; and
   c. Diversifying the investment portfolio so that potential loss on individual securities will be minimized.

2. *Interest Rate Risk*
Interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, will be minimized by:

   a. Structuring the investment portfolio so that the securities mature to meet cash requirements of the general operating fund, thereby avoiding the need to sell securities prior to maturity; and
   b. Investing general operating funds primarily in shorter-term securities.

B. ***Diversification.***

1. *In General*
It is the policy of the Unified Government to diversify its investment portfolio so as to protect its funds from material losses due to issuer defaults, market price changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

2. *By Institution*
Investments will be diversified so that reliance on any one issuer or financial institution will not place an undue financial burden on the Unified Government in the event of default. Accordingly, no more than 25% of the total investment portfolio shall be with the same financial institution or issuer, except US treasuries, unless it would be prudent to do so under prevailing circumstances. If the above limit is exceeded, the Chief Financial Officer will notify the CMC.

3. *By Instrument Type*
Market and credit risk will be minimized by diversification among investment types. The following are maximum limits for the percentage of Unified Government investable funds to be invested in each investment type.

a.	Certificates of deposit	100%
b.	U. S. Treasury bills, notes or bonds	100%
c.	U. S. Government agency obligations	50%
d.	Kansas Municipal Investment Pool	50%
e.	Repurchase agreements	25/100%*
f.	Bank trust department municipal pools	25%
g.	Temporary notes or no-fund warrants	10%

Because of distortion created by deposit of proceeds from the sale of temporary notes issued by the Unified Government, measurement of the maximum limits on investments by institution and by instrument type for purposes of this subsection 11.B. shall occur at least one week after the deposit of such proceeds.

* NOTE: Investments in short term securities shall be limited to 10% of investable funds, and investments in repurchase agreements shall be limited to 25% of investable funds, except as set out below. While it is not the goal to invest 100% of investable funds in either short term securities or repurchase agreements, the ability to invest the maximum limit in these two investment types is recognized as an option in certain market circumstances when these investments offer higher returns than other investment types at minimal risk. The option to invest more than the 10% or 25% limit respectively will be used only when the Cash Manager determines, with the concurrence of the Chief Financial Officer and the Unified Government's municipal advisory firm, that it is advantageous and prudent to do so.

C. *Liquidity.*

1. The Unified Government's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated without incurring material losses by structuring the portfolio so that securities mature concurrent with anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

2. The Unified Government understands the importance of having sufficient funds invested in overnight sweep accounts to meet weekly payrolls, accounts payable, scheduled debt service, and extraordinary expenses that may occur, which may range from 10% to 25% of available investment funds.

3. It is important for a county government to have the necessary funds for the scheduled tax distributions to other governmental entities. In particular, liquidity is essential for the January and June tax distributions. Therefore, it is the policy of the Unified Government that such funds be held liquid to provide assurance as to the availability and

safety of these funds held on behalf of the other governmental entities under the Unified Government's trust.

D. *Maturity.*

1. All investments shall be made to mature in accordance with cash needs identified in regularly prepared and updated cash flow forecasts. The Unified Government recognizes that the laddering of investments is a sound approach to mitigate short-term interest rate fluctuations. Additional considerations in the structuring of investments shall include:

    a. Review of economic and financial indicators, such as Federal Reserve monetary policy position statements and the U.S. Treasury yield curve; and

    b. Input from the Unified Government's municipal advisory firm.

2. The Unified Government has adopted the following maturity target ranges for its core investment portfolio. Core investments include all operating funds of the Unified Government and exclude bond proceed funds held by a bond trustee for the purpose of project construction, debt service payments, debt reserves or other escrow requirements.

a.	0 – 12 months	30% to 60%
b.	12 – 24 months	20% to 40%
c.	24 – 36 months	15% to 30%
d.	36 – 48 months	10% to 20%

The maturity targets are provided as a guideline. Notwithstanding the above maturity target ranges, cash flow requirements and existing interest rate markets may dictate the need to adjust the timing of investment maturities.

4. The sale of securities before maturity shall require the prior approval of the Chief Financial Officer based on the following reasons:

    a. A security with declining credit quality may be sold early to minimize loss of principal.
    b. Liquidity needs require a security to be sold.
    c. It is advantageous to the portfolio to sell such securities.
    d. Financial failure of the issuer is likely.

5. As long as this Policy continues to be approved by the State Pooled Money Investment Board, the maximum maturity for investments shall be four years. Otherwise the maximum maturity for investments shall be two years.

E. ***Return on Investment.*** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the UG's investment risk constraints, state statutes, cash flow characteristics of the portfolio, and prudent investment principles. As a benchmark for risk-free investment transactions, the U.S. Treasury Bill rate for the Unified Government's total portfolio weighted average maturity term will be the minimum standard for the portfolio's rate of return. Return on investment is the last in importance compared to the safety, diversification, liquidity and maturity objectives described above.

Section 12. Performance Evaluation and Reporting
Investment performance shall be continually monitored and evaluated by the CMC. Investment performance statistics and activity reports will be generated by the Cash Manager. Summary investment reports will be provided quarterly to the Economic Development and Finance Standing Committee of the Unified Government Board of Commissioners, with copies to the County Administrator, the Unified Government Commission, and the Cash Management Committee.

Reports shall include but not be limited to information on interest received, interest earned, investment yield, types of investments, distribution by type of investments, maturity schedule by month, weighted average days to maturity, evaluation of portfolio to selected benchmark, and any other information deemed necessary by the Chief Financial Officer or requested by the County Administrator or the Board of Commissioners.

Section 13: Eligible Financial Institutions
A. ***Minimum Qualifications for Depositories***

1. In order to ensure the safety of principal, the Unified Government shall deposit funds, including those designated for investment purposes, only in eligible financial institutions which meet the minimum criteria set forth below. Financial institutions failing to meet the minimum criteria shall not be considered eligible.

2. Financial institutions must meet the following minimum qualifications:

    a. The deposits of the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC).

    b. The financial institution meets the criteria for eligibility under state law for active or idle funds as appropriate.

3. If a financial institution loses its eligibility under state law after Unified Government funds are deposited or invested, no additional funds shall be deposited in such institution. Funds shall be removed as quickly as is prudent under the circumstances, but funds invested with a prescribed time for maturity need not be withdrawn before such maturity.

B. ***Depositories for Active Funds***

1. *Security Required.* If a financial institution is designated as an official depository for active funds, before any Unified Government funds are deposited, satisfactory security must be obtained for such deposits. Satisfactory security is as described in K.S.A. 9-1402, as amended, and this Policy.

2. *Selection Criteria.* In addition to the required criteria listed above, the Unified Government may also consider the following when selecting a financial institution as a depository for active funds:

   a. Full service capabilities
   b. Submission of financial statements and availability schedules
   c. Acceptable staff experience
   d. Statement of equal opportunity employment practices
   e. Extent of reinvestment of deposits in Wyandotte County.

3. *Competitive Selection.* The Chief Financial Officer shall solicit proposals prior to the designation of one or more depositories. The Unified Government's purchasing policies shall be followed when obtaining proposals on the Unified Government's depository specifications. Selection of the depositories shall be based on the capacity of an institution to perform the services required and on the most favorable terms and conditions for handling of Unified Government funds.

4. *Governing Body Designation.* K.S.A. 9-1401, as amended, requires the governing body of the Unified Government to designate by official action the financial institution or institutions, which shall serve as depositories of its active funds.

C. ***Idle Funds***

1. *In General.* Idle funds shall be invested only in the manner set out in K.S.A. 12-1675 and 12-1677b, and amendments thereto, and in this Policy. Investment transactions shall only be conducted with:

   a. Qualified financial institutions which meet the minimum requirements contained in this Section 13 and the criteria for eligibility under state law; or
   b. Qualified primary government security dealers and broker/dealers as set out below.

2. *Certification.* In order to be qualified for investment of Unified Government idle funds, a financial institution, securities dealer, or broker/dealer must certify in writing that the person responsible for the investment has read and understood and agreed to comply with this Policy.

3. *Competitive Selection.* Investments of idle funds will be offered to all approved institutions and dealers who have requested to be on the list of interested bidders. Investments will be awarded through a competitive process involving solicitation of bids from qualified institutions and dealers.

   A list will be maintained of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved primary government security dealers and broker/ dealers.

4. *Primary Government Securities Dealers and Broker/Dealers.*
Investment transactions may be conducted with primary government securities dealers which report to the market report division of the Federal Reserve Bank of New York or any broker-dealer which is registered in compliance with the requirements of Section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to K.S.A. 17-12a401, and amendments thereto.

In order to be qualified to conduct investment transactions with the Unified Government, broker/dealers must meet the minimum requirements for credit worthiness established by the Kansas Pooled Money Investment Board, including minimum capital requirements and years of operation, and must be approved by the Cash Management Committee.

All broker/dealers who wish to become qualified for investment transactions must supply to the Chief Financial Officer on an annual basis the following items as appropriate:

a. A copy of the most recent audited annual financial statement;
b. If requested by the Unified Government, a copy of the most recent, unaudited annual financial statement;
c. Proof of Financial Industry Regulatory Authority (FINRA) certification;
d. Proof of state registration with the Kansas Securities Commission;
e. Completed broker/dealer questionnaire (non-primary dealers only);
f. Business resume of individual assigned to UG account; and
g. Notice of any regulatory action taken against the broker/dealer.

5. *Safekeeping and Custody*.
All security transactions, including collateral for repurchase agreements, shall occur on a delivery versus payment basis. This ensures that securities are deposited in the eligible financial institutions prior to the release of funds. Safekeeping and custody agreements will be maintained with third-party financial institutions. All securities, including those acquired by repurchase agreements, shall be perfected in the name of the Unified Government and shall be delivered to a third-party custodian designated by the Unified Government and evidenced by safekeeping receipts.

Section 14. Authorized Investments

A. *Idle Funds*

The investments authorized for the idle funds (those funds not immediately required for the purposes for which the moneys were collected) under this Policy shall be in conformance with K.S.A. 12-1675, K.S.A. 12-1677b, and amendments thereto, and any other applicable statutes or ordinances or resolutions and amendments thereto. As long as this Policy continues to be approved by the Kansas Pooled Money Investment Board, the investments permitted by K.S.A. 12-1677b shall be authorized investments under this Policy. For purposes of this Policy, "investment rate" means a rate which is the equivalent yield for United States government securities having a maturity date as published in the Wall Street Journal, nearest the maturity date for equivalent maturities. The 0-90 day rate shall be computed on the average effective federal funds rate as published by the Federal Reserve system for the previous week.

If for any reason this Policy is not approved by the Kansas Pooled Money Investment Board, the investments permitted by K.S.A. 12-1675 shall be the only authorized investments under this Policy until such time as this Policy obtains the approval of the Kansas Pooled Money Investment Board.

As long as this policy continues to be approved by the Kansas Pooled Money Investment Board, the following are authorized investments, pursuant to K.S.A. 12-1675 and 12-1677b. The maximum maturity for investments under this subsection shall be four years.

1. *United States Treasury and Agency Securities.* Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States-sponsored enterprises which under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities. Investments under this paragraph shall be limited to securities which do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, "interest rate risk" means market value changes due to changes in current interest rates.

2. *Interest-bearing Time Deposits.* In any banks, savings and loan associations, and savings banks which have a main or branch office in Kansas.

3. *Repurchase Agreements.* With banks, savings and loan associations, and savings banks which have a main or branch office in Kansas or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government-sponsored enterprises which under federal law may be accepted as security for public funds.

4. *Temporary Notes Issued by the Unified Government.*

5. *Municipal Investment Pool Fund.* The fund established in K.S.A. 12-1677a and amendments thereto and managed by the Kansas Pooled Money Investment Board.

6. *Multiple Municipal Client Investment Pools.* Managed by the trust departments of banks which have offices located in Wyandotte County or with trust companies incorporated under the laws of Kansas which have contracted to provide trust services under K.S.A. 9-2107, and amendments thereto. Moneys invested under this paragraph shall be secured as provided in K.S.A. 9-1402, and amendments thereto, and this Policy.

B. ***Local Emphasis***

1. Subject to the other requirements of this Policy, funds available for investment under this section will be offered first to eligible financial institutions with a main or branch office located in Wyandotte County. If such financial institutions cannot or will not make the investments available at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, or if such financial institutions are limited from bidding on the investment by the diversification requirements of this Policy,

then the funds may be offered to other eligible financial institutions or entities permitted under this Policy.

2. Notwithstanding any other requirements of this Policy, the Unified Government will offer \$235,000 to every financial institution with a main or branch office located in Wyandotte County if such financial institutions will make the investment at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, at a maturity term to be determined by the Unified Government.

C. ***Investment of Bond Proceeds***

The Unified Government will invest proceeds of bonds (other than industrial revenue bonds for which the Unified Government is merely a conduit issuer) and temporary notes in conformance with K.S.A.10-131, and amendments thereto. The following lists the investments, which the Unified Government will consider, and which shall be authorized for the investment of bond proceeds:

1. Investments authorized for idle funds by K.S.A. 12-1675 and this Policy.

2. The municipal investment pool established pursuant to K.S.A. 12-1677a.

3. Direct obligations of the United States government or any agency thereof;

4. Temporary notes issued by the Unified Government.

5. Interest-bearing time deposits in commercial banks located in Wyandotte County.

6. Obligations of the Federal National Mortgage Association, Federal Home Loan banks and Federal Home Loan Mortgage Corporation.

7. Repurchase agreements collateralized by direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or the Federal Home Loan Mortgage Corporation.

8. Investment agreements with or other obligations of a financial institution, the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation;

9. Investments in shares of units of a money market fund or trust, the portfolio of which is comprised entirely of direct obligations of the U.S. government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

10. Receipts evidencing ownership interest in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

11. Municipal bonds or other obligations issued by any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same.

12. Bonds of any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

13. No moneys shall be invested in a derivative as that term is defined in K.S.A. 10-131, and amendments thereto.

D. ***Arbitrage***
The Internal Revenue Code provides that on a periodic basis the Unified Government is required to compute rebate on each bond issue. Rebate is the calculated dollar amount representing the difference between what the issuer actually earned from the investment of certain funds related to the bond issue and the amount the issuer would have earned had those same funds been invested at an interest rate equal to the yield on the bond issue. Absent an exception to rebate, the Unified Government is required to pay or “rebate” to the United States the dollar amount representing these excess earnings.

For each bond issue, rebate must be calculated and paid at least once every five years and within 60 days after the last bond of the issue is paid. Payment of rebate is a condition to maintaining the tax-exempt status of each bond issue, and failure by the Unified Government to comply with the rebate requirements may cause the interest on an issue of bonds to become taxable, retroactive to their date of issuance.

The Unified Government’s investment position is to pursue the maximum yield on investments without jeopardizing the tax-exempt status of the bonds. To the extent possible, the Unified Government will seek to comply with applicable exceptions to rebate and when necessary rebate any excess earnings to the United States. The potential rebate of excess earnings will not influence the Unified Government’s investment policies.

Section 15. Collateral Requirements

A. ***Full Collateralization Required.*** All Unified Government deposits shall be fully insured or collateralized at all times.

B. ***Initial Placement*****.** Moneys to be deposited in financial institutions shall not be released until the financial institution has executed and adopted a security agreement and required custodial agreements.

C. ***Allowable Collateral***. Acceptable collateral for Unified Government deposits, including idle fund investments, as permitted by K.S.A. 9-1402, and amendments thereto, shall be limited to:

1. Except as otherwise set out in this subsection C.1., the financial institution may pledge or assign securities owned directly or indirectly by it, the market value of which is equal to 105% of the total deposits at any given time. The following are allowable securities:

   a. Direct obligations of or obligations that are insured as to principal and interest by, the United States or any agency thereof.

   b. Obligations including letters of credit and securities of United States-sponsored corporations which under federal law may be accepted as security for public funds, subject to the following restrictions:

      (1) The letter of credit must be in the format acceptable to the Director of Revenue.

      (2) The Unified Government must be designated as the irrevocable and unconditional beneficiary of the letter of credit.

      (3) The issuer and the depository bank must notify the Director of Revenue by certified or registered mail at least 45 days prior to the cancellation or the non-renewal of a letter of credit.

      (4) The issuer may not provide letters of credit for any one depository bank in an amount which exceeds ten percent of the issuer's capital and surplus.

      (5) If a letter of credit issued by the Federal Home Loan Bank is to be pledged as collateral, the amount of the letter of credit shall be equal to 100% of the deposits to be collateralized plus the interest expected to be received by the Unified Government upon maturity of the investment.

2. The following securities may be used as collateral only if the financial institution pledges or assigns them in an amount, the market value of which is equal to 125% of the Unified Government deposits. Not more than 5% of the Unified Government's total idle funds portfolio may be collateralized by the following securities.

   a. Bonds of any Kansas municipality which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States.

b. Bonds of the State of Kansas.

c. General obligation bonds of any Kansas municipality.

d. Revenue bonds of any Kansas municipality if approved by the state bank (or savings and loan) commissioner and which are rated at least Aa by Moody's Investors Service or AA by Standard and Poor's Corporation Bonds secured by revenues of a utility which has been in operation for less than three years will not be accepted as collateral.

e. Temporary notes of any Kansas municipality which are general obligations of the municipality issuing the same.

f. Warrants of any Kansas municipality, the issuance of which is authorized by the State Court of Tax Appeals and which are payable from the proceeds of a mandatory tax levy.

g. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

3. For overnight repurchase agreements in which the Unified Government is the buyer, the seller shall deliver the following securities to the custodian for the Unified Government in the amount of 102% of the market value of the securities on the purchase date:

a. Direct obligations of or obligations that are insured as to principal and interest by the United States or any agency thereof, or

b. Obligations and securities of U.S. government-sponsored corporations which under federal law may be accepted as security for public funds, subject to any restrictions contained in Section C.1.b. above.

D. ***Peak Period Agreements.*** Peak-period agreements permitted under K.S.A. 9-1403 are not permitted under this Policy.

E. ***Collateral Substitution.*** Collateralized investments often require substitution, additions and/or deletions of collateral. Any financial institution requesting these actions must contact the Chief Financial Officer or the Director of Revenue/County Treasurer. Substitution of collateral shall be required whenever, in the opinion of the Unified Government Chief Financial Officer, the collateral no longer satisfies or complies with the security requirements established under this Policy.

F. ***Valuation of Collateral.*** For purposes of compliance with this section, all collateral shall be priced on a market value basis no less then monthly. Collateral requirement is defined as the outstanding amount of Unified Government funds deposited plus accrued interest thereon less federal deposit insurance coverage.

G. ***Collateral Compliance Report.*** Each financial institution with Unified Government deposits shall submit monthly to the Chief Financial Officer or the Director of Revenue/County Treasurer, or more frequently if requested, a report documenting the institution's compliance with the collateral requirements of this Policy.

H. ***Custodial Agreement.*** Each depository bank depositing securities with a custodial bank shall enter into a written custodial agreement with the custodial bank and the Unified Government for the safekeeping of the securities.

I. ***Failure to Meet Collateral Requirements.*** If a depository bank fails to meet requirements established by this Policy, the depository bank shall be offered the following options:

1. Close the account and return to the Unified Government all principal and accrued interest without penalty; or

2. Convert the deposit to a repurchase agreement under terms acceptable to the Unified Government.

RESOLUTION NO. R-84-23

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

That the Board of Commissioners hereby adopts the attached Cash and Investment Policy dated December 14, 2023, which revises and supersedes the previous policy adopted January 26, 2023.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,

THIS 14th DAY OF DECEMBER, 2023.

Unified Government Interim Clerk

Commission Resolution:
R-84-23

Last Adopted: 12/14/2023

Unified Government of Wyandotte County
and Kansas City, Kansas

Cash and Investment Policy

Section 1. General Purpose Statement
The Board of Commissioners has authority to invest all funds held by or belonging to Wyandotte County/Kansas City, Kansas ("Unified Government" or "UG"). The purpose of this Cash Management and Investment Policy is to identify the policies and statements of the Unified Government regarding the safe and responsible management of the Unified Government funds~~,~~ and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy objectives.

Section 2. Legal Authority
The Unified Government Board of Commissioners is granted the authority to invest temporarily idle funds, i.e. those funds which are not immediately required for the purposes for which the moneys were collected or received and the investment of which is not subject to or regulated by any other statute, under K.S.A. 12-1675 and 12-1677b which also identifies the types of investments the Unified Government may purchase.

Section 3. Policy Statement
The policy of the Unified Government is to invest its funds in a manner which will provide a reasonable rate of return with the maximum security while meeting the daily cash flow demands of the Unified Government and conforming to all statutes governing the investment of such funds.

Section 4. Scope
This Cash Management and Investment Policy shall apply uniformly to all officials, employees, departments, agencies, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the Unified Government's idle funds. All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials will conduct themselves as good stewards of public funds that will promote public confidence in the Unified Government's ability to govern effectively.

This Cash Management and Investment Policy applies to the Unified Government's cash management and investment activities primarily focused on idle funds and general obligation bond proceeds held by or under the control of the Unified Government. Debt service funds, reserve funds, and other financial assets held by various fiscal agents and trustees as provided under various bond ordinances are invested at the direction of the Unified Government but are not held by the UG nor under the direct control of the Director of Revenue/County Treasurer.

Section 5. Adoption and Annual Review
This Cash Management and Investment Policy shall be adopted by resolution of the Board of Commissioners. The Policy shall be reviewed on an annual basis by the Cash Management Committee

and shall be reviewed and approved annually by the Board of Commissioners. If it deems it necessary, the Cash Management Committee will recommend changes to this Policy to the Board of Commissioners. Any recommended modifications to the Policy must be reviewed and approved by the Board of Commissioners.

Section 6. Cash Management Committee; Delegation of Authority
A Cash Management Committee shall be established. The Cash Management Committee (CMC) shall consist of the following voting members: Unified Government's Chief Financial Officer, the Clerk, the Director of Revenue/County Treasurer, the Chief Counsel or designee and the following non-voting members: the Legislative Auditor or designee, Accounting Manager, Cash Manager and one member from the municipal advisory firm of the Unified Government. The Chief Financial Officer shall serve as the Chairperson of the CMC.

Responsibility for the operation of the investment program is delegated to the CMC which shall establish procedures and internal controls for the operation of the investment program consistent with this Policy.

Daily and routine investments of Unified Government idle funds will be made by the Chief Financial Officer or designee, under the guidelines set forth in this Policy and as recommended by the CMC.

Section 7. Investment Procedures
This Policy is administered through a separate set of written Investment Procedures, which should be referred to in conjunction with this Policy. The Cash Management Committee is hereby authorized to adopt written Investment Procedures consistent with this Cash Management and Investment Policy. Such Procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the Procedures adopted by the Cash Management Committee. The Director of Revenue/County Treasurer shall be responsible for all transactions undertaken and shall establish a system of internal controls to regulate the activities of subordinate officials.

In the development of the system of internal controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority, limitations of authority, and custodial safekeeping.

Section 8. Staff Qualifications

A. The Unified Government shall hire a Cash Manager or shall retain an outside manager to manage investments. The Cash Manager will have the necessary qualifications to perform investment duties as outlined in the Cash Management and Investment Policy and the Cash Management and Investment Procedures and will be supervised by the Chief Financial Officer or designee.

B. Duties of the Cash Manager position include the following:
   1. Management of the short-term and long-term investment portfolios in accordance with K.S.A. 12-1675 and 12-1677b and amendments thereto, with any other applicable statutes or ordinances or resolutions, and with this Cash Management and Investment Policy and the Cash Management and Investment Procedures and amendments thereto;
   2. Tracking investment transactions; ensuring accuracy and security of investments, monitoring record keeping of investments;

3. Performing inspections on safekeeping receipts held as collateral to cover investments; alerting banks regarding insufficient collateral;
4. Prepare cash flow forecasts;
5. Generate investment performance statistics and activity reports; and
6. Other duties as assigned by the Chief Financial Officer or the Director of Revenue/Treasurer.

C. Specific qualifications include a bachelor's degree in Finance, Accounting, Economics, Business, or Public Administration and two years of progressively responsible investing or accounting experience, or any equivalent combination of education and experience sufficient to successfully perform the essential duties of the job. If the individual appointed to the Cash Manager position does not possess the requisite investment experience, the individual will attend government investment training approved by the Chief Financial Officer within one year of appointment.

Section 9. Investment Advisor

The Chief Financial Officer, with the approval of the Cash Management Committee, may appoint an independent Investment Advisor registered with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940 and the rules adopted thereunder, or a "Municipal Advisor" as defined by Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, amending Section 15B of the Securities Exchange Act of 1934, and interpreted by the Securities and Exchange Commission in its final rules adopted September 10, 2013, to advise the Unified Government on investment activities. The Investment Advisor will be selected through a competitive process under the Unified Government's Procurement Code. The terms and conditions of such relationship shall be set out in a contract. The duties and responsibilities of the Investment Advisor at a minimum shall include the following.

1. Providing advice and analysis on the Unified Government's Investment Policy, portfolio management techniques, portfolio structures, and new investment securities and products;
2. Assistance in developing or improving and implementing cash flow modeling;
3. Providing advice on investment benchmarking and performance reporting;
4. Evaluation of the capabilities and usage of software utilized in management of and accounting for the investments;
5. Assisting in any investment related presentations to the Cash Management Committee or Board of Commissioners; and
6. Providing analysis, advice, and assistance on other investment-related matters, including investment of bond proceeds.

Section 10. Standards of Care

A. ***Prudence***

The standard of prudence to be used by investment officials shall be the "prudent person standard" and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering first the safety and liquidity of their capital and next the probable income to be derived. If outside investment professionals are retained, they shall be held to the "prudent expert standard," that is, they shall exercise the judgment, care, skill, prudence and diligence, under the circumstances then prevailing, which persons of prudence, discretion and intelligence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments so as to minimize the risk of large losses, unless, under the circumstances, it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

The Chief Financial Officer, other investment officials, and the members of the CMC, when acting in accordance with the written Investment Procedures and the Cash Management and Investment Policy, and when exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

B. ***Ethics and Conflict of Interest***

Unified Government officers and employees authorized to perform investment duties shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial decisions. For purposes of this Policy, "officers and employees" means voting members of the Cash Management Committee and the Cash Manager; it shall not mean elected officials.

No officer or employee shall use his or her official position or office to obtain direct or indirect personal financial gain for himself or herself, his or her family, or any business in which the officer or employee has a financial interest. Officers and employees are governed by this Policy, the Unified Government Code of Ethics, and any applicable laws.

Investment staff shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Unified Government.

Officers and employees shall disclose annually to the Legislative Auditor and to the Ethics Administrator any financial interest in financial institutions with which the Unified Government conducts business or any benefit which the officer or employee obtains from any Unified Government contract or from placement of an investment of Unified Government funds. For purposes of this Policy, "financial institution" means banks, savings banks, or savings and loan associations as defined in K.S.A. 12-1675a and amendments thereto. For purposes of this Policy, "financial interest" means (a) ownership or any interest or involvement in any relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than $5,000 per year, or its equivalent; (b) ownership of such interest in any property or any business as may be specified by the Ethics Commission; or (c) holding a position in a business such as an officer, director, trustee, partner, employee, or the like or holding any position of management. Financial interest does not include household operating accounts or a depository relationship with a financial institution.

Each financial institution in which the Unified Government deposits funds and each investment manager and each consultant retained by the Unified Government shall be notified of this section of the Policy and shall conform to its provisions and shall not participate in any violation of this section or in any effort to influence any officer or employee to breach the standards of ethical conduct set forth in this section.

Section 11. Objectives
The primary objectives of the Unified Government investment activities, in priority order, shall be:

A. ***Safety***. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

1. *Credit Risk*
Credit risk, the risk of loss due to the failure of the security issuer or backer, will be minimized by:

    a. Limiting investment to the safest types of securities;
    b. Pre-qualifying financial institutions, broker/dealers, intermediaries, and advisors with whom the UG will do business; and
    c. Diversifying the investment portfolio so that potential loss on individual securities will be minimized.

2. *Interest Rate Risk*
Interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, will be minimized by:

    a. Structuring the investment portfolio so that the securities mature to meet cash requirements of the general operating fund, thereby avoiding the need to sell securities prior to maturity; and
    b. Investing general operating funds primarily in shorter-term securities.

B. ***Diversification.***

1. *In General*
It is the policy of the Unified Government to diversify its investment portfolio so as to protect its funds from material losses due to issuer defaults, market price changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

2. *By Institution*
Investments will be diversified so that reliance on any one issuer or financial institution will not place an undue financial burden on the Unified Government in the event of default. Accordingly, no more than 25% of the total investment portfolio shall be with the same financial institution or issuer, except US treasuries, unless it would be prudent to do so under prevailing circumstances. If the above limit is exceeded, the Chief Financial Officer will notify the CMC.

3. *By Instrument Type*

Market and credit risk will be minimized by diversification among investment types. The following are maximum limits for the percentage of Unified Government investable funds to be invested in each investment type.

a.	Certificates of deposit	100%
b.	U. S. Treasury bills, notes or bonds	100%
c.	U. S. Government agency obligations	50%
d.	Kansas Municipal Investment Pool	50%
e.	Repurchase agreements	25/100%*
f.	Bank trust department municipal pools	25%
g.	Temporary notes or no-fund warrants	10%

Because of distortion created by deposit of proceeds from the sale of temporary notes issued by the Unified Government, measurement of the maximum limits on investments by institution and by instrument type for purposes of this subsection 11.B. shall occur at least one week after the deposit of such proceeds.

* NOTE: Investments in short term securities shall be limited to 10% of investable funds, and investments in repurchase agreements shall be limited to 25% of investable funds, except as set out below. While it is not the goal to invest 100% of investable funds in either short term securities or repurchase agreements, the ability to invest the maximum limit in these two investment types is recognized as an option in certain market circumstances when these investments offer higher returns than other investment types at minimal risk. The option to invest more than the 10% or 25% limit respectively will be used only when the Cash Manager determines, with the concurrence of the Chief Financial Officer and the Unified Government's municipal advisory firm, that it is advantageous and prudent to do so.

C. *Liquidity.*

1. The Unified Government's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated without incurring material losses by structuring the portfolio so that securities mature concurrent with anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

2. The Unified Government understands the importance of having sufficient funds invested in overnight sweep accounts to meet weekly payrolls, accounts payable, scheduled debt service, and extraordinary expenses that may occur, which may range from 10% to 25% of available investment funds.

3. It is important for a county government to have the necessary funds for the scheduled tax distributions to other governmental entities. In particular, liquidity is essential for the January and June tax distributions. Therefore, it is the policy of the Unified Government that such funds be held liquid to provide assurance as to the availability and

safety of these funds held on behalf of the other governmental entities under the Unified Government's trust.

D. ***Maturity.***

1. All investments shall be made to mature in accordance with cash needs identified in regularly prepared and updated cash flow forecasts. The Unified Government recognizes that the laddering of investments is a sound approach to mitigate short-term interest rate fluctuations. Additional considerations in the structuring of investments shall include:

   a. Review of economic and financial indicators, such as Federal Reserve monetary policy position statements and the U.S. Treasury yield curve; and

   b. Input from the Unified Government's municipal advisory firm.

2. The Unified Government has adopted the following maturity target ranges for its core investment portfolio. Core investments include all operating funds of the Unified Government and exclude bond proceed funds held by a bond trustee for the purpose of project construction, debt service payments, debt reserves or other escrow requirements.

a.	0 – 12 months	30% to 60%
b.	12 – 24 months	20% to 40%
c.	24 – 36 months	15% to 30%
d.	36 – 48 months	10% to 20%

   The maturity targets are provided as a guideline. Notwithstanding the above maturity target ranges, cash flow requirements and existing interest rate markets may dictate the need to adjust the timing of investment maturities.

4. The sale of securities before maturity shall require the prior approval of the Chief Financial Officer based on the following reasons:

   a. A security with declining credit quality may be sold early to minimize loss of principal.
   b. Liquidity needs require a security to be sold.
   c. It is advantageous to the portfolio to sell such securities.
   d. Financial failure of the issuer is likely.

5. As long as this Policy continues to be approved by the State Pooled Money Investment Board, the maximum maturity for investments shall be four years. Otherwise the maximum maturity for investments shall be two years.

E. ***Return on Investment.*** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the UG's investment risk constraints, state statutes, cash flow characteristics of the portfolio, and prudent investment principles. As a benchmark for risk-free investment transactions, the U.S. Treasury Bill rate for the Unified Government's total portfolio weighted average maturity term will be the minimum standard for the portfolio's rate of return. Return on investment is the last in importance compared to the safety, diversification, liquidity and maturity objectives described above.

Section 12. Performance Evaluation and Reporting
Investment performance shall be continually monitored and evaluated by the CMC. Investment performance statistics and activity reports will be generated by the Cash Manager. Summary investment reports will be provided quarterly to the Economic Development and Finance Standing Committee of the Unified Government Board of Commissioners, with copies to the County Administrator, the Unified Government Commission, and the Cash Management Committee.

Reports shall include but not be limited to information on interest received, interest earned, investment yield, types of investments, distribution by type of investments, maturity schedule by month, weighted average days to maturity, evaluation of portfolio to selected benchmark, and any other information deemed necessary by the Chief Financial Officer or requested by the County Administrator or the Board of Commissioners.

Section 13: Eligible Financial Institutions
A. ***Minimum Qualifications for Depositories***

1. In order to ensure the safety of principal, the Unified Government shall deposit funds, including those designated for investment purposes, only in eligible financial institutions which meet the minimum criteria set forth below. Financial institutions failing to meet the minimum criteria shall not be considered eligible.

2. Financial institutions must meet the following minimum qualifications:

   a. The deposits of the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC).

   b. The financial institution meets the criteria for eligibility under state law for active or idle funds as appropriate.

3. If a financial institution loses its eligibility under state law after Unified Government funds are deposited or invested, no additional funds shall be deposited in such institution. Funds shall be removed as quickly as is prudent under the circumstances, but funds invested with a prescribed time for maturity need not be withdrawn before such maturity.

B. ***Depositories for Active Funds***

1. *Security Required.* If a financial institution is designated as an official depository for active funds, before any Unified Government funds are deposited, satisfactory security must be obtained for such deposits. Satisfactory security is as described in K.S.A. 9-1402, as amended, and this Policy.

2. *Selection Criteria.* In addition to the required criteria listed above, the Unified Government may also consider the following when selecting a financial institution as a depository for active funds:

   a. Full service capabilities
   b. Submission of financial statements and availability schedules
   c. Acceptable staff experience
   d. Statement of equal opportunity employment practices
   e. Extent of reinvestment of deposits in Wyandotte County.

3. *Competitive Selection.* The Chief Financial Officer shall solicit proposals prior to the designation of one or more depositories. The Unified Government's purchasing policies shall be followed when obtaining proposals on the Unified Government's depository specifications. Selection of the depositories shall be based on the capacity of an institution to perform the services required and on the most favorable terms and conditions for handling of Unified Government funds.

4. *Governing Body Designation.* K.S.A. 9-1401, as amended, requires the governing body of the Unified Government to designate by official action the financial institution or institutions, which shall serve as depositories of its active funds.

C. ***Idle Funds***

1. *In General.* Idle funds shall be invested only in the manner set out in K.S.A. 12-1675 and 12-1677b, and amendments thereto, and in this Policy. Investment transactions shall only be conducted with:

   a. Qualified financial institutions which meet the minimum requirements contained in this Section 13 and the criteria for eligibility under state law; or
   b. Qualified primary government security dealers and broker/dealers as set out below.

2. *Certification.* In order to be qualified for investment of Unified Government idle funds, a financial institution, securities dealer, or broker/dealer must certify in writing that the person responsible for the investment has read and understood and agreed to comply with this Policy.

3. *Competitive Selection.* Investments of idle funds will be offered to all approved institutions and dealers who have requested to be on the list of interested bidders. Investments will be awarded through a competitive process involving solicitation of bids from qualified institutions and dealers.

   A list will be maintained of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved primary government security dealers and broker/ dealers.

4. *Primary Government Securities Dealers and Broker/Dealers.*
Investment transactions may be conducted with primary government securities dealers which report to the market report division of the Federal Reserve Bank of New York or any broker-dealer which is registered in compliance with the requirements of Section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to K.S.A. 17-12a401, and amendments thereto.

In order to be qualified to conduct investment transactions with the Unified Government, broker/dealers must meet the minimum requirements for credit worthiness established by the Kansas Pooled Money Investment Board, including minimum capital requirements and years of operation, and must be approved by the Cash Management Committee.

All broker/dealers who wish to become qualified for investment transactions must supply to the Chief Financial Officer on an annual basis the following items as appropriate:

a. A copy of the most recent audited annual financial statement;
b. If requested by the Unified Government, a copy of the most recent, unaudited annual financial statement;
c. Proof of Financial Industry Regulatory Authority (FINRA) certification;
d. Proof of state registration with the Kansas Securities Commission;
e. Completed broker/dealer questionnaire (non-primary dealers only);
f. Business resume of individual assigned to UG account; and
g. Notice of any regulatory action taken against the broker/dealer.

5. *Safekeeping and Custody*.
All security transactions, including collateral for repurchase agreements, shall occur on a delivery versus payment basis. This ensures that securities are deposited in the eligible financial institutions prior to the release of funds. Safekeeping and custody agreements will be maintained with third-party financial institutions. All securities, including those acquired by repurchase agreements, shall be perfected in the name of the Unified Government and shall be delivered to a third-party custodian designated by the Unified Government and evidenced by safekeeping receipts.

Section 14. Authorized Investments

A. *Idle Funds*

The investments authorized for the idle funds (those funds not immediately required for the purposes for which the moneys were collected) under this Policy shall be in conformance with K.S.A. 12-1675, K.S.A. 12-1677b, and amendments thereto, and any other applicable statutes or ordinances or resolutions and amendments thereto. As long as this Policy continues to be approved by the Kansas Pooled Money Investment Board, the investments permitted by K.S.A. 12-1677b shall be authorized investments under this Policy. For purposes of this Policy, "investment rate" means a rate which is the equivalent yield for United States government securities having a maturity date as published in the Wall Street Journal, nearest the maturity date for equivalent maturities. The 0-90 day rate shall be computed on the average effective federal funds rate as published by the Federal Reserve system for the previous week.

If for any reason this Policy is not approved by the Kansas Pooled Money Investment Board, the investments permitted by K.S.A. 12-1675 shall be the only authorized investments under this Policy until such time as this Policy obtains the approval of the Kansas Pooled Money Investment Board.

As long as this policy continues to be approved by the Kansas Pooled Money Investment Board, the following are authorized investments, pursuant to K.S.A. 12-1675 and 12-1677b. The maximum maturity for investments under this subsection shall be four years.

1. *United States Treasury and Agency Securities.* Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States-sponsored enterprises which under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities. Investments under this paragraph shall be limited to securities which do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, "interest rate risk" means market value changes due to changes in current interest rates.

2. *Interest-bearing Time Deposits.* In any banks, savings and loan associations, and savings banks which have a main or branch office in Kansas.

3. *Repurchase Agreements.* With banks, savings and loan associations, and savings banks which have a main or branch office in Kansas or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government-sponsored enterprises which under federal law may be accepted as security for public funds.

4. *Temporary Notes Issued by the Unified Government.*

5. *Municipal Investment Pool Fund.* The fund established in K.S.A. 12-1677a and amendments thereto and managed by the Kansas Pooled Money Investment Board.

6. *Multiple Municipal Client Investment Pools.* Managed by the trust departments of banks which have offices located in Wyandotte County or with trust companies incorporated under the laws of Kansas which have contracted to provide trust services under K.S.A. 9-2107, and amendments thereto. Moneys invested under this paragraph shall be secured as provided in K.S.A. 9-1402, and amendments thereto, and this Policy.

B. ***Local Emphasis***

1. Subject to the other requirements of this Policy, funds available for investment under this section will be offered first to eligible financial institutions with a main or branch office located in Wyandotte County. If such financial institutions cannot or will not make the investments available at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, or if such financial institutions are limited from bidding on the investment by the diversification requirements of this Policy,

then the funds may be offered to other eligible financial institutions or entities permitted under this Policy.

2. Notwithstanding any other requirements of this Policy, the Unified Government will offer $235,000 to every financial institution with a main or branch office located in Wyandotte County if such financial institutions will make the investment at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, at a maturity term to be determined by the Unified Government.

C. ***Investment of Bond Proceeds***

The Unified Government will invest proceeds of bonds (other than industrial revenue bonds for which the Unified Government is merely a conduit issuer) and temporary notes in conformance with K.S.A.10-131, and amendments thereto. The following lists the investments, which the Unified Government will consider, and which shall be authorized for the investment of bond proceeds:

1. Investments authorized for idle funds by K.S.A. 12-1675 and this Policy.

2. The municipal investment pool established pursuant to K.S.A. 12-1677a.

3. Direct obligations of the United States government or any agency thereof;

4. Temporary notes issued by the Unified Government.

5. Interest-bearing time deposits in commercial banks located in Wyandotte County.

6. Obligations of the Federal National Mortgage Association, Federal Home Loan banks and Federal Home Loan Mortgage Corporation.

7. Repurchase agreements collateralized by direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or the Federal Home Loan Mortgage Corporation.

8. Investment agreements with or other obligations of a financial institution, the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation;

9. Investments in shares of units of a money market fund or trust, the portfolio of which is comprised entirely of direct obligations of the U.S. government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

10. Receipts evidencing ownership interest in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

11. Municipal bonds or other obligations issued by any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same.

12. Bonds of any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

13. No moneys shall be invested in a derivative as that term is defined in K.S.A. 10-131, and amendments thereto.

D. ***Arbitrage***

The Internal Revenue Code provides that on a periodic basis the Unified Government is required to compute rebate on each bond issue. Rebate is the calculated dollar amount representing the difference between what the issuer actually earned from the investment of certain funds related to the bond issue and the amount the issuer would have earned had those same funds been invested at an interest rate equal to the yield on the bond issue. Absent an exception to rebate, the Unified Government is required to pay or “rebate” to the United States the dollar amount representing these excess earnings.

For each bond issue, rebate must be calculated and paid at least once every five years and within 60 days after the last bond of the issue is paid. Payment of rebate is a condition to maintaining the tax-exempt status of each bond issue, and failure by the Unified Government to comply with the rebate requirements may cause the interest on an issue of bonds to become taxable, retroactive to their date of issuance.

The Unified Government’s investment position is to pursue the maximum yield on investments without jeopardizing the tax-exempt status of the bonds. To the extent possible, the Unified Government will seek to comply with applicable exceptions to rebate and when necessary rebate any excess earnings to the United States. The potential rebate of excess earnings will not influence the Unified Government’s investment policies.

Section 15. Collateral Requirements

A. ***Full Collateralization Required.*** All Unified Government deposits shall be fully insured or collateralized at all times.

B. ***Initial Placement*****.** Moneys to be deposited in financial institutions shall not be released until the financial institution has executed and adopted a security agreement and required custodial agreements.

C. ***Allowable Collateral***. Acceptable collateral for Unified Government deposits, including idle fund investments, as permitted by K.S.A. 9-1402, and amendments thereto, shall be limited to:

1. Except as otherwise set out in this subsection C.1., the financial institution may pledge or assign securities owned directly or indirectly by it, the market value of which is equal to 105% of the total deposits at any given time. The following are allowable securities:

   a. Direct obligations of or obligations that are insured as to principal and interest by, the United States or any agency thereof.

   b. Obligations including letters of credit and securities of United States-sponsored corporations which under federal law may be accepted as security for public funds, subject to the following restrictions:

      (1) The letter of credit must be in the format acceptable to the Director of Revenue.

      (2) The Unified Government must be designated as the irrevocable and unconditional beneficiary of the letter of credit.

      (3) The issuer and the depository bank must notify the Director of Revenue by certified or registered mail at least 45 days prior to the cancellation or the non-renewal of a letter of credit.

      (4) The issuer may not provide letters of credit for any one depository bank in an amount which exceeds ten percent of the issuer's capital and surplus.

      (5) If a letter of credit issued by the Federal Home Loan Bank is to be pledged as collateral, the amount of the letter of credit shall be equal to 100% of the deposits to be collateralized plus the interest expected to be received by the Unified Government upon maturity of the investment.

2. The following securities may be used as collateral only if the financial institution pledges or assigns them in an amount, the market value of which is equal to 125% of the Unified Government deposits. Not more than 5% of the Unified Government's total idle funds portfolio may be collateralized by the following securities.

   a. Bonds of any Kansas municipality which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States.

b. Bonds of the State of Kansas.

c. General obligation bonds of any Kansas municipality.

d. Revenue bonds of any Kansas municipality if approved by the state bank (or savings and loan) commissioner and which are rated at least Aa by Moody's Investors Service or AA by Standard and Poor's Corporation Bonds secured by revenues of a utility which has been in operation for less than three years will not be accepted as collateral.

e. Temporary notes of any Kansas municipality which are general obligations of the municipality issuing the same.

f. Warrants of any Kansas municipality, the issuance of which is authorized by the State Court of Tax Appeals and which are payable from the proceeds of a mandatory tax levy.

g. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

3. For overnight repurchase agreements in which the Unified Government is the buyer, the seller shall deliver the following securities to the custodian for the Unified Government in the amount of 102% of the market value of the securities on the purchase date:

a. Direct obligations of or obligations that are insured as to principal and interest by the United States or any agency thereof, or

b. Obligations and securities of U.S. government-sponsored corporations which under federal law may be accepted as security for public funds, subject to any restrictions contained in Section C.1.b. above.

D. ***Peak Period Agreements.*** Peak-period agreements permitted under K.S.A. 9-1403 are not permitted under this Policy.

E. ***Collateral Substitution.*** Collateralized investments often require substitution, additions and/or deletions of collateral. Any financial institution requesting these actions must contact the Chief Financial Officer or the Director of Revenue/County Treasurer. Substitution of collateral shall be required whenever, in the opinion of the Unified Government Chief Financial Officer, the collateral no longer satisfies or complies with the security requirements established under this Policy.

F. ***Valuation of Collateral.*** For purposes of compliance with this section, all collateral shall be priced on a market value basis no less then monthly. Collateral requirement is defined as the outstanding amount of Unified Government funds deposited plus accrued interest thereon less federal deposit insurance coverage.

G. ***Collateral Compliance Report.*** Each financial institution with Unified Government deposits shall submit monthly to the Chief Financial Officer or the Director of Revenue/County Treasurer, or more frequently if requested, a report documenting the institution's compliance with the collateral requirements of this Policy.

H. ***Custodial Agreement.*** Each depository bank depositing securities with a custodial bank shall enter into a written custodial agreement with the custodial bank and the Unified Government for the safekeeping of the securities.

I. ***Failure to Meet Collateral Requirements.*** If a depository bank fails to meet requirements established by this Policy, the depository bank shall be offered the following options:

1. Close the account and return to the Unified Government all principal and accrued interest without penalty; or

2. Convert the deposit to a repurchase agreement under terms acceptable to the Unified Government.

CASH AND INVESTMENT POLICY ANNUALLY REQUIRED UPDATE

Economic Development & Finance Standing Committee

November 4, 2024

Presented by:

Andrea Vinyard, Director of Revenue/County Treasurer

HERE IS WHY I AM BRINGING THIS TO YOU

- The Cash and Investment Policy includes the policies and procedures for responsible management of UG Funds
- Annual review required for submission of State of Kansas' Expanded Powers Application
- There were no changes were made from the Cash Management Committee

KEY TAKE AWAY POLICY ITEMS

1. Purpose of Cash and Investment Policy
2. Annual Review Requirement
3. Cash Management Committee Members
4. Diversification Rule
5. Local Emphasis
6. Collateral Requirements
7. Expanded Investment Authority

QUESTIONS OR COMMENTS

- Andrea Vinyard, Director of Revenue/County Treasurer
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  710 N. 7th Street, Suite 240 Kansas City, KS 66101
  913-573-2821

Tracking ID: 21446

Report to

MEETING DATE	PRESENTER	DEPARTMENT
NOV 0 4 2024	Chelsee Chism, Director cchism@wycokck.org X8046	Economic Development

AGENDA ITEM #
RESOLUTION: THIRD AMENDMENT TO THE PERFORMANCE AGREEMENT FOR THE CRITERION DEVELOPMENT IN KANSAS CITY, KANSAS
BACKGROUND
Adopting a resolution authorizing the Mayor/CEO to execute the Third Amendment to the Performance Agreement for a 232-unit commercial multifamily development between the Unified Government and CPC Land Acquisition Company, LLC (Criterion), delaying the commencement date until December 31, 2025 and delaying the completion date until December 31, 2027.
RECOMMENDATION
Approve
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS
IT/POLICY CONSIDERATIONS
PROCUREMENT CONSIDERATIONS
LEGAL CONSIDERATIONS
ATTACHMENTS
Resolution - Third Am. PA - Criterion Development Partners (UG), 3rd Amendment of Performance Agreement - Criterion Development Partners (UG)

Approved by Mayor and/or Chair and Administrator to add to agenda.

10/23/2024

Approved:

RESOLUTION NO. R-__-24

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

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

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

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

WHEREAS, pursuant to Resolution No. R-70-23, the Unified Government and the Company previously entered into a Second Amendment of the Performance Agreement dated as of November 30, 2023 (the "**Second Amendment,"** and together with the Original Agreement and the First Amendment, the "**Agreement**""), to amend certain terms of the Original Agreement;

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

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

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

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

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

ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON NOVEMBER 21, 2024.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By: ______________________________
Monica Sparks,
Unified Government Clerk

APPROVED AS TO FORM:

____
Office of Chief Counsel

THIRD AMENDMENT OF PERFORMANCE AGREEMENT

Dated as of November 21, 2024

BETWEEN THE

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

AND

CPC LAND ACQUISITION COMPANY, LLC

Prepared By:

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

THIRD AMENDMENT OF PERFORMANCE AGREEMENT

THIS THIRD AMENDMENT OF PERFORMANCE AGREEMENT, dated as of November 21, 2024 (the **"Third Amendment"**), between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,** a municipal corporation organized and existing under the laws of the State of Kansas (the **"Issuer"**), and **CPC LAND ACQUISITION COMPANY, LLC**, a Delaware limited liability company (the **"Company"**), amends that certain Performance Agreement dated as of August 2, 2022 (the **"Original Agreement,"** and, as amended and supplemented to date, including by this Third Amendment, the **"Agreement"**);

WITNESSETH:

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

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

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

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

WHEREAS, pursuant to Resolution No. R-70-23 adopted on November 30, 2023, the Issuer and the Company entered into the Second Amendment of Performance Agreement (the **"Second Amendment"**) to amend certain provisions of the Original Agreement; and

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

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

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

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

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

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

> **Section 3.2. Completion Date.** Subject only to Force Majeure, the Company agrees to commence construction on or before December 31, 2025, and substantially complete construction of the Project on or before December 31, 2027. "Commence construction" shall mean that the Company has entered into a contract with a licensed contractor for the construction of the Project and the Issuer has issued a building permit therefor. "Substantially complete," for purposes of this Section, shall mean that the Project can be occupied or utilized for its intended purpose as a multifamily development, as evidenced by receipt by the Company of one or more temporary certificates of occupancy for all of the multifamily housing structures included in the Project. The parties agree that the governing body of the Issuer will consider an ordinance authorizing the issuance of the Bonds on or about such time, but in no event will the Bonds be issued later than December 31, 2027.

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

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By: ______________________________
Monica Sparks,
Unified Government Clerk

APPROVED AS TO FORM:

____
Office of Chief Counsel

CPC LAND ACQUISITION COMPANY, LLC
a Delaware limited liability company

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

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

By:____

Name:______________________________________

Title:_______________________________________

Tracking ID: 21447

Report to

MEETING DATE	PRESENTER	DEPARTMENT
NOV 0 4 2024	Chelsee Chism, Director cchism@wycokck.org X8046	Economic Development

AGENDA ITEM #
RESOLUTION: FIRST AMENDMENT TO THE PERFORMANCE AGREEMENT FOR THE DEVELOPMENT AT 4601 RAINBOW
BACKGROUND
Adopting a resolution authorizing the Mayor/CEO to execute the First Amendment to the Performance Agreement involving the commercial multifamily facility at 4601 Rainbow Boulevard in Kansas City, Kansas.
RECOMMENDATION
Approve
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS
IT/POLICY CONSIDERATIONS
PROCUREMENT CONSIDERATIONS
LEGAL CONSIDERATIONS
ATTACHMENTS
Resolution - First Am. PA - 4601 Rainbow (UG), 1st Amendment of Performance Agreement - 4601 Rainbow (UG)

Approved by Mayor and/or Chair and Administrator to add to agenda. 10/23/2024

10/24

RESOLUTION NO. R-___-24

A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR/CEO TO EXECUTE A FIRST AMENDMENT OF PERFORMANCE AGREEMENT BETWEEN THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AND 4601 RAINBOW, LLC.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "**Unified Government**"), pursuant to Resolution No. R-63-23, previously declared the intent of the Unified Government to issue its industrial revenue bonds in an amount of not to exceed $52,927,000 (the "**Bonds**") for the acquisition, construction, and equipping of an approximately 149-unit commercial multifamily facility (as more fully described in Resolution No. R-63-23, the "**Project**");

WHEREAS, pursuant to Resolution No. R-63-23, the Unified Government and 4601 Rainbow, LLC, a Kansas limited liability company (the "**Company**"), previously entered into that certain Performance Agreement dated as of October 26, 2023 (the "**Original Agreement**") setting forth certain terms of the Bonds and the Project; and

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

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

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

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

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ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON NOVEMBER 21, 2024.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By: ______________________________
Monica Sparks, Unified Government Clerk

APPROVED AS TO FORM:

____
Office of Chief Counsel

FIRST AMENDMENT OF PERFORMANCE AGREEMENT

Dated as of November 21, 2024

BETWEEN THE

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

AND

4601 RAINBOW, LLC

Prepared By:

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

FIRST AMENDMENT OF PERFORMANCE AGREEMENT

THIS FIRST AMENDMENT OF PERFORMANCE AGREEMENT, dated as of November 21, 2024 (the **"First Amendment"**), between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,** a municipal corporation organized and existing under the laws of the State of Kansas (the **"Issuer"**), and **4601 RAINBOW, LLC**, a Kansas limited liability company (the **"Company"**), amends that certain Performance Agreement dated as of October 26, 2023, (the **"Original Agreement,"** and together with this First Amendment, the **"Agreement"**);

WITNESSETH:

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

WHEREAS, pursuant to such authorization, the governing body of the Issuer has adopted a Resolution (the **"Resolution"**) indicating the Issuer's intent to issue one or more series of taxable industrial revenue bonds in the principal amount of not to exceed $52,927,000 (the **"Bonds"**), for the purpose of acquiring, constructing, improving, installing, furnishing and equipping the Project and authorizing the Issuer to enter into the Original Agreement;

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

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

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

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

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

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

> **Section 3.2. Completion Date.** Subject only to Force Majeure, the Company agrees to commence construction on or before July 1, 2026, and substantially complete construction of the Project on or before June 30, 2029. "Commence construction" shall mean that the Company has entered into a contract with a licensed contractor for the construction of the Project and the Issuer has issued a building permit therefor. "Substantially complete," for purposes of this Section, shall mean that the Project can be occupied or utilized for its intended purpose as a multifamily facility, as evidenced by

receipt by the Company of a temporary certificate of occupancy for the Project. The parties agree that the governing body of the Issuer will consider an ordinance authorizing the issuance of the Bonds on or about such time, but in no event will the Bonds be issued later than December 31, 2029.

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

[Balance of page intentionally left blank]

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

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By: ______________________________
Monica Sparks, Unified Government Clerk

APPROVED AS TO FORM:

____
Office of Chief Counsel

4601 RAINBOW, LLC
a Kansas limited liability company

By:____

Name:______________________________________

Title:_______________________________________

Tracking ID: 21448

Report to

MEETING DATE	PRESENTER	DEPARTMENT
NOV 0 4 2024	Chelsee Chism, Director cchism@wycokck.org X8046	Economic Development

AGENDA ITEM #
RESOLUTION: BUC-EE'S FAMILY TRAVEL CENTER DEVELOPMENT AGREEMENT
BACKGROUND
Adopt a resolution authorizing the Unified Government to enter into the Development Agreement for Buc-ee's Family Travel Center to be located at 601 Village West Parkway in Kansas City, Kansas.
RECOMMENDATION
Approve
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS
IT/POLICY CONSIDERATIONS
PROCUREMENT CONSIDERATIONS
LEGAL CONSIDERATIONS
ATTACHMENTS
Resolution Authorizing Buc-ee's Development Agreement, Buc-ee's Development Agreement, Executive Summary - Buc-ee's Travel Center (004)

Approved by Mayor and/or Chair and Administrator to add to agenda.

10/23/2024

Approved

RESOLUTION NO. R-____-24

A RESOLUTION AUTHORIZING THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS TO ENTER INTO THE DEVELOPMENT AGREEMENT FOR BUC-EE'S FAMILY TRAVEL CENTER.

WHEREAS, CSMS Management, LLC, a Delaware limited liability company ("Developer"), wishes to design, develop, and construct a new Buc-ee's travel center and related amenities (the "Project") on real property generally located at 601 Village West Parkway in Kansas City, Kansas;

WHEREAS, development of the Project should stimulate the economy of Wyandotte County through additional real property taxes and sales taxes, which would promote the public good, health, and welfare within Wyandotte County; and

WHEREAS, the Governing Body of the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") has determined that it is advisable to enter into the Development Agreement (Buc-ee's Family Travel Center), attached hereto as **Exhibit A** (the "Agreement"), with Developer.

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

Section 1. The Governing Body hereby approves the Agreement in substantially the form attached hereto.

Section 2. Each of the Mayor/CEO and the County Administrator is hereby authorized and directed to execute in the name of the UG and deliver the Agreement. The County Administrator and other officials and representatives of the UG, including special counsel, are hereby further authorized and directed to take such actions and to execute any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. This Resolution shall be effective upon adoption by the Governing Body.

[Remainder of page intentionally left blank; signature page and exhibit follow.]

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON _______________, 2024.

____
Tyrone Garner, Mayor/CEO

ATTEST:

____
Unified Government Clerk

(Seal)

EXHIBIT A

Development Agreement (Buc-ee's Family Travel Center)

[Attached on following pages.]

DEVELOPMENT AGREEMENT
(BUC-EE'S FAMILY TRAVEL CENTER)

This DEVELOPMENT AGREEMENT (this "Agreement") is made effective as of the ____ day of ___________________, 2024 (the "Effective Date") by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG"), and CSMS MANAGEMENT, LLC, a Delaware limited liability company ("Developer").

RECITALS

A. Developer wishes to design, develop, and construct a new Buc-ee's travel center and related amenities (the "Project," as further defined below in Section 2.2) on approximately 25 acres of real property generally located at 601 Village West Parkway in Kansas City, Kansas (the "Project Site"), as legally described on **Exhibit A-1** and generally depicted on **Exhibit A-2** attached hereto.

B. Developer does not yet own the Project Site, but has the right to acquire the Project Site from the current owner of the Project Site (the "Owner") pursuant to that certain Purchase and Sale Agreement executed as of June 7, 2023, and Developer shall, upon closing, have all rights to occupy and develop the same as set forth herein.

C. The UG has the authority to create a tax increment financing ("TIF") district pursuant to K.S.A. 12-1770 *et seq.*, as amended from time to time (the "TIF Act"), for the purpose of financing certain economic development projects. In order to establish a TIF district for the Project (the "TIF District"), the UG will have to (i) hold a public hearing to consider whether or not the Project Site is an eligible area under the TIF Act as an enterprise zone designated prior to July 1, 1992, and (ii) approve the creation of the TIF District by passage of an ordinance pursuant to the TIF Act (the "TIF District Ordinance"). It is expected that the boundaries of the proposed TIF District would be the same as the Project Site. The TIF District Ordinance is to be attached to this Agreement as **Exhibit B** upon approval and publication.

D. The TIF District, if approved by the UG, would include a single project area (the "Project Area"). Additionally, if the UG establishes the TIF District, the UG must hold a public hearing in connection with a project plan for the Project Area (the "Project Plan") and ultimately approve the Project Plan by passage of an ordinance (the "TIF Project Plan Ordinance"), all as required by the TIF Act. Any such Project Plan must provide, among other things, for the collection of Incremental Sales Taxes (defined below in Section 4.2(a)(i)) within the TIF District to be disbursed to and used by Developer and the UG on a pay-as-you-go basis to reimburse certain TIF Eligible Expenses (defined below in Section 4.2). The TIF Project Plan Ordinance is to be attached to this Agreement as **Exhibit C** upon approval and publication.

E. The UG has the authority to create a community improvement district ("CID") pursuant to K.S.A. 12-6a26 *et seq.*, as amended (the "CID Act"), for the purpose of financing certain economic development related projects. Under the CID Act, the owners of 55% of the land (by land area and assessed value) within the boundaries of a proposed CID may petition the UG to request the creation of a CID and to impose an additional CID sales tax on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable within the boundaries of the CID in order to pay for or reimburse a portion of the "costs" of a CID "project" (as defined in the CID Act).

F. On or about __________, 2024, in accordance with the CID Act, Developer caused the Owner to submit a proper petition (the "CID Petition") to the UG requesting the formation of a CID for the Project encompassing all of the Project Site (the "CID"), and requesting the imposition of a 1.0% add-on CID sales tax within the boundaries of the CID (the "CID Sales Tax") to be used to pay or reimburse CID

Eligible Expenses (as defined in Section 4.3). It is expected that the boundaries of the proposed CID would be the same as the Project Site.

G. In order to ultimately approve the CID for the Project in accordance with the CID Act, the UG would need to approve the creation of the CID by passage of an ordinance (the "CID Ordinance"), which would specify that the CID Sales Tax will commence on June 1, 2026 (the "CID Collection Date") or such other date as Developer may request by petition to the UG early enough that it may be heard by the UG's Economic Development and Finance Committee and advanced to full Commission for consideration, and provided to the Kansas Department of Revenue (the "DOR") on a date that is at least one full calendar quarter prior to such commencement date. The CID Ordinance is to be attached to this Agreement as **Exhibit D** upon approval and publication.

H. The parties agree that the Project is not financially feasible without the public-private partnership as set forth in this Agreement, and therefore the parties wish to enter into this Agreement to provide the necessary financing for the Project.

AGREEMENT

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

ARTICLE 1. DEFINITIONS AND INTERPRETATION

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 2. THE PROJECT

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

2.2 Development of the Project Site. The UG and Developer hereby agree that the Project shall be as described below. Developer contemplates that all buildings, parking facilities and other improvements constituting the Project, as specifically described in this Section 2.2 (the "Improvements"), shall be developed, constructed, completed, and operated on the Project Site in substantial accordance and compliance with the terms and conditions of this Section 2.2 and the final site plan approval from the UG's Planning Commission (the "Development Plan") attached hereto as **Exhibit E**. The Improvements are generally depicted on the Development Plan. On and subject to the terms and provisions set forth in this Agreement, Developer shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Improvements, and shall operate and use the Improvements in the manner described herein, all in accordance with the terms of this Section 2.2 and all other Applicable Laws and Requirements, subject to the condition described in Section 3.1(f) below. The parties further agree as follows:

(a) The Project shall be designed, developed and constructed as a new Buc-ee's Family Travel Center and shall, at minimum, include the following Improvements: (i) a prototypical Buc-ee's Family Travel Center comprising an approximately 74,000 square-foot building; (ii) approximately 120 gas pumps; (iii) approximately twelve (12) electric charging stations; and (iv) other related amenities as determined by Developer. Developer shall also design, develop and construct sidewalks, entrances to the Project Site and any required signalization, pursuant to the Development Plan.

(b) Developer recognizes, stipulates and agrees that its signage shall be subject to all Applicable Laws and Requirements, and any special use permits granted by the UG's Board of Commissioners.

(c) The Project shall include parking improvements containing at least the number of spaces required by the Applicable Laws and Requirements (the "Parking Improvements").

(d) Developer's plans for landscaping on the Project Site shall be considered in accordance with all Applicable Laws and Requirements and approval thereof by the UG will not be unreasonably withheld.

(e) Developer's design, development and construction of the Improvements shall in all respects comply with the Plans and Specifications (as further described in Section 5.2).

(f) The Project described in this Section 2.2 shall not be amended or modified if such amendment or modification would constitute a Material Change without (i) the prior written consent of the UG, which consent shall not be unreasonably withheld, and (ii) full compliance with all Applicable Laws and Requirements, provided, however, that nothing in this Agreement is intended to prohibit Developer from seeking a waiver, variance or modification of such Applicable Laws and Requirements if necessary to complete the Improvements shown on the Development Plan.

2.3 General Agreements. Developer agrees to promptly and completely perform each and all of its duties and obligations under this Agreement. The UG agrees to promptly and completely perform each and all of its duties and obligations under this Agreement.

ARTICLE 3. CONDITIONS

3.1 Construction and Public Financing Conditions. Except for the obligations expressly set forth in Section 3.2 below, the obligations of Developer and the issuance and delivery to Developer of any public financing contemplated under the terms of this Agreement shall be subject to the following conditions precedent (the "Public Financing Conditions"):

(a) Financing Plan. Developer shall secure and provide evidence of immediately available private funds which, when added to the Public Financing (as defined in Section 4.1 below) are sufficient to complete the Improvements. Developer shall provide evidence of such private funds in form and substance verifiable and approved by the UG's County Administrator in his or her sole discretion, in the form of: (x) cash funds held in a bank account; or (y) private equity and/or a closed loan from a financial institution that is ready, willing and able to provide construction draws for the Project, subject only to normal and customary draw conditions that are approved by the UG;

(b) Closing. Developer closing on its acquisition of the Project Site;

(c) TIF District and Project Plan Approval. The UG's Board of Commissioners shall have approved the TIF District and the Project Plan by approval of the TIF District and the TIF Project Plan Ordinance described in Recital C and Recital D above, or Developer shall have waived this requirement in writing;

(d) CID Approval. The UG's Board of Commissioners shall have approved the CID by approval of the CID Ordinance described in Recital G above, or Developer shall have waived this requirement in writing;

(e) IRBs. The UG’s Commission shall have approved a Resolution of Intent for the IRB financing described in Section 4.9 below, or Developer shall have waived this requirement in writing; and

(f) Final Site Plan Approval. Developer shall have obtained all final site plan approvals, building and all other permits necessary to commence construction and any other required approvals for the Improvements as required by all Applicable Laws and Requirements, including without limitation, Developer's satisfaction with any variances, stipulations and/or approvals related to signage, foundation plantings, exterior façade insulation and finishing systems and use of ice machines.

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

3.2 Termination. In the event that the Public Financing Conditions are not met or waived on or prior to March 1, 2025 (the "Drop Dead Date"), then (a) either party Developer shall have the right to terminate this Agreement if the unsatisfied condition is as set forth in Sections 3.1(a) or (b), or (b) Developer alone shall have the right to terminate this Agreement if the unsatisfied condition is as set forth in Sections 3.1(c) through (f), and any such termination shall be exercised by providing written notice to the other party within thirty (30) days of the Drop Dead Date, but in no case shall any such failure to satisfy a condition be deemed to be an event of default hereunder. Upon any such termination of this Agreement, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, except for those provisions that are specifically set forth herein to survive termination of this Agreement, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all of its costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to that certain Funding Agreement dated as of June 17, 2024, as amended, and the provisions of this Agreement, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

ARTICLE 4. FINANCING — SOURCE OF FUNDS

4.1 Public Financing; Source of Funds. Reference is hereby made to the Total Project Budget attached hereto as **Exhibit F**, and by this reference made a part hereof. The costs of the Project (the "Project Costs") will be funded in part by the TIF, the CID and the respective proceeds thereof (collectively, the "Public Financing"), as well as private equity and debt. Developer, using private equity and debt (the "Private Funds"), will initially advance all of the costs for the design, development and construction of the Project. Developer, subject to the terms and conditions of this Agreement, shall (a) be reimbursed for certain TIF Eligible Expenses from and to the extent of the TIF Proceeds collected during the Term (defined below in Section 6.1), (b) be reimbursed for certain CID Eligible Expenses (as defined in Section 4.3) from and to the extent of the CID Proceeds (as defined in Section 4.3(c)) collected during the Term and (c) interest on any unpaid TIF Eligible Expenses and unpaid CID Eligible Expenses at a rate not to exceed six percent (6%) per annum ("Project Interest") from the CID Proceeds as set forth below.

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

(a) Collection of TIF Revenues. For a period not to exceed fifteen (15) years from the date of approval of the Project Plan, the UG shall collect Incremental Sales Taxes as set forth below, unless the TIF District shall be earlier terminated pursuant to the express terms of this Agreement.

(i) Incremental Sales Tax. Subject to the terms and conditions of this Agreement and the TIF District Ordinance, the UG hereby agrees that the TIF Eligible Expenses may be financed and reimbursed with Pay-Go TIF Financing (defined below in Section 4.2(b)) from an amount equal to 50% of the Incremental City Sales Tax collected within the TIF District and 25% of the UG's share of the Incremental County Sales Tax collected within the TIF District. The "Incremental Sales Tax" includes the following incremental sales and use taxes, which are imposed pursuant to K.S.A. 12-187 *et seq*.: (A) the UG's 1% share of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax)(the "Incremental City Sales Tax"), and (B) the UG's share of the current Wyandotte County 1% sales tax, which is currently 93.84% (the "Incremental County Sales Tax"), which annually exceed the Base Year Revenues received by the UG from the TIF District. For purposes hereof, the term "Base Year Revenues" means the amount of the sales and use taxes, respectively, for the 12-month period preceding publication of the TIF District Ordinance for each of (x) the UG's 1% share of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax), and (y) the UG's share of the current Wyandotte County 1% sales tax, which is currently 93.84%.

(ii) TIF Fund. During the TIF Collection Period (defined below in Section 4.2(b)(i)), an amount equal to 50% of the Incremental City Sales Tax collected within the TIF District and 25% of the UG's share of the Incremental County Sales Tax collected within the TIF District shall be deposited into a separate fund (the "TIF Fund"), which shall be established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements.

(iii) TIF Proceeds. The revenues received from the Incremental Sales Taxes (as described above), less the TIF Administrative Fee (defined below in Section 4.2(d)), constitute the "TIF Proceeds". The TIF Proceeds shall be used to reimburse Developer for the TIF Eligible Expenses, subject to the limitations in the TIF Act and provided that none of the TIF Proceeds shall be used to pay for anything other than the TIF Eligible Expenses specifically identified on **Exhibit F** without the prior approval of the UG, in its sole discretion.

(b) Pay-Go TIF Financing. Subject to the terms and conditions of this Agreement, the parties hereby agree that the TIF Proceeds shall be disbursed by the UG to Developer from the TIF Fund on a pay-as-you-go basis ("Pay-Go TIF Financing") upon Developer's completion of the Project to reimburse Developer for TIF Eligible Expenses, if and to the extent that: (1) there are sufficient TIF Proceeds in the TIF Fund, (2) Developer has fully satisfied all of the conditions set forth in Section 4.5, (3) Developer has not already been reimbursed for TIF Eligible Expenses in an amount equal to the TIF Cap (defined below in Section 4.2(b)(ii)), and (4) the Term has not yet expired and this Agreement has not otherwise been terminated. The parties further agree as follows:

(i) TIF Collection Period. The Incremental Sales Taxes shall be collected within the TIF District for a period that commences on the date that the Project Plan is approved by the UG's Board of Commissioners up to and concluding upon that date which is the earlier of (x) the date that Developer has been reimbursed for all TIF Eligible Expenses by Pay-Go TIF Financing in an amount equal to the TIF Cap, or (y) fifteen (15) years from the date that the Project Plan was approved (the "TIF Collection Period"). At the end of the TIF Collection Period, the parties understand and agree that the Developer shall have no further access to such Incremental Sales Taxes to reimburse or pay for TIF Eligible Expenses.

(ii) TIF Cap. The TIF Proceeds available to Developer for reimbursement of TIF Eligible Expenses through Pay-Go TIF Financing shall in no event exceed $3,347,127 (the "TIF Cap"). The TIF Cap shall, for all purposes set forth herein, operate as a cap on the use of TIF Proceeds for reimbursement to Developer of any of Developer's TIF Eligible Expenses. Once Developer has received an amount equal to the TIF Cap in reimbursements of TIF Eligible Expenses through Pay-Go TIF Financing, the parties understand and agree that Developer's access to the Pay-Go TIF Financing shall thereafter terminate.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from Pay-Go TIF Financing unless and until the conditions precedent set forth in Section 4.5 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed as provided in this Agreement.

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

(d) TIF Administrative Fee. A portion of the Incremental Sales Taxes shall be used to pay an administrative fee in an amount equal to 1% of such Incremental Sales Taxes (the "TIF Administrative Fee"). The TIF Administrative Fee shall be due and payable on the date the Incremental Sales Taxes are received by the UG. Developer hereby understands and agrees that such TIF Administrative Fee shall be withheld by the UG prior to depositing the TIF Proceeds into the TIF Fund. As and when there are sufficient TIF Proceeds to pay the TIF Administrative Fee, the TIF Administrative Fee shall have first priority to available Incremental Sales Taxes.

4.3 CID. It is contemplated by the parties that the Project Costs shall be funded in part by CID Proceeds (as defined in Section 4.3(c)). Developer has identified certain Project Costs which may be reimbursed with CID Proceeds if and to the extent that such Project Costs are related to site improvement and the design and construction costs located within the CID, all as specifically identified on **Exhibit F** attached hereto, and are eligible for payment or reimbursement pursuant to the CID Act (the "CID Eligible Expenses"). In connection with the CID, the parties hereby agree as follows:

(a) Collection of CID Revenues. For a period of 20 years from the CID Collection Date, the UG shall collect CID Sales Taxes as set forth below, unless the CID shall be earlier terminated pursuant to the express terms of this Agreement.

(b) CID Sales Tax. Subject to the terms and conditions of this Agreement and the CID Ordinance, the UG hereby agrees that the CID Eligible Expenses and Project Interest may be reimbursed with Pay-Go CID Financing (defined below in Section 4.3(e)) from the imposition of the CID Sales Tax in the amount of 1.0% on the sale of tangible personal property at retail or rendering or furnishing of services which are taxable pursuant to the Kansas Retailers' Sales Tax Act (K.S.A. 79-3601 *et seq.*) from only those revenues received from within the CID. Developer agrees to provide to the DOR a list of tenants, licensees, vendors and concessionaires within the CID within the timeframes required by the DOR, so that the DOR can notify tenants within the CID of their requirement to collect the CID Sales Tax. At the time the list of tenants, licensees, vendors and concessionaires is provided to the DOR, Developer shall also provide a copy to the UG.

(c) CID Proceeds. The revenues received from the imposition of the CID Sales Tax, less the CID Administrative Fee (as defined in Section 4.3(g)), constitute the "CID Proceeds" and shall be collected and deposited into the CID Fund (as defined in Section 4.3(d)). The CID Proceeds shall be disbursed as follows:

(i) first, the UG may reimburse itself for any of its legal fees incurred in connection with this Agreement (and not otherwise paid or reimbursed pursuant to the Funding Agreement) from the CID Proceeds; and

(ii) thereafter, to pay or reimburse Developer for the remaining CID Eligible Expenses and Project Interest, subject to the limitations in the CID Act and provided that none of the CID Proceeds shall be used to pay for anything but the CID Eligible Expenses identified on **Exhibit F** attached hereto and Project Interest, without the prior approval of the UG in its sole discretion.

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

(e) Pay-Go CID Financing. The parties hereby agree that the CID Proceeds shall be disbursed by the UG to Developer quarterly from the CID Fund on a pay-as-you-go basis ("Pay-Go CID Financing") upon Developer's completion of the Project to reimburse Developer for the CID Eligible Expenses and Project Interest, if and only to the extent that: (1) there are sufficient CID Proceeds in the CID Fund, (2) Developer has fully satisfied all of the conditions set forth in Section 4.5, (3) Developer has not already been reimbursed for CID Eligible Expenses in an amount equal to the CID Cap (as defined in Section 4.3(e)(ii) below) and Project Interest, and (4) the Term has not yet expired. The parties further agree as follows:

(i) CID Collection Period. The CID Sales Tax shall be collected within the CID for a period commencing on the CID Collection Date -- the date that the CID Sales Tax is first imposed within the CID and up to and concluding upon that date which is the earlier of (a) the date that Developer has been reimbursed for all CID Eligible Expenses by Pay-Go CID Financing in an amount equal to the CID Cap and has been reimbursed for all Project Interest, or (b) the date that is 20 years after the CID Collection Date (the "CID Collection Period"). At the end of the CID Collection Period, the parties understand and agree that the CID shall thereafter terminate, the CID Sales Tax shall terminate and no longer be levied or collected within the CID, and the UG shall promptly take any action required to so terminate the CID and the CID Sales Tax.

(ii) CID Cap. The CID Proceeds shall be available to Developer for reimbursement of CID Eligible Expenses and Project Interest through Pay-Go CID Financing. The CID Proceeds available to Developer pursuant to subsection 4.3(c) for reimbursement of CID Eligible Expenses shall in no event exceed an amount equal to $10,041,382 (the "CID Cap"). The CID Cap shall, for all purposes set forth herein, operate as a cap on the use of CID Proceeds for reimbursement to Developer of any of Developer's CID Eligible Expenses; provided, however that the CID Cap shall not apply to reimbursement of Project Interest. Once Developer has received an amount equal to the CID Cap in reimbursements of CID Eligible Expenses and reimbursement of Project Interest through Pay-Go CID Financing, the parties understand and agree that Developer's access to the Pay-Go CID Financing shall thereafter terminate.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from Pay-Go CID Financing unless and until the conditions precedent set forth in Section 4.5 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed from Pay-Go CID Financing as provided in this Agreement.

(iv) Payment of Project Interest. All Project Interest shall be paid to Developer through CID Proceeds, and the UG may elect to issue a bond or other instrument to Developer to provide for the payment of Project Interest to Developer hereunder.

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

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

4.4 Limitations. In addition to the TIF Cap and CID Cap described above, the Public Financing shall also be subject to the following limitations:

(a) 50/50 Limitation. The Public Financing available to Developer for reimbursement of TIF Eligible Expenses and/or CID Eligible Expenses at any given time shall be limited to an amount which is equal to one-half (1/2) of the amount of Project Costs which have been paid by Private Funds. In other words, the reimbursement of Project Costs from Public Financing shall be paid on a 50/50 basis between Private Funds and a combination of TIF Proceeds and CID Proceeds available to Developer, and there shall not at any time during the Term be more Project Costs paid with the proceeds of the Public Financing (the "Public Financing Proceeds") than the amount of Project Costs paid by Private Funds (the "50/50 Limitation"). However, the parties understand and agree that for purposes of this provision, the portion of Private Funds which is spent on legal fees, developer fees, and contingency shall not be included in the calculation of Private Funds for purposes of calculating the 50/50 Limitation. By way of illustrative example of the 50/50 Limitation, if at a given point in time, Developer has incurred Project Costs (including any CID Eligible Expenses and TIF Eligible Expenses) equal to $200 (none of which has been reimbursed with Public Financing), then Developer's maximum reimbursement for CID Eligible Expenses and/or TIF Eligible Expenses from Public Financing is $100. However, the parties further understand and agree that if at a given point in time, Developer has incurred $225 of Project Costs, of which $125 are CID Eligible Expenses and/or TIF Eligible Expenses and $100 are not CID Eligible Expenses or TIF Eligible Expenses (and are not land acquisition, legal fees, and/or construction period interest), then: (i) at that particular time, no more than $100 of CID Eligible Expenses and/or TIF Eligible Expenses may be reimbursed with Public Financing Proceeds, but (ii) if Developer later incurs an additional $25 of Project Costs which are paid with Private Funds, then the remaining $25 of CID Eligible Expenses and/or TIF Eligible Expenses may be reimbursed with Public Financing Proceeds. Payment of Project Costs from Private Funds shall be evidenced to the UG as set forth in Section 4.6 below.

(b) Percentage Limitation. In addition to the CID Cap, TIF Cap and the 50/50 Limitation set forth above, the parties hereby agree that upon completion of the Improvements and submittal of the final Certificates of Expenditure by Developer pursuant to Section 4.6 below, the TIF Cap shall be reduced if and to the extent that the TIF Eligible Expenses and CID Eligible Expenses (not including Project Interest) shall be more than 20% of the total Project Costs (including the Private Funds therefor). In other words, if and to the extent that the TIF Eligible Expenses and CID Eligible Expenses (not including Project Interest) shall collectively be more than 20% of the total Project Costs, then Developer hereby agrees that the TIF Cap shall be proportionately reduced so that the TIF Eligible Expenses and CID Eligible Expenses (not including Project Interest) shall not be more than 20% of the total Project Costs.

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

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

(b) Developer shall have completed and opened the Project; and

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

4.6 Certificate(s) of Expenditures for Reimbursement from Public Financing Proceeds. The parties hereby agree as follows:

(a) Certificate of Expenditures. In order to receive reimbursement for Project Costs from Public Financing Proceeds, Developer shall submit a certificate of expenditures in the form attached hereto as **Exhibit G** (each, a "Certificate of Expenditures") attesting to the expenditure of Project Costs in accordance with the procedure set forth below. Developer may submit one Certificate of Expenditures for all costs of the Project, or periodic Certificates of Expenditures during the construction of the Project, but no more than one time per month. Additionally, Developer shall require that no transferee, purchaser, or lessee of any portion of the Project Site otherwise provide Certificate(s) of Expenditures to the UG, except through Developer or except as otherwise approved by the UG and Developer.

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

(i) Developer shall submit to the UG a Certificate of Expenditures setting forth the amount for which certification is sought and identification of the relevant Project Costs and the appropriate source of Public Financing Proceeds (CID Fund or TIF Fund) for payment of such Project Costs. Developer shall further certify to the UG that it will only use: (x) the CID Proceeds for CID Eligible Expenses, and (y) the TIF Proceeds for TIF Eligible Expenses.

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

(iii) Each Certificate of Expenditures shall be accompanied by such bills, contracts, invoices and other evidence with respect to the costs requested for payment or reimbursement in the Certificate of Expenditures for any TIF Eligible Expenses and CID Eligible Expenses as the UG shall reasonably require to document appropriate payment; provided however that the UG will provide a process for a confidential review of any Project Costs which are to be paid with Private Funds, which process may include a direct submittal to the third-party representatives described in subsection (c) below, along with a commercially reasonable non-disclosure agreement.

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

(v) The UG reserves the right to, at reasonable times and upon reasonable notice, have its engineer or other agents, consultants or employees inspect all the items set forth in Section 4.6(b)(iii) above as reasonably necessary to determine that the expenses therein are valid, eligible and properly incurred and constitute CID Eligible Expenses or TIF Eligible Expenses (as the case may be).

(vi) The UG shall have 120 calendar days after receipt of any Certificate of Expenditures to review and respond by written notice to Developer. If the UG disapproves of the Certificate of Expenditures, the UG shall notify Developer in writing of the reason for such disapproval within such 120-day period, in which event Developer shall have the right to revise and re-submit the Certificate of Expenditures to address the UG's reason for disapproval, and the UG will review and approve the revised Certificate of Expenditures within 30 calendar days after receipt of the re-submitted Certificate of Expenditures. Approval of any Certificate of Expenditures will not be unreasonably withheld, conditioned, or delayed. If the UG intends to disapprove a Certificate of Expenditure and such disapproval is related to certain line items or certain discrete Project Costs, then the UG shall limit its disapproval to those items in dispute and the remainder of the Certificate of Expenditure shall be approved for reimbursement. Similarly, if the UG intends to disapprove a Certificate of Expenditure for reasons related to a default or violation of certifications 4, 5, 6, 7 or 8 under the Certificate of Expenditure, then the UG may only withhold approval of a Certificate of Expenditure in an amount equal to 200% of the amount which would reasonably be necessary to cure such default. As an illustrative example, if a payment dispute exists between Developer and a subcontractor in the amount of $1,000, then the UG may withhold approval of a Certificate of Expenditure in the amount of $2,000 with the remainder of the Certificate of Expenditure to be released for reimbursement.

(c) Third Party Oversight/Management. The parties hereby understand and agree that the process to approve Certificate(s) of Expenditures and properly disburse the Public Financing Proceeds is important to the UG and Developer for various reasons. Accordingly, the parties hereby understand and agree that the UG may retain outside third-party representatives to manage and/or provide oversight to this process and Developer hereby agrees to fully cooperate with any such third-party representatives in this process and to pay the UG's costs for retaining any such third parties with such payments to be considered Project Costs and eligible for reimbursement as a CID Eligible Expense provided the cost for any such third party review for any Certificate of Expenditure shall not exceed $50,000, cumulatively, without approval of Developer.

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

(a) First, to the UG, to the extent permitted by Applicable Laws and Requirements, as payments by Developer for any amounts due and owing to the UG; provided, however, that the UG shall first provide Developer with advance written notice specifying the amount(s) in question, and afford Developer a period of 10 days following its receipt of such notice in which to pay such amount(s) from Private Funds, including, without limitation: (i) all amounts delinquently due or owing, including all taxes, fees, or fines and including any interest and penalty thereon, by Developer to the UG under this Agreement, under any other agreement between Developer and the

UG, or under any Applicable Laws and Requirements; (ii) all actual out-of-pocket costs incurred (and any interest or penalty thereon) by the UG in entering into, operating under, or enforcing this Agreement, including reasonable attorneys' fees, and all costs of pursuit of Developer (or any Affiliate); (iii) indemnification of the UG for any indemnity obligation owed by Developer (or any Affiliate) to the UG, and any interest or penalty thereon; and (iv) any reimbursement due to the UG on account of any prior overpayment or over-reimbursement to Developer under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; and

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

4.8 Line Items. The parties hereby agree that increases or decreases in line item amounts in the columns labeled "CID Eligible Expenses" or "TIF Eligible Expenses" in the Total Project Budget as set forth on **Exhibit F** may be made by Developer as long as: (a) no increase is made within any of the "Soft Costs" or "Contingency" line items or any line item that is marked with a zero ($0.00) allocation in the "CID Eligible Expenses" and/or "TIF Eligible Expenses"; (b) no other increase represents more than 12% change per line item, and (c) Developer provides the County Administrator's office with prior written notice of such change. No increase will be effective without such notice to the County Administrator's office and a modified Total Project Budget reflecting such change. However, in the event the Developer wants to increase a "Soft Cost" or "Contingency" line item or increase one or more other line items in the Total Project Budget in excess of 12% per line item, then any such modifications may be requested by Developer in writing and approved by the County Administrator and such approval shall not be unreasonably withheld, conditioned or delayed.

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

ARTICLE 5. CONSTRUCTION OF IMPROVEMENTS

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

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

5.3 General Contractor and Construction Documents. Developer shall select one or more general contractors (the "General Contractor") for the Improvements. Developer represents that its construction contract with its general contractor relative to the Improvements (the "Construction Documents") will require and provide for (a) the design, development, construction, equipping and completion of the Improvements (or applicable portion thereof) in accordance with this Agreement, the Development Plan, the Project Plan, the Plans and Specifications, and all Applicable Laws and Requirements; and (b) a guaranteed maximum price, or other commercially reasonable payment structure acceptable to Developer. Developer shall provide the UG with a copy of the Construction Documents.

5.4 Changes or Amendments. Developer shall promptly deliver to the UG copies of all change orders or other changes or amendments to the Construction Documents that constitute a Material Change. Developer agrees with the UG that it will perform its duties and obligations under the Construction Documents in all material respects.

5.5 Terms and Requirements for Improvements. The contracts for all Improvements in the Project shall comply with all Applicable Laws and Requirements. Any Material Changes to the Improvements require the prior approval of the UG in accordance with Applicable Laws and Requirements. The UG, or its designee, shall have the right to inspect, observe, and oversee the construction of the Improvements in order to ascertain and determine whether the requirements of this Agreement have been met. Developer shall obtain the UG's approval of all change orders relating to the Improvements that result in a Material Change and such approval shall not be unreasonably withheld, conditioned or delayed.

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

5.7 Payment and Performance Bonds. If required by Applicable Laws and Requirements for the Improvements, the General Contractor shall be required under the Construction Documents to furnish and maintain in full force and effect performance and labor and material payment bonds for the scopes of work associated with TIF Eligible Expenses or CID Eligible Expenses in an amount not to exceed the sum of the TIF Cap and the CID Cap. The bonds shall be in form and substance and issued by a corporate surety reasonably satisfactory to Developer, Developer's lender, and the UG.

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

5.9 Periodic Meetings with Developer. From the Effective Date until Substantial Completion of the Project, Developer hereby agrees to meet with the UG at such intervals as Developer, the UG and any such designee of the UG shall mutually agree or reasonably request, and not more frequently than monthly, to review and discuss the design, development and construction of the Improvements and the Project. Such meetings may occur via Zoom, Teams or other digital conferencing software or other such means agreed upon by the UG and Developer.

5.10 Commencement Date and Completion Date. Developer hereby agrees that, subject only to Force Majeure (defined below in Section 9.2), Developer shall Commence Construction on or before that date which is 60 calendar days after the Drop Dead Date (the "Commencement Date"). Developer further agrees that, subject only to Force Majeure, Developer shall achieve Substantial Completion and open the Project on or before 24 months after the Commencement Date (the "Completion Date").

ARTICLE 6. USE AND OPERATION

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

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

(a) Use the Project only as a prototypical Buc-ee's Family Travel Center as described in Section 2.2 above (the "Permitted Use").

(b) Conduct its business at all times in a dignified quality manner and in conformity with first-class industry standards.

(c) Open and occupy the Project by the Completion Date and thereafter continuously operate and conduct business and without interruption, use, occupy and operate all of the same, other than such minor portions thereof as are reasonably required for maintenance, storage and office purposes; use such storage and similar space only in connection with the business conducted by Developer in the Project; furnish and install all trade fixtures and permitted signs; open for business and remain open during the entire Term. Notwithstanding the foregoing, the parties hereby agree as follows:

(i) the Improvements shall be continuously open during the Term, subject to Developer's (x) security and management restrictions; and (y) right to temporarily close as necessary for repair, maintenance, etc.; and

(ii) the Improvements, or any portion thereof may be closed temporarily for periods during national pandemics, Casualty, reconstruction and/or as otherwise required by any Applicable Laws and Requirements; and

(iii) the Improvements or portions thereof may be temporarily closed during remodeling or during periods of rebranding.

(d) Developer hereby recognizes that its covenants in this Section 6.2 are a material consideration to the UG. Without the covenants set forth in this Section 6.2, the UG would not agree to provide the Public Financing set forth herein.

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

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

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

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

(iv) Any use which involves the long-term raising, breeding, and keeping of any animals or poultry.

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

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

(vii) Any mobile home park, camp ground, trailer court, or labor camp; provided, however, that the foregoing restriction shall not be applicable to temporary access and use by trailers, delivery trucks or recreational vehicles of invitees, guests, and customers of the Project.

(viii) Any dumping, disposing, incineration or reduction of garbage; provided, however, that this prohibition shall not be applicable to garbage compactors located near the rear of the building in the Project subject to the approved final Development Plan, the Project Plan, and in compliance with all Applicable Laws and Requirements.

(ix) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation.

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

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

(xii) Any body shop repair operation, engine repair or vehicle repair facility for all vehicles, including motorcycles.

(xiii) Any mortuary or funeral home.

(xiv) Any establishment selling or exhibiting pornographic materials or which sells drug-related paraphernalia or which exhibits either live or by other means to any degree, nude or partially-clothed dancers or wait staff and/or any massage parlors or similar establishments.

(xv) A nightclub, which shall be deemed to mean any bar, club or other establishment that derives 70% or more of its gross receipts from the sale of alcoholic beverages; provided that this restriction is not intended to prohibit a high-quality brewery, distillery or restaurant.

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

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

(xviii) Pay-day or title loan facilities.

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

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

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

(xxii) A flea market.

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

The foregoing list of prohibited uses is not intended to supplant the requirements and/or prohibition of uses stated within the UG's Code of Ordinances. The UG's Board of Commissioners may grant variances to the restrictions set forth in this Section 6.2(f) from time to time in its sole and absolute discretion. At Closing, or within 30 days thereafter, Developer and the UG shall execute a document which shall memorialize the restrictions set forth in this Section 6.2(f) and record the same against the Project Site, which restrictions shall be effective and run with the land for the Term of this Agreement.

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

6.4 Maintenance and Use. During the Term, Developer shall cause the Project, and all parts thereof, the Project Site and all other of its property used or useful in the conduct of its business and operations on the Project Site, to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other similarly situated Buc-ee's Family Travel Centers in the Midwest, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Developer may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with all Applicable Laws and Requirements, the Development Plan, and the Project Plan, and as long as the same do not materially adversely affect Developer's ability to perform its obligations under this Agreement. Developer agrees to set aside on its books such reasonable reserves for future maintenance and capital expenditures.

6.5 Compliance. Developer shall conduct its affairs and carry on its business and operations in such a manner as to comply with all Applicable Laws and Requirements, and to observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Government Authorities applicable to the conduct of its business and operations and the ownership of the Project; provided, however, that nothing contained in this Agreement shall require Developer to comply with, observe and conform to any such law, order, regulation or requirement of any Government Authorities so long as the validity thereof shall be contested by Developer in good faith by appropriate proceedings, and provided that Developer shall have set aside on its books adequate reserves in accordance with GAAP or secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of Developer to meet its obligations under this Agreement. Developer agrees to promptly pay any and all fees and expenses associated with any safety, health or other inspections required under this Agreement or imposed by Applicable Laws and Requirements, unless contested in good faith with the assurances provided in the preceding sentence.

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

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

6.8 Liens and Encumbrances/Subordination. During the Term, except for a Permitted Mortgage, Developer shall not incur, permit, create (or cause to be created) any mortgage, lien, security interest, charge or encumbrance upon the Project, or any part thereof, and shall promptly cause to be discharged, challenged or terminated all mortgages, liens, security interests, charges and encumbrances that are not Permitted Encumbrances or a Permitted Mortgage. Notwithstanding the foregoing, any Permitted Mortgage shall be subject to the terms and conditions of this Agreement, including without limitation, Section 6.2 of this Agreement. The Parties hereby further agree as follows:

(a) Except for the restrictions described in Section 6.2, the UG agrees to and hereby does subordinate the terms and conditions of this Agreement to a Permitted Mortgagee that is providing construction financing for the Project (a "Construction Mortgagee"); provided however that if and when any such construction financing is converted into permanent financing (regardless of the terms of such permanent financing), this Agreement shall no longer be deemed to be subordinate to the Permitted Mortgage. Notwithstanding the foregoing, a Construction Mortgagee shall have the right, in its sole discretion, to subordinate such Construction Mortgage to this Agreement.

(b) The Parties hereby agree that except for the subordination provided by the UG in subsection (a) above, any other Permitted Mortgage shall be subordinate to this Agreement in all respects.

(c) The UG and any Permitted Mortgagee shall provide commercially reasonable documentation to confirm and evidence the agreements set forth herein upon request by the other party hereto.

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

6.10 Insurance. During the Term, Developer shall maintain or cause to be maintained insurance with respect to the portions of the Project which it owns and operates covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation, general liability and employee dishonesty) and in such amounts as, in the reasonable judgment of Developer, are adequate to protect Developer, the UG and the Project, but in no event in an amount less than that required by the Insurance Specifications attached hereto as **Exhibit H**, and made a part hereof. Each policy or other contract for such insurance shall: (i) name the UG as an additional insured (with respect to liability insurance and only in an amount equal to $500,000), and (ii) contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least 30 days after written notice of cancellation to Developer and each other insured, additional insured, loss payee and mortgage payee named therein. The rights of the UG to any insurance proceeds shall be subject and subordinate to the rights of any Permitted Mortgagee.

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

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

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

(c) If at any time during the Term, title to the whole or substantially all of the Improvements shall be taken in condemnation proceedings or by right of eminent domain, Developer, at its sole discretion, may terminate this Agreement as of the date of such taking. For purposes of this Section 6.11(c), "substantially all of the Improvements" shall be deemed to have been taken if the UG and Developer, each acting reasonably and in good faith, reasonably determines that the untaken portion of the Project, including the Parking Improvements, cannot be practically and economically used by Developer for the purposes and at the times contemplated by this Agreement.

(d) Notwithstanding anything set forth above in this Section 6.11, if and to the extent a Permitted Mortgage sets forth any requirements for use of insurance proceeds following any damage, destruction or condemnation, the provisions of such Permitted Mortgage shall apply to the use of insurance proceeds following any such damage, destruction or condemnation; provided however, that notwithstanding a Permitted Mortgagee's option to prohibit use of such insurance proceeds to repair or restore as otherwise required above, Developer shall nonetheless be required to secure the Project in accordance with Applicable Laws and Requirements and to repair, restore and replace the Damaged Facilities as nearly as possible to their condition immediately prior to the Casualty as set forth in subsection (b) above.

6.12 Indemnity. Developer shall pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense incurred by or imposed upon the UG arising out of: (a) the acquisition of the Project Site; (b) the design, construction and completion of the Project by Developer; (c) the use or occupation of the Project by Developer or anyone acting by, through or under it; (d) damage or injury, actual or claimed, of whatsoever kind or character occurring after Closing, to persons or property occurring or allegedly occurring in, on or about the Project; (e) any breach, default or failure to perform by Developer under this Agreement following any notice and cure period provided herein; (f) any act by an employee of the UG at the Project Site where such action is taken at the direction of Developer; and (g) any claims or challenges related to the legality of the approval of, or terms contained in the planning, zoning, platting or other governmental approvals necessary for this Project, this Agreement, the Development Plan, the Project Plan, the TIF District, the CID, the formation of the CID and/or the TIF District and collection of the Incremental Sales Taxes and/or CID Sales Taxes and the terms thereof, and of the public financing structure contemplated by this Agreement except to the extent such claims or challenges are based on failure of the UG to follow Applicable Law and Requirements. Developer shall also pay, indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Developer in any action or proceeding brought by reason of any such claim, demand, expense, penalty or fine. If any action or proceeding is brought against the UG or its governing board members, directors, officers, employees or agents by reason of any such claim or demand, Developer, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the UG or its governing body members, directors, officers, employees or agents. Notwithstanding the foregoing, (i) no party benefited by this indemnity shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by such party's own respective willful and malicious acts or omissions or gross negligence, and (ii) Developer shall not ever be liable, under this Section 6.12 or any other provision of this Agreement, for any lost tax revenues, except as otherwise required under Section 6.6 hereof. The foregoing covenants contained in this Section 6.12 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive for a period of five (5) years following the termination, satisfaction or release of this Agreement.

6.13 Prohibition on Sales, Etc. Except for Permitted Encumbrances and a Permitted Mortgage, which are hereby permitted without any further approval of the UG, and except as otherwise provided herein, during the Term, Developer will not, without the prior written consent of the UG: (a) assign, sell, lease, mortgage or otherwise transfer the Project Site, the Improvements or equipment that comprise the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. Any such assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG shall be an "Approved Assignment" and the assignee, purchaser, lessee, mortgagee or transferee shall be an

"Assignee". The UG shall have the right to grant or withhold its consent to any of the aforesaid in its sole discretion after inquiry and delivery of information to the UG as to whether the proposed Assignee has sufficient financial wherewithal, reputation and experience to successfully complete and operate the Project according to the terms hereof. If there is an Approved Assignment, the Assignee shall assume and agree to pay and perform each and all of the terms and provisions hereof. Notwithstanding the foregoing, Developer shall have the right to assign and transfer the Project, as well as all of Developer's rights, duties and obligations set forth in this Agreement, to any Affiliate of Developer, all at Developer's sole and absolute discretion, provided that (i) Developer provides written notice of such transfer to the UG within thirty (30) days, along with a fully-executed assignment and assumption document evidencing such transfer and assumption by the Affiliate, and (ii) no such assignment shall release Developer from liability hereunder without a specific consent and approval of the UG.

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

6.15 Access. During the Term, Developer hereby recognizes, acknowledges and agrees that the UG, and its duly authorized representatives and agents, shall have the right to enter the Project at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or, to the extent Developer has failed to cure any breach within applicable notice and cure periods, to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the construction and operation of the Project. Except as otherwise provided in this Agreement, the UG shall pay all costs it incurs under this provision. Nothing contained in this Section 6.15 shall restrict or impede the right of the UG to enter the Project pursuant to any Applicable Laws and Requirements.

6.16 Environmental Matters. Except for and excluding any UG Environmental Matters (as defined below), as between Developer and the UG, Developer hereby agrees that Developer has sole responsibility for the costs of any remediation of any environmental conditions upon the Project Site. Further, Developer shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Project in violation of any Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulation; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation; and shall comply with all Environmental Regulations that are applicable to the Project. Developer shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees incurred by the UG (prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Project (collectively "Environmental Claims"), whether or not Developer is responsible therefor, it being the intent of Developer and the UG that the UG shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances, which arises subsequent to Closing (collectively, "Environmental Damage"); provided, the indemnity under Section 6.12 and this Section 6.16 shall not apply to any Environmental Claims or Environmental Damage for matters occurring prior to Closing on certain property previously owned by the UG as specifically identified on Exhibit I attached hereto, or occurring at any time due to the gross negligence or willful misconduct of the UG (such Environmental Claims and

Environmental Damage, if any, herein collectively, the "UG Environmental Matters"). The foregoing covenants contained in this Section 6.16 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred to the Prime Rate plus 2%, or if less, the maximum rate permitted by law, and shall be payable on demand.

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

ARTICLE 7. SPECIAL PROVISIONS

7.1 Special Agreements of Developer.

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

(b) During the Term, Developer agrees to participate in the civic, charitable, educational, philanthropic and economic development of the Kansas City, Kansas/Wyandotte County by being a dues-paying member in good standing with the KCK Area Chamber of Commerce and the Wyandotte Economic Development Council during the Term.

7.2 LBE/MBE/WBE Employment Opportunity Goals. Developer agrees to use its Best Efforts to comply with the goals set forth in Exhibit J (as the term "Best Efforts" is defined therein), attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority-owned businesses. Except as expressly provided for in Section V.C.1 of Exhibit J, a failure under this Section 7.2 herein and/or Exhibit J shall not be a default under this Agreement and the remedy for any failure under this Section 7.2 and/or Exhibit J shall be reduction in the TIF Cap and CID Cap as expressly set forth in Section V.C.2 of Exhibit J.

ARTICLE 8. DEFAULT AND REMEDIES

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

(a) Developer fails to make any of the payments of money to the UG required by the terms of this Agreement, and Developer fails to cure or remedy the same within 30 days after the UG has given Developer written notice specifying such default; or

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

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

(d) Developer breaches the representations and warranties set forth in this Agreement and fails to cure or correct same within 60 days following Developer's receipt of written notice from the UG specifying such breach.

8.2 Rights and Remedies. Upon the occurrence and continuance of a Developer default, subject to any applicable notice and cure periods as described in Section 8.1 above, the UG shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(a) Whenever any default by Developer shall have occurred and be continuing, subject to applicable cure periods as set forth above, the UG may: (i) refuse to approve any further Certificate of Expenditures or make any further reimbursements from Public Financing Proceeds unless and until such default is cured by Developer; (ii) terminate Developer's access to the Public Financing Proceeds; and/or (iii) terminate this Agreement.

(b) The UG may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the specific performance of the duties and obligations of Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the UG under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the UG resulting from such Developer default. Notwithstanding the foregoing, the UG hereby agrees that with respect to Developer's obligations under Sections 6.2(a), 6.2(c), 6.7 and/or 6.11 (and only for those specific Sections), the UG may not exercise its remedy to specific performance if Developer pays, returns and reimburses the UG an amount equal to all Public Financing received by Developer, and Developer foregoes any further Public Financing under this Agreement.

(c) In the event of such default by Developer, the UG may take such actions, or pursue such remedies, as exist hereunder or at law or in equity and Developer covenants to pay and to reimburse the UG for all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies. The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions. If a default by Developer occurs under this Agreement and is continuing, the UG may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by Developer of any provision of this Agreement. The UG shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Failure by the UG to enforce any such rights shall not be deemed a waiver thereof.

(d) Notwithstanding the foregoing or anything in this Agreement to the contrary, the parties hereby expressly acknowledge and agree that, under no circumstances, will Developer ever be liable for any remote or consequential damages including without limitation lost tax revenues, arising out of or in any way related to this Agreement (except as otherwise required under Section 6.6 hereof).

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

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

ARTICLE 9. MISCELLANEOUS

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

9.2 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, strikes, lockouts, unavailability of sufficient trade laborers or materials, global pandemic such as COVID-19, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate Government Authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the UG to timely approve the Plans and Specifications, the Construction Documents, war, terrorism or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 9.2 shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

9.3 Covenants of Parties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

with a copy to:

Chief Counsel
Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 961

Kansas City, Kansas 66101
Telephone: (913) 573-5060
Email: legaldiv@wycokck.org

And a copy to:

David Johnston
County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 945
Kansas City, Kansas 66101
Telephone: (913) 573-5030
Email: djohnston@wycokck.org

And a copy to:

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

and to Developer at:

CSMS MANAGEMENT, LLC
Attn: Legal
327 FM 2004
Lake Jackson, Texas 77566
Telephone: (346) 774-2260
Email: legla@buc-ees.com

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

9.12 Real Estate Commissions. Each party hereby agrees to indemnify and hold harmless the other from and against: (i) any and all losses, liens, claims, judgments, liabilities, reasonable costs, expenses or damages (including reasonable attorneys' fees and court costs) of any kind or character arising out of or resulting from any duty or responsibility to pay any commission or make any other payment by either Developer or the UG; or (ii) arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Developer or on its behalf, or by the UG or on its behalf, with any other broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. Notwithstanding anything herein to the contrary, this Section 9.12 shall survive the Closing or any termination of this Agreement.

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

9.14 Run with the Land. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, successors and assigns and shall run with the land. However, Developer shall remain liable in the event of a violation of any of the terms or restrictions set forth in Sections 6.8 and 6.13 hereof. At Closing, the parties shall record a memorandum describing this Agreement in the land records of Wyandotte County, Kansas.

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

[Remainder of page intentionally left blank; signature pages and exhibits follow.]

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

UG:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:____
Printed Name: ___________________________________
Title: ____

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on _______________, 2024, by _________________________ as _______________________________ of the Unified Government of Wyandotte County/Kansas City, Kansas.

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

My commission expires

____

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

DEVELOPER:

CSMS MANAGEMENT, LLC, a Delaware limited liability company

By: ____________________________________
Printed Name: ____________________________
Title: ____________________________________

STATE OF __________________)
) SS.
COUNTY OF __________________)

This instrument was acknowledged before me on _______________, 2024 by _____________________, as _______________________________ of CSMS MANAGEMENT, LLC, a Delaware limited liability company.

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

My commission expires

____

ANNEX 1
DEFINITIONS

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

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

"Applicable Laws and Requirements" means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by Government Authorities, and all requirements of any insurers. Applicable Laws and Requirements includes, without limitation, the Development Plan, the Project Plan, the Kansas Cash Basis Law (K.S.A. 10-1101 *et seq.*) and Budget Law (K.S.A. 79-2925 *et seq.*). Applicable Laws, as defined herein, shall be subject to and limited by any of the foregoing which are specifically waived, modified or varied by the entity with authority to grant such waiver, modification or variance.

"Approved Assignment" means any assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG, as described in Section 6.13.

"Assignee" means the assignee, purchaser, lessee, mortgagee, or transferee of an Approved Assignment, as described in Section 6.13.

"Base Year Revenues" means the the amount of the sales and use taxes, respectively, for the 12-month period preceding publication of the TIF District Ordinance for each of (x) the UG's 1% share of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax), and (y) the UG's share of the current Wyandotte County 1% sales tax, which is currently 93.84%, as described in Section 4.2(a)(i).

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

"Certificate of Expenditures" means those certain certificates submitted by Developer in accordance with Section 4.6 and on the form set forth in **Exhibit G**.

"CID" means the community improvement district established pursuant to the CID Act hereunder, as described in Recital F and Section 4.3.

"CID Act" means the Kansas Community Improvement District Act, K.S.A. 12-6a26 *et seq.*, as amended, as described in Recital E.

"CID Administrative Fee" means the 1% administrative fee for the CID, as described in Section 4.3(g).

"CID Cap" means the limitation on the CID Proceeds available to Developer for reimbursement of CID Eligible Expenses through Pay-Go CID Financing, as described in Section 4.3(e)(ii).

"CID Eligible Expenses" means those Project Costs which are: (i) agreed upon by the parties and identified on the Total Project Budget, and (ii) eligible for payment or reimbursement pursuant to the CID Act, as described in Section 4.3.

"CID Fund" means the separate fund and account established by the UG for collection of CID Proceeds, as described in Section 4.3(d).

"CID Ordinance" means the ordinance that may be passed by the UG pursuant to the CID Act to create the CID, as described in Recital G and a copy of which is to be attached hereto as **Exhibit D**.

"CID Petition" means that petition submitted by Owner pursuant to the CID Act, as described in Recital F.

"CID Proceeds" means the revenues received from the imposition of the CID Sales Tax, less the CID Administrative Fee, as described in Section 4.3(c).

"CID Sales Tax" means the sales tax assessed on the sale of tangible personal property at retail or services rendered which are taxable within the CID(s) pursuant to the CID Act, as described in Section 4.3(b).

"Closing" means the date by which Developer closes on its acquisition of the Project Site.

"Construction Documents" means Developer's construction documents relative to the Improvements, as described in Section 5.3.

“Construction Mortgage” means any mortgage placed on, or other security interest granted in, the Project Site or any part thereof in connection with the construction of all or any portion of the Project.

“Construction Mortgagee” means the holder of any Construction Mortgage.

"Damaged Facilities" means any part or the whole of the Project to the extent that the same is damaged or destroyed by a Casualty, as described in Section 6.11(a).

"Developer" means CSMS MANAGEMENT, LLC, a Delaware limited liability company.

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

"DOR" means the Kansas Department of Revenue.

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

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

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

"50/50 Limitation" means the limitation on the Public Financing available to Developer for reimbursement of TIF Eligible Expenses and/or CID Eligible Expenses, as described in Section 4.4(a).

"Force Majeure" is defined in Section 9.2.

"GAAP" means generally accepted accounting principles.

"General Contractor" means the general contractor selected by Developer for the Improvements, as described in Section 5.3.

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

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

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

"Incremental Sales Tax" means the incremental sales and use taxes, which are imposed pursuant to K.S.A. 12-187 *et seq*., comprised of the Incremental City Sales Tax and the Incremental County Sales Tax as described in Section 4.2(a)(i).

"Incremental City Sales Tax" means the incremental sales and use taxes, which are imposed pursuant to K.S.A. 12-187 *et seq*., comprised of the UG's 1% share of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax) which annually exceed the Base Year Revenues received by the UG from the TIF District, as described in Section 4.2(a)(i).

"Incremental County Sales Tax" means the incremental sales and use taxes, which are imposed pursuant to K.S.A. 12-187 *et seq*., comprised of UG's share of the current Wyandotte County 1% sales tax, which is currently 93.84% (the "Incremental County Sales Tax"), which annually exceed the Base Year Revenues received by the UG from the TIF District as described in Section 4.2(a)(i).

"Insurance Specifications" means the insurance requirements on Developer in connection with the Project as generally described in Section 6.10 and more fully set forth in **Exhibit H**.

"Material Change" means any substantial change to any agreement, plan or other document referred to in this Agreement, which change would require changes to Developer's permits or approval of the appropriate Government Authorities or is required by Applicable Laws and Requirements.

"Owner" means Kansas Speedway Corporation, the current owner of the Project Site.

"Parking Improvements" means any parking improvements required by Applicable Laws and Requirements, as described in Section 2.2(c).

"Pay-Go CID Financing" means a method of financing pursuant to which certain CID Proceeds are disbursed by the UG to Developer quarterly from the CID Fund on a pay-as-you-go basis upon Developer's completion of the Project to reimburse Developer for the CID Eligible Expenses, provided certain conditions are met, as described in Section 4.3(e).

"Pay-Go TIF Financing" means a method of financing pursuant to which certain TIF Eligible Expenses are paid and/or reimbursed without notes or bonds, and the costs are reimbursed as TIF Proceeds are deposited into the TIF Fund, as described in Section 4.2(b).

"Permitted Encumbrances" means any liens, restrictions, claims, easements, rights-of-way, encroachments, reservations, or other matters or encumbrances affecting the Project Site, which are acceptable to Developer in its sole discretion.

"Permitted Mortgage" means any mortgage placed on, or other security interest granted in, the Project Site or any part thereof in connection with any construction or permanent financing of the Project.

"Permitted Mortgagee" means the holder of the Permitted Mortgage.

"Permitted Use" means a prototypical Buc-ee's travel center and convenience store, as described in Sections 2.2 and 6.2(a).

"Person" shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government or other entity.

"Plans and Specifications" means the plans and specifications for the Improvements, as described in Section 5.2.

"Prime Rate" means the rate of interest announced from time to time by Security Bank of Kansas City, or any successor to it. If such bank, or any successor to it, ceases to announce a prime rate, the UG shall designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

"Private Funds" means Developer's private equity and debt used to pay the costs for the design, development and construction of the Project, as described in Section 4.1.

"Project" means the design, development, and construction of the Improvements on the Project Site, as described in Recital A and Section 2.2.

"Project Area" means the Project Area established by the TIF District Ordinance, as described in Recital D.

"Project Costs" means the costs of acquiring, designing, developing, constructing and completing the Project, as generally described in Section 4.1 and **Exhibit F**.

"Project Plan" means the Redevelopment Project Plan for the Project Area of the TIF District approved and adopted by the UG pursuant to the TIF Project Plan Ordinance, as described in Recital D.

"Project Site" means the real property on which Developer intends to design, develop and construct the Project, as described in Recital A, legally described on **Exhibit A-1** and generally depicted on **Exhibit A-2**.

"Public Financing" means the use of TIF Proceeds and CID Proceeds to finance a portion of the Project Costs, as described in Section 4.1.

"Public Financing Conditions" means the conditions precedent to the issuance and delivery to Developer of any Public Financing under the terms of the Agreement, as set forth in Section 3.1.

"Public Financing Proceeds" means the proceeds of the Public Financing, as described in Section 4.4(a).

"State" means the State of Kansas.

"Substantial Completion" means the stage in the progress of the construction of the Project when construction is sufficiently complete so that the Project can be occupied or utilized for its intended use (which shall be evidenced by the receipt of a temporary certificate of occupancy for the Improvements).

"Term" means the term of the Agreement, as described in Section 6.1.

"TIF" means tax increment financing.

"TIF Act" means K.S.A. 12-1770 *et seq.*, as amended.

"TIF Administrative Fee" means the 1% administrative fee for the TIF Fund, as described in Section 4.2(d).

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

"TIF Collection Period" means the period that commences on the date that the Project Plan is approved by the UG's Board of Commissioners up to and concluding upon that date which is the earlier of (a) the date that Developer has been reimbursed for all TIF Eligible Expenses by Pay-Go TIF Financing in an amount equal to the TIF Cap, or (b) 15 years from the date that the Project Plan was approved, as described in Section 4.2(b)(i).

"TIF District" means the TIF District that may be established by the UG pursuant to the TIF District Ordinance and the TIF Act, as described in Recital C.

"TIF District Ordinance" means the ordinance that may be passed by the UG pursuant to the TIF Act to create the TIF District, as described in Recital C and a copy of which is to be attached hereto as **Exhibit B**.

"TIF Eligible Expenses" means those certain Project Costs identified by Developer which may be reimbursed with TIF Proceeds if and to the extent that such Project Costs are related to site improvement and the design and construction costs located within the Project Area of the TIF District and eligible for payment or reimbursement pursuant to the TIF Act, as described in Section 4.2.

"TIF Fund" means the separate fund and account established by the UG for collection of the TIF Proceeds, as described in Section 4.2(a)(ii).

"TIF Proceeds" means the Incremental Sales Taxes, less the TIF Administrative Fee, as described in Section 4.2(a)(iii).

"TIF Project Plan Ordinance" means the ordinance that may be passed by the UG pursuant to the TIF Act to approve the Project Plan, as described in Recital D and a copy of which is to be attached hereto as **Exhibit C**.

"Total Project Budget" means the budget attached hereto as **Exhibit F**.

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

INDEX OF EXHIBITS

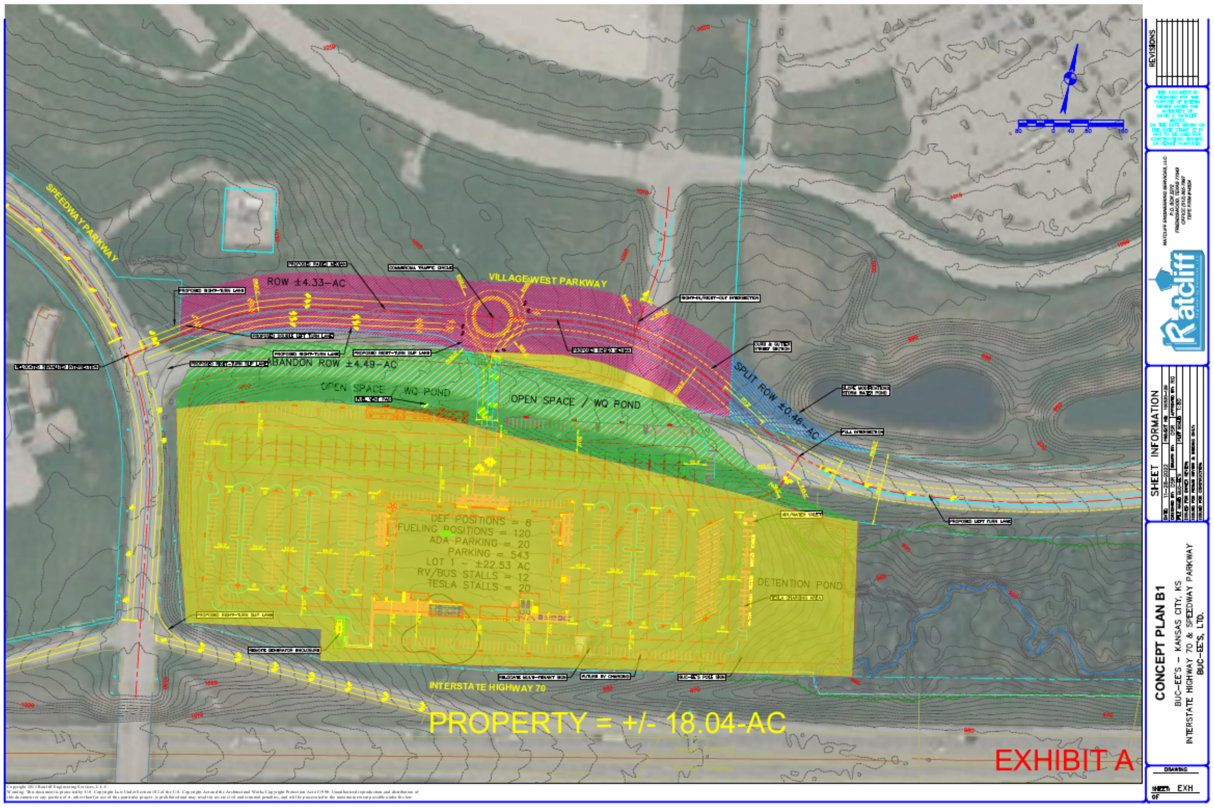
EXHIBIT A-1

PROJECT SITE – LEGAL DESCRIPTION

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

EXHIBIT A-2

PROJECT SITE – MAP



<u>EXHIBIT B</u>

TIF DISTRICT ORDINANCE

[To be attached following passage.]

<u>EXHIBIT C</u>

TIF PROJECT PLAN ORDINANCE

[To be attached following passage.]

EXHIBIT D

CID ORDINANCE

[To be attached following passage.]

EXHIBIT E

IMPROVEMENTS - DEPICTION

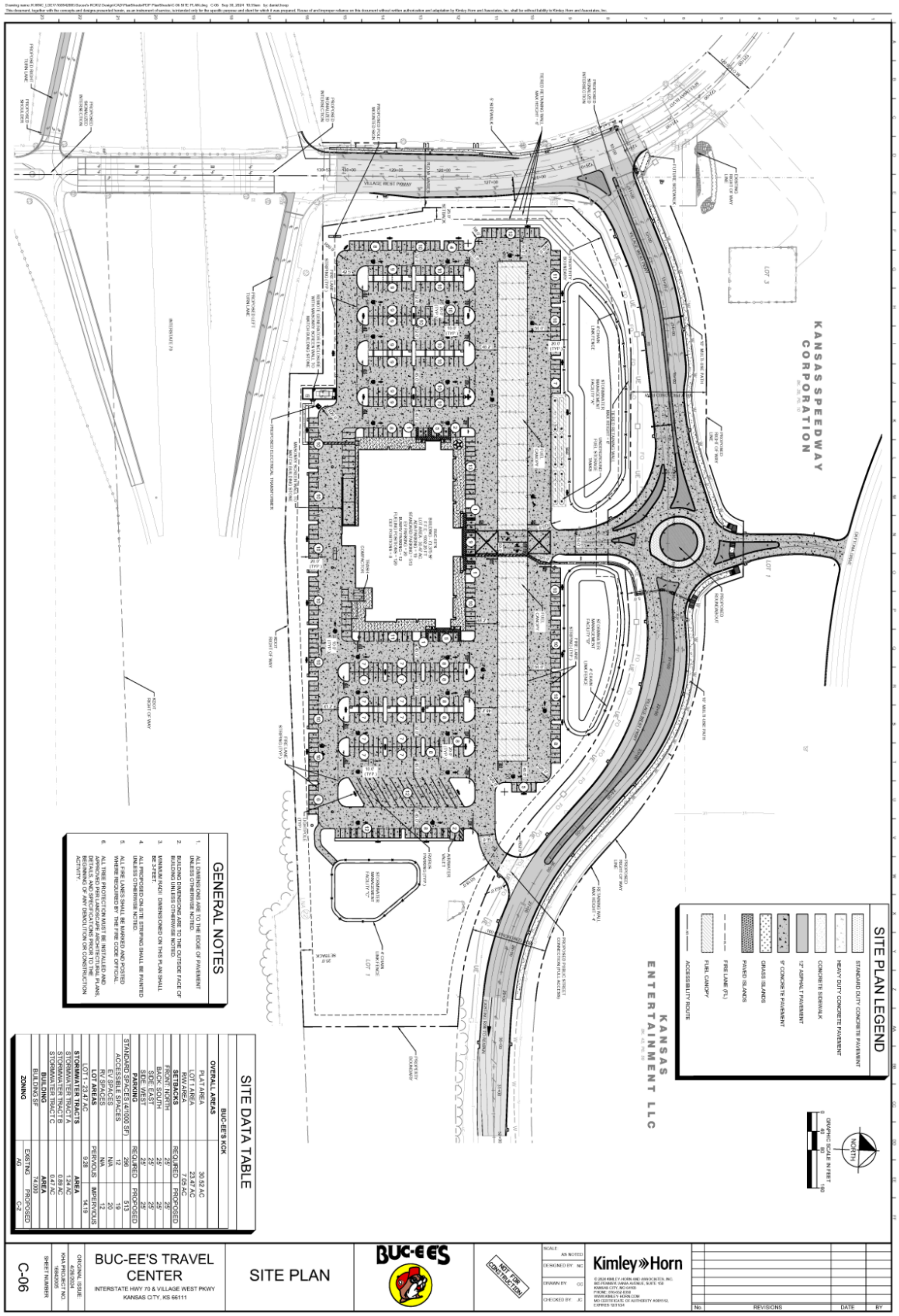


EXHIBIT F

TOTAL PROJECT BUDGET

BUC-EE'S KCK
ESTIMATED PROJECT COSTS
PRELIM SUMMARY SHEET

ITEM/DESCRIPTION	TOTAL BUDGET	TIF REIMBURSED	CID REIMBURSED	NON REIMBURSED
	100%	3.53%	10.60%	85.87%
Land Purchase	5,888,000	-	-	5,888,000
Closing Costs	58,880	-	-	58,880
Subtotal	**5,946,880**	-	-	**5,946,880**
Hard Costs - Site Development				
Village West Parkway (VWP) Relocation	6,393,799	1,598,450	4,795,349	-
VWP Waterline Relocation	700,500	175,125	525,375	-
VWP Electrical Relocation	4,145,880	1,036,470	3,109,410	-
Sanitary Sewer Extension	536,820	134,205	402,615	-
I-70 Interchange Improvements	1,611,510	402,878	1,208,633	-
Site Subtotal	**13,388,509**	**3,347,127**	**10,041,382**	-
Hard Costs - Building				
GC Contract	62,537,493	-	-	62,537,493
Buc-ee's Provided	7,317,556	-	-	7,317,556
Bldg Subtotal	69,855,048	-	-	69,855,048
Hard Costs Site and Building	**83,243,558**	**3,347,127**	**10,041,382**	**69,855,048**
Soft Costs				
Architecture and Engineering	1,500,000	-	-	1,500,000
Legal, Accounting, Insurance	253,000	-	-	253,000
Third Party Reports	140,000	-	-	140,000
Construction Loan Fees	285,000	-	-	285,000
Impact/Service Fees	760,000	-	-	760,000
Community Benefit Contribution	250,000	-	-	250,000
UG Administrative Fees	375,000	-	-	375,000
Project Contingency	2,000,000	-	-	2,000,000
Soft Costs Subtotal	**5,563,000**	-	-	**5,563,000**
TOTAL PROJECT COST	**94,753,438**	**3,347,127**	**10,041,382**	**81,364,928**
	100%	3.53%	10.60%	85.87%

<u>EXHIBIT G</u>

FORM OF CERTIFICATE OF EXPENDITURES

<u>CERTIFICATE OF EXPENDITURES</u>

TO: Unified Government of Wyandotte County/Kansas City, Kansas

Attention: County Administrator

Re: Buc-ee's Family Travel Center

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement (Buc-ee's Family Travel Center) dated as of ______________, 2024 (the "Agreement") between the Unified Government and Developer.

In connection with the Agreement, the undersigned hereby states and certifies that, to the best of its actual knowledge:

1. Each item listed on *Schedule 1* hereto is a Project Cost and was incurred in connection with the construction of the Project.

2. These Project Costs have been paid by Developer, successors, assigns, tenants, or transferees and are reimbursable under the Agreement.

3. Each item listed on *Schedule 1* has not previously been paid or reimbursed from money derived from the TIF Fund, and no part thereof has been included in any other certificate previously filed with the Unified Government.

4. There has not been filed with or served upon Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.

5. All necessary permits and approvals required for the work for which this certificate relates were issued and were in full force and effect at the time such work was being performed.

6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.

7. Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a default under the Agreement.

8. All of Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

Dated this ____ day of _________________, 202__.

CSMS MANAGEMENT, LLC, a Delaware limited liability company

By: _____________________________________

Name: ___________________________________

Title: ____________________________________

Approved for Payment this ____ day of ___________, 20_____:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ___________________________________

Name: _____________________________________

Title: ___________________________________

SCHEDULE I
TO
CERTIFICATE OF EXPENDITURES

Description of Project Costs	Cost	Payee	Designate as Redevelopment Project Costs

Total Costs:

EXHIBIT H

INSURANCE SPECIFICATIONS

1. Worker's Compensation. Developer may self-insure, to the extent allowed by applicable law. Developer will then purchase excess Worker's Compensation Insurance with statutory limits over the self-insured retention. If self-insurance is not available under applicable state law, coverage will be purchased in accordance with the statutory requirements.

2. Comprehensive General Liability. Developer will purchase and maintain with limits of $3,000,000, with no less than $1,000,000 primary coverage and the balance may include excess coverage.

3. Automobile Liability. Developer will purchase and maintain with primary limits of $1,000,000.

4. Excess Liability. Developer will purchase and maintain excess liability insurance in an amount not less than $5,000,000.

5. Special Perils Form Property Insurance. Developer will purchase on a replacement cost basis. Deductibles shall be no more than $__________________, and the policy shall include an "Agreed Amount" endorsement. Earthquake and flood insurance, as well as fired vessel, boiler and machinery, and underground collapse, may be required by the UG as additional perils, but only to the extent required by Developer's lender for the Project.

EXHIBIT I

PREVIOUSLY OWNED UG PROPERTY

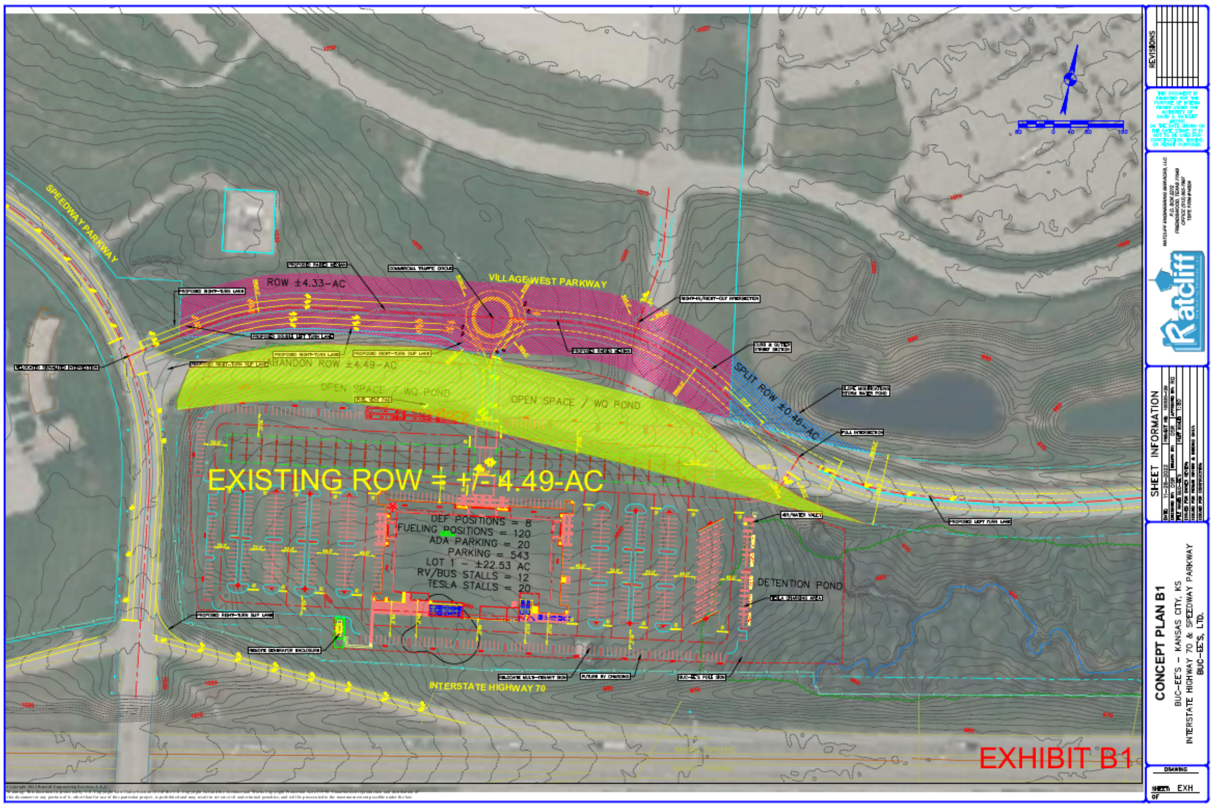


EXHIBIT J

LBE/MBE/WBE GOALS AND REQUIREMENTS

This Exhibit sets forth the guidelines for the utilization of local business, minority, and women enterprises and local resident, minority, and women participation and equal employment opportunity referenced in **Section 7.2** of the Buc-ee's Travel Center Development Agreement (the **"Agreement"**) between the Unified Government of Wyandotte County/Kansas City, Kansas (the **"UG"**) and CSMS MANAGEMENT, LLC, a Delaware limited liability company (**"Developer"**). The parties agree as follows:

I. SCOPE.

These procedures are applicable to the Construction of, and the Professional Services for (as such terms are defined below) the Project, including but not limited to all aspects of the construction of the Improvements and all related facilities, including labor, materials and supplies, and construction-related services, but not including: (i) Specialized Services; or (ii) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement (as defined in the Agreement), which shall specifically be excluded from both the numerator and the denominator in determining whether the Construction and Professional Services goals set forth herein have been met.

II. DEFINITIONS.

All capitalized terms used in this Exhibit shall have the meaning ascribed to them in the Agreement and made a part thereof, or as otherwise set forth herein.

A. "Best Efforts" has the meaning set forth in Section III.C.3.b. herein.

B. "Construction" means all aspects of the construction of the Improvements, all related facilities, and the Project, including labor, materials and supplies, and construction-related services, whether performed or contracted for by or on behalf of Developer; provided, however, "Construction" shall not include: (i) services performed or associated with tenant improvements or any services requested by tenants of the Project, provided that this exception shall only apply to tenants who are third parties unaffiliated with Developer; (ii) Specialized Services; (iii) Professional Services; or (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement.

C. "Contractor" means the Proposer selected by Developer for the design, development, or construction of the Project.

D. "Local Business Enterprise or LBE" means a business headquartered or which maintains a major branch that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation. It is determined and assigned based on the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

E. **"Local Resident"** means an individual that, during his or her employment with the Project, maintains his or her place of domicile in Wyandotte County.

F. **"Minority Business Enterprise or MBE"** means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

G. **"Professional Services"** means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development, and construction of the Project but specifically excluding: (i) professional services that have historically been sourced and performed at the holding company level by Developer (such as legal and accounting services, for example); (ii) Specialized Services; (iii) Construction; and (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement.

H. **"Proposer"** means a person who submits a proposal in response to a solicitation for proposals issued by Developer or one of its Contractors with respect to the design, development, or construction of the Project, or with respect to ongoing maintenance and operations of the Project.

I. **"Specialized Services"** means expertise, services, or products, the application of which are unique to the construction of the Project and which are only available through sole or limited source providers or national vendors. Specialized Services shall also include the services provided by the Contractors and designers who have been involved with and have previous experience on similar projects with Developer and which Developer has engaged or intends to engage to perform similar services for the Project.

K. **"Women Business Enterprise or WBE"** means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. DESIGN, DEVELOPMENT, AND CONSTRUCTION OF THE PROJECT.

A. GOALS FOR LBE/MBE/WBE PARTICIPATION.

1. Project Design, Development, and Construction Goals.

Developer will use its Best Efforts to meet the following goals based upon the total cost of Construction of, and Professional Services for, the Project and all related facilities undertaken by Developer, but not including Specialized Services. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. In the event Developer obtains bids for any aspect of the Project for which a bid by a Proposer qualifying as an LBE, MBE, or WBE is not the lowest or best bid, Developer shall not be required to meet the LBE/MBE/WBE participation percentage goals for that aspect of the Project. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not to act as quotas or set asides.

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

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs. Developer shall strive to meet each individual goal listed.

2. Contract Specific Goals.

The parties agree that the goals are set forth for Construction of, and Professional Services for, the Project as a whole, excluding Specialized Services, and the UG will reasonably agree to different specific goals for specific contracts or portions of contracts to be awarded by Developer, when proposed by Developer, relating to the Construction of the Project, based upon the availability of qualified LBEs and certified MBEs and WBEs to perform the specific scopes of work delineated in Developer's Project Utilization Plan (as described herein).

3. Eligibility for Credit.

a. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification at the time of submittal of the subject bid or proposal and ultimately certified as MBEs or WBEs by the Kansas Department of Commerce, State of Missouri, Missouri Department of Transportation, City of Kansas City, Missouri, MidAmerica Minority Business Development Council, Women's Business Enterprise National Council, or any other public or private entity reasonably acceptable to the UG and Developer (each an "approved" business), may be counted towards the participation goals in Section III.A.1. above.

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

4. Construction Workforce.

a. Recruitment and Outreach. Developer will use its Best Efforts to employ and to ensure its Contractors employ Local Residents, minorities, and women in all aspects of the Construction of, and Professional Services for, the Project except for Specialized Services. These efforts shall include but not be limited to:

i. advertising in appropriate publications describing the work available, pay scales, and application procedures and maintaining a log or copies of these ads showing the date of publication and identifying the publication;

ii. working with local community organizations, minority and women's community organizations, and other appropriate organizations to seek qualified Local Residents, minorities, and women (a list of these organizations may be provided by the UG upon request); and

iii. working with the UG to promote diversity and inclusion in all aspects of Construction of, and Professional Services for the Project.

Documentation of these and any other steps taken shall be submitted to the UG prior to the beginning of the bidding process.

b. Employment Procedures. Subject always to Applicable Law and Requirements, Developer and its Contractors shall implement equal employment opportunity hiring and job action procedures as those terms are commonly understood.

B. DEVELOPMENT AND PROJECT UTILIZATION PLANS.

1. Submissions, Content, and Fulfillment of Project Utilization Plan.

a. At least 14 calendar days before the solicitation of the first proposal for the Construction of part of the Project, which is issued by Developer after the execution of the Agreement, Developer will submit a Project Utilization Plan to the UG for review and approval. The Project Utilization Plan shall be on the form attached to this Exhibit as Attachment A or on another form provided or approved by the UG (the "Project Utilization Plan"). This Project Utilization Plan shall set forth, to the best of Developer's knowledge: all categories of work that will be covered within solicitations that Developer or its Contractors intend to issue for all Construction and Professional Services providers necessary for the construction of the Project; an estimate of the dollar value of all work covered by these solicitations; an estimate of the dollar value of work within each identified work category; the dollar value of the work for each identified work category that is projected to be performed by LBEs, MBEs and WBEs; any known potential joint ventures with LBEs, MBEs, and WBEs within each identified work category; an overall schedule of all work projected to be performed related to the design, development, and construction of the Project, laid out sequentially over time; and the actions Developer intends to take, with respect to each of these solicitations, to make its Best Efforts to meet the goals set forth in Section III.A.1. of this Exhibit.

b. Developer, in the Project Utilization Plan, shall designate one person as the Project Manager to serve as the point of contact with the UG on all matters related to the Project Utilization Plan. Developer shall provide the Project Manager's name, physical office address, e-mail address, and phone number to the UG. The Project Manager shall be an individual with administrative authority with regard to enforcement of the stipulations located within this Exhibit.

c. The goals of Section III.A.1 may be met by the expenditure of dollars with approved LBE/MBE/WBE prime Contractors, material suppliers (either by Developer or a prime Contractor), subcontractors (either by Developer or a prime Contractor), or through joint ventures with approved LBEs, MBEs or WBEs.

i. Certified MBE and WBE prime Contractor Proposers may count their own participation toward a goal for which they qualify, and may divide their own participation between two goals, but their participation may not be double-counted. These prime Contractor Proposers shall receive credit towards the goals for the dollar value of the contract.

ii. Approved or certified LBE/MBE/WBE material suppliers, regular dealers, and manufacturers shall be credited towards the goals for the dollar value of the contract.

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

iv. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be double-counted. A certified MBE or WBE may also be counted towards the LBE goal, if qualified as LBE. The amount of participation by these businesses may be divided between the MBE or the WBE goals. A qualified LBE that is certified as MBE and WBE shall be counted toward the LBE and the MBE or WBE goals, but shall not be counted toward both the MBE and WBE goals.

v. Only the participation of LBEs, MBEs, and WBEs that provide a commercially useful function required for the work of the specific solicitation shall be counted toward achievement of the goals. The LBE/MBE/WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the solicitation. Brokering is not credited. Purchases from LBEs, MBEs, and WBEs that constitute indirect or general overhead costs to a projected Proposer's business may not be counted toward the goals. Costs directly incurred solely to perform the work with respect to a Project contract may be counted toward the goals.

2. Evaluation of Project Utilization Plans.

a. The UG will review Developer's Project Utilization Plan respecting each category of work identified by Developer. In conducting its review, the UG shall evaluate the extent to which the actions Developer proposes to take to meet the goals constitute Best Efforts, as set forth is Section III.C.3.b. below. In no event shall Developer or any of its Contractors be required to engage any LBE/MBE/WBE that is not the low bidder or is not qualified or capable of performing the work to acceptable standards in the reasonable discretion of Developer.

b. Changes to the Project Utilization Plan after its initial submission to the UG shall be reviewed and approved or rejected by the UG within 30 days following submission of the same by Developer, and such changes shall be deemed to be approved by the UG if not rejected within such 30-day period.

C. CONTRACT AWARD COMPLIANCE PROCEDURES.

1. Solicitation Documents.

The solicitation documents for each contract for which goals are established pursuant to the Project Utilization Plan shall contain a description of the requirements set forth in this Exhibit; the LBE/MBE/WBE goals; and the areas of projected subcontracting. Five (5) calendar days before the issuance of each solicitation, Developer shall submit the solicitation documents and the bid list to the UG. This submittal is mandatory for each bid subject to LBE/MBE/WBE goals.

2. Developer's Report of Solicitation Results.

Within thirty (30) working days after the date set for receipt of proposals by each solicitation issued for Developer for the construction of the Project, the Project Manager shall submit to the UG, on a form provided or approved by the UG, a Report of Solicitation Results (the "**Report**") fully describing all proposals received in response to the solicitation. The Report shall: (1) state the estimated total dollar value of the work covered by the solicitation; (2) state the names of all Proposers; (3) state the total dollar value of work covered by proposals submitted by approved LBEs, MBEs, and/or WBEs (for both Construction and Professional Services); (4) provide all relevant information concerning each joint venture Proposer; and (5) state the name of all subcontractors to Proposers (to the extent then available) that are approved LBEs, MBEs, and/or WBEs, and the dollar value of work covered by proposed subcontracts between Proposers and LBEs, MBEs and/or WBEs. The Report shall also indicate to which of the Proposers, including joint venture Proposers, Developer or any of its Contractors is intending to award contacts resulting from the solicitation. In addition, with respect to any LBE/MBE/WBE goal established in the Project Utilization Plan that it appears from the proposals received will not be met, Developer shall include in the Report a precise description of all Best Efforts it has undertaken or caused to be undertaken to meet the established goals. These submittals are mandatory for all solicitations subject to LBE/MBE/WBE goals.

3. UG Review of Developer's Report of Solicitation Results.

a. Within seven (7) calendar days of receiving a Report for review, the UG, based on its review of the Report, shall advise Developer whether it appears that, in light of Developer's indication of the Proposers to whom it intends to award contracts, Developer will meet the goals set forth in the Project Utilization Plan or if not, whether Developer has established Best Efforts to meet these goals, and shall state the reasons for this conclusion, referring to the specific Best Efforts criteria contained in Section III.C.3.b. below. As a part of its review, the UG may ascertain whether LBE/MBE/WBE subcontractors agree with the dollar value of the work and the scope of the work, as identified in the proposal.

b. For each Project Utilization Plan goal that is not achieved, Developer shall be deemed to have used **"Best Efforts"** to meet the Project Utilization Plan goals for construction and Professional Services set forth in Section III.A.1. of this Exhibit if Developer shall have taken or cause to have taken substantially all the following actions:

i. Developer is seeking or has sought timely assistance of the UG to identify qualified LBEs, MBEs, and WBEs;

ii. Developer is advertising or has advertised contract opportunities in local, minority, and women media;

iii. Developer is providing or has provided reasonable written notice of opportunities and informational meetings to approved LBEs, MBEs, and WBEs;

iv. Developer is following up or has followed up initial solicitations of interest by contacting LBEs, MBEs, and WBEs;

v. Developer is segmenting or has segmented portions of the work to increase the likelihood of LBE/MBE/WBE participation, where feasible;

vi. Developer is providing or has provided interested LBEs, MBEs, and WBEs with timely and accurate information about the plans, specifications, requirements, deadlines, and bidding procedures of the contracts;

vii. Developer is negotiating or has negotiated in good faith with interested LBEs, MBEs, and WBEs, not rejecting them as unqualified without sound reasons, based on a thorough review of their capabilities and prior work histories;

viii. Developer is working or has worked with local, minority, and women contracting, professional, civic, and community organizations, government officers, or any other organization or persons, as identified by the UG, that provide assistance in the recruitment of LBEs, MBEs and WBEs.

Failure by Developer to take all of the foregoing actions shall not be determinative that Developer has not used its Best Efforts.

4. Signed Contracts.

Developer's Project Manager shall submit signed contracts with successful Proposers to the UG within 20 days after the same are fully executed.

D. SUBCONTRACTOR RELATIONS.

1. Documentation of Subcontracting Agreements.

All subcontracting services shall be evidenced by a written agreement stating, at a minimum, the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

2. Documentation of Schedules.

a. For Construction contracts, the Contractor must keep a work schedule that includes when the LBE/MBE/WBE subcontractors will be utilized at the job site. This schedule shall be available to the UG at any time upon request.

b. For Professional Services contracts, Developer must keep a written schedule of when the LBE/MBE/WBE consultants will be working on the Project. This written schedule shall be provided to the UG at any time upon request.

3. Substitutions, Additions, or Deletions.

Where a substitution for a LBE/MBE/WBE subcontractor must occur after submission of proposals by the Project Manager to the UG, the Project Manager must submit the proposed change or substitution to the UG for review. The UG shall have no authority to approve or reject any change or substitution. The sole purpose of the review by the UG shall be to determine whether the LBE/MBE/WBE should be counted toward achievement of the goals of Section III.A.1.

IV. UG'S ASSISTANCE TO DEVELOPER.

The UG shall use its best efforts to provide assistance to Developer in fulfilling its obligations as set forth in this Exhibit. Developer assumes all responsibility for its Best Efforts in meeting the goals and complying with the procedures and processes set forth herein. The UG assumes no duty or responsibility to Developer with respect to Developer's fulfillment of the goals set forth in this Exhibit by reason of the provision of assistance to Developer. Examples of assistance the UG may provide include but are not limited to:

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

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

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

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

E. recommending contract specific goals, as appropriate;

F. providing assistance in pre-award activities, such as provision of model or example Project Utilization Plans and work segmentation;

G. reviewing Developer, Contractor, and subcontractor performance and LBE/MBE/WBE participation on the Project;

H. providing advice relative to utilization and compliance matters;

I. conducting compliance reviews and audits of LBE/MBE/WBE participation;

J. evaluating requests for substitutions, additions, and deletions;

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

L. reviewing payments to subcontractors, as documented by monthly reports submitted by Developer;

M. reviewing complaints from LBEs, MBEs WBEs, Contractors, subcontractors, and any other interested persons regarding these goals and procedures;

N. assisting in Developer's development of forms to document compliance with these procedures; and

O. reviewing and approving utilization plans and contract award submittals.

V. <u>DEVELOPER COMPLIANCE RECORDS AND REPORTS</u>.

A. RECORDS.

Developer shall maintain those records as may reasonably be required to demonstrate compliance with (and/or its Best Efforts to comply with) the goals and procedures set forth in this Exhibit. These records shall be available to the UG upon reasonable notice.

B. DEVELOPMENT AND PROJECT UTILIZATION PLAN REPORTS.

Commencing in accordance with Section III B(1) herein until completion and opening of the Project, Developer shall update the Project Utilization Plan quarterly on the forms attached hereto as Attachments B and C or another form provided or approved by the UG and shall include information requested thereon. In addition, each quarterly report shall include the following for each LBE, MBE or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE and WBE and a brief description of the work to be performed by each. Developer also shall document the change orders to contracts awarded in each quarterly report.

C. REMEDIES.

1, If Developer should fail to provide a Report required by this Exhibit, and fail to cure such failure within 30 days after receipt of written notice from the UG specifying such failure, then such failure to cure shall constitute an event of default and the UG shall have those remedies set forth in Section 8.2 of the Agreement. In addition, the UG shall have the right to stop processing draw requests until Developer complies with reporting requirements.

2. If, after reviewing Developer's Reports, the UG believes that the participation goals contained in this Exhibit have not been met, and that the Best Efforts described herein have not been met, then the UG shall inform Developer of this determination in writing. If, within 30 days following its receipt of said written determination from the UG, Developer fails to demonstrate to the UG's reasonable satisfaction that either: (i) the goals contained in this Exhibit have been met; or (ii) the goals contained in this Exhibit may not have been met but the Best Efforts described herein have been met, then the UG shall have the right to reduce both the TIF Cap and CID Cap by an amount equal to 10% (applied separately to Construction and Professional Services) as the UG's sole and exclusive remedy for such failure. The UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:____________________________________
David Johnston
County Administrator
Date:____________________________, 2024

CSMS MANAGEMENT, LLC

By:______________________________
Name:___________________________
Title:____________________________
Date:______________________, 2024

Attachment A

Unified Government **Date:________________**

Project Utilization Plan

Project Name:______________________________

Bid Package	Estimated Contract Value	Estimated LBE Value	Estimated LBE %	Estimated MBE Value	Estimated MBE %	Estimated WBE Value	Estimated WBE %	Total Combined Value	Total Combined %

DIVERSITY TOTAL	**0**			**0**	**#DIV/0!**	**0**	**#REF!**		

Attachment B

LBE/MBE/WBE Utilization Report

LBE/MBE/WBE - UTILIZATION REPORT

Month, Year

CONSTRUCTION

APPLICABLE TRADES

	Goal		Actual
Total by Classification	0.00%	LBE	0.00%
	0.00%	MBE	0.00%
	0.00%	WBE	0.00%

Discipline	Subcontractor/Supplier Name	Original Contract Value	Change In Contract Value	Total Contract (Excluding CCIP)	LBE $	LBE %	MBE $	MBE %	WBE $	WBE %	Ceritifying Agency or Local Zip Code
Bid Package #1											
Bid Package #2											
Bid Package #3											
Bid Package #4											
Bid Package #5											
Total Applicable Contract Volume Awarded To Date											
					$	%	$	%	$	%	
					TOTAL - LBE		TOTAL - MBE		TOTAL - WBE		

Exhibit J – Attachment B

Attachment C

LBE/MBE/WBE COMPLIANCE

SUMMARY REPORT

EXPENDITURES FOR REPORTING PERIOD

GOODS SUPPLIES and OTHER SERVICES	**Total**	**Class**	**Percent**	**Comments**
Total $ Awarded				
Total $ Expended				
Total $ MBE		% MBE		
Total $ WBE		%WBE		
Total $ M/WBE		%M/WBE		

MINORITY AND WOMEN EMPLOYEES

List the name, address, trade, classification, date hired, sex and ethnic origin for each minority/women employed by your company.

Name & Address	Trade	Classification	Date Hired	Sex	Ethnic Origin

10/16/24 EXECUTIVE SUMMARY
DEVELOPMENT AGREEMENT (BUC-EE'S FAMILY TRAVEL CENTER)

1. **Parties**. The UG and CSMS Management, LLC, a Delaware limited liability company ("Developer").

2. **The Project Site**. The Project Site is generally located on approximately 20 acres of real property generally located at 601 Village West Parkway in Kansas City, Kansas in Kansas City, Kansas. Developer does not yet own the Project Site but has the right to acquire it from the current owner (Kansas Speedway) pursuant to a Purchase and Sale Agreement executed on June 7, 2023.

3. **The Project**. The Project is to be designed, developed and constructed as a new Buc-ee's Family Travel Center comprised of approximately 74,000 square-foot building, approximately 120 gas pumps, approximately twelve (12) electric charging stations and other related amenities.

4. **Timing**. Developer has until March 1, 2025 to clear conditions, and then is required to commencement construction within 60 days after that March 1, 2025 deadline. Developer agrees to complete the Project within 24 months of commencing construction.

5. **Incentive Financing Provided**. Developer has requested public financing to reimburse $13,388,509 of infrastructure costs. The Agreement would provide these reimbursements through $3,347,127 of TIF financing and $10,041,382 of CID financing. Both TIF and CID proceeds would be made available to Developer on a pay-as-you-go basis, without bonds. The public financing would also be limited in the following ways:

(a) the maximum amount of TIF reimbursements to Developer is capped at $3,347,127 (the "TIF Cap"), and would be paid from 50% of the incremental city sales tax collected from the Project and 25% of the UG's share of the incremental county sales tax collected from the Project. The TIF collection period ends on the earlier of the date that Developer has been reimbursed for all TIF eligible expenses in an amount equal to the TIF Cap or 15 years from the date that the UG approves the TIF project plan; and

(b) the maximum amount of CID reimbursements to Developer is capped at $10,041,382 (the "CID Cap"), provided however, that 6% interest (per annum) on Developer's unreimbursed infrastructure costs will be payable in addition to (and on top of) the CID Cap. The CID will be based on a 1% add-on sales tax at the Project and the CID collection period will end on the earlier of the date that Developer has been reimbursed for all of the $13,388,509 of infrastructure costs or 20 years from the date that CID collection is started.

(c) all public financing reimbursements are subject to a 50/50 limitation between private funds and the available public financing to ensure that at all times, the UG will not have paid more TIF proceeds and/or CID proceeds to Developer than the amount of project costs paid by private funds. Further, if the combination of CID and TIF financing provided to Developer ever exceeds 20% of the total costs of the Project, the TIF Cap will be reduced to ensure that the UG's incentives never exceed 20% of the total Project costs.

6. **Industrial Revenue Bonds**. Developer has requested IRB financing in order to obtain an exemption on sales taxes for construction materials, equipment and furnishings for the Project. However, the parties hereby understand and agree that IRB financing shall not be used for abatement of ad valorem taxes for the Project or the Project Site. Developer agrees to pay all costs and expenses related to the issuance of the IRBs, including without limitation the UG's IRB issuance fees.

7. **Term/Use and Operation**. The term of the Agreement would run until the later of the 15-year TIF collection period or the 20-year CID collection period, if the public financing has not yet reached the TIF Cap and/or CID Cap. During the term, Developer has agreed to the UG's standard use and operation requirements in Article 6, including restrictions on uses (6.2(e)), compliance with law (6.5), payment of taxes (6.6), insurance (6.10), and indemnification (6.12). This Agreement is somewhat unusual in a couple of key provisions: (i) the UG agrees to be subordinate to Developer's construction lender in Section 6.8, and (ii) in Section 6.11 Developer's lender has a right not to use insurance proceeds to rebuild the Project; but Developer covenants to rebuild even if the lender does not allow the insurance proceeds to be used for that purpose.

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

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

If, upon completion of Project, Developer shall have failed to use best efforts to meet the LBE/MBE/WBE goals, then the UG will have the right to reduce both the TIF Cap and CID Cap by 10% for each of Construction and Professional Services.

9. **Assignment/Transfer**. In general, Section 6.13 provides that Developer cannot sell, mortgage or transfer the Project Site or the Project without UG approval, which approval would be at the UG's sole discretion.

10. **Default**. The default provisions are generally consistent with other development agreements, provided however that Developer negotiated to buy its way out of the remedy to specific performance for certain obligations if Developer pays, returns and reimburses the UG an amount equal to all public financing received by Developer, and Developer foregoes any further public financing under this Agreement. The obligations in question relate to the obligation to stay open and operate a Buc-ee's store as required in Section 6.2 and the obligation to rebuild after a fire, casualty or condemnation in Section 6.11.

Tracking ID: 21372

Report to
Economic Development & Finance

MEETING DATE	PRESENTER	DEPARTMENT
	Wendy Green, Assistant Counsel wmgreen@wycokck.org x5679	Legal

AGENDA ITEM #IV.5.
RESOLUTION: THIRD AMENDMENT TO DEVELOPMENT AGREEMENT (KANSAS ENTERTAINMENT LLC)

BACKGROUND
A resolution approving the Third Amendment to the Development Agreement between the UG and Kansas Entertainment, LLC.

RECOMMENDATION
Approve

BUDGET IMPACTS / FINANCIAL CONSIDERATIONS

IT/POLICY CONSIDERATIONS

PROCUREMENT CONSIDERATIONS

LEGAL CONSIDERATIONS

ATTACHMENTS
mayor memo, Resolution Approving Third Amendment to Development Agreement, DRAFT Third Amendment to Development Agreement Hollywood_10-2-24, Hollywood Casino Hotel grant Award Fund negotiations revised pdf, UG deck - Hotel Hearings 093024

Approved by Mayor and/or Chair and Administrator to add to agenda.

Unified Government of
Wyandotte County/Kansas City, Kansas
Tyrone A. Garner, Mayor/CEO

MEMORANDUM

To: Unified Government Board of Commissioners

From: Mayor/CEO Tyrone Garner

Date; October 18, 2024

Subject: Hollywood Casino Development Agreement Amendment Status (Third Amendment) Revised

You were sent a memorandum on the above subject matter a couple of days ago wherein I presented my rationale for sending this matter back to the Standing Committee for further consideration and discussion. While I remain steadfast in my determination to refer it back, I want to provide some clarity on what options the standing Committee may undertake. I have, through my earlier memorandum, offered an option of preference on increasing the charitable contribution amount and using those funds to help address the ever-pressing needs of our impoverished and indigent population. However, with regard to the three changes recommended by the standing committee I could also support leaving the penalty clauses exactly as they are until what was originally proposed is constructed and out of the ground.

Members of my staff have suggested leaving the penalty section as it is presently but cutting it in half to match the reduction of the hotel size since the hotel size is cut in half, but also leave the charitable contribution amount at the current higher agreed upon value. All of these are acceptable options that can and should be on the table as negotiations take place. It goes, without saying that how the fund pool is used, whatever it amounts to, is up to a majority of the Commission. My suggestions are designed to identify ways to address the needs of our community without adding to our debt load. This might also help to reduce the reliance on our budget for needed services so that we might reduce the tax burden felt by our residents.

Please advise if there are questions or concerns about my referring this matter back to the Standing Committee or the options at your disposal.

C. David Johnston, County Administrator; Wendy Green, Deputy Chief Legal Counsel; Monica Sparks, UG Clerk; LaVert Murray, Chief Economic Development Advisor

701 North 7th Street, Suite 926
Kansas City, Kansas 66101
Phone: (913) 573-5010
Email: mayorgarner@wycokck.org

Unified Government of
Wyandotte County/Kansas City, Kansas
Tyrone A. Garner, Mayor/CEO

MEMORANDUM

To: Unified Government Board of Commissioners

From: Mayor/CEO Tyrone Garner

Date; October 16, 2024

Subject: Hollywood Casino Development Agreement Amendment Status (Third Amendment)

The above subject Hollywood Casino Development Agreement amendment was discussed and deliberated during the September 30, 2024 Economic Development Standing Committee meeting, resulting in a recommendation to the full U G Commission that would :

1. Decrease the number of Hotel rooms from 250 rooms to 125 rooms
2. Increase the charitable contribution for social services from $500,000 to $850,000.
3. Extend the date to commence hotel construction to December 31, 2026.

The Standing Committee's recommendations on this matter were to be deliberated and voted on by the full U G Commission at its October 30, 2024, meeting, and this memorandum is intended to provide advanced notice and information as to why I have opted to refer the matter back to the Standing Committee to consider additional options that would further benefit the community.

There is an exigent need to address the needs of our impoverished population in our downtown and throughout the city. There exist funding shortages that hamper our social service agencies in their efforts to reduce homelessness, hunger, and crime and promote community stability. If some of the progress we are experiencing in our downtown is to manifest we must be deliberate in our efforts to develop a comprehensive solution for addressing typical societal ills and afflictions like mental illness, addictions and other behaviors that further exacerbates the plight of the impoverished. Time is of the essence,

It is proposed that staff continue negotiations with Kansas Entertainment, LLC to increase the charitable contribution fund for social services from $850,000 to $1,000,000, which represents an increase of $150,000. This would allow us to fund our food kitchen and promote a centralized support system for our indigent population with a range of social services. When considering the total sales of the casino this represents a very small sacrifice for Kansas Entertainment, LLC, while bringing about huge benefits for our indigent population.

Please advise if there are questions or concerns about my referring this matter back to the Standing Committee.

C. David Johnston, County Administrator; Wendy Green, Deputy Chief Legal Counsel; Monica Sparks, UG Clerk; LaVert Murray, Chief Economic Development Advisor

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RESOLUTION NO. R-____-24

A RESOLUTION AUTHORIZING THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS TO ENTER INTO THE THIRD AMENDMENT TO DEVELOPMENT AGREEMENT WITH KANSAS ENTERTAINMENT, LLC.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") and Kansas Entertainment, LLC, a Delaware limited liability company ("Entertainment"), entered into that certain Development Agreement dated as of September 8, 2009, including the Addendum to the Development Agreement dated March 15, 2010, the Amendment to Development Agreement dated January 9, 2014, and the Second Amendment to Development Agreement dated June 26, 2014 (collectively, the "Development Agreement");

WHEREAS, the Development Agreement is and has always been contingent on Entertainment being the Lottery Gaming Facility Manager for the Gaming Facility in the Northeast Gaming Zone d/b/a Hollywood Casino at Kansas Speedway ("Hollywood") pursuant to the Gaming Facility Contract dated August 25, 2009;

WHEREAS, Entertainment is in negotiations with the State for renewal or extension of the Gaming Facility Contract and, in conjunction with those discussions, intends to proceed with building a hotel connected to Hollywood which will include at least 125 guest rooms and have a construction commencement date of on or before December 31, 2026, provided the Gaming Facility Contract is renewed or extended and the Development Agreement is amended; and

WHEREAS, the Governing Body has determined that it is advisable to enter into the Third Amendment to Development Agreement, attached hereto as **Exhibit A** (the "Third Amendment"), with Entertainment to facilitate Entertainment's completion of the Hotel and support renewal or extension of the Gaming Facility Contract.

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

Section 1. The Governing Body hereby approves the Third Amendment in substantially the form attached hereto.

Section 2. The County Administrator is hereby authorized and directed to execute in the name of the UG and deliver the Third Amendment.

Section 3. In furtherance of the foregoing, the Governing Body hereby endorses Hollywood renewing the Gaming Facility Contract for an additional fifteen (15) years.

Section 4. The County Administrator is hereby further authorized and directed to take such actions and to execute any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 5. This Resolution shall be effective upon adoption by the Governing Body.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON _______________________, 2024.

____

Tyrone Garner, Mayor/CEO

ATTEST:

____

Unified Government Clerk

(Seal)

<u>EXHIBIT A</u>

Third Amendment

[Attached on following pages.]

THIRD AMENDMENT TO DEVELOPMENT AGREEMENT

This Third Amendment to Development Agreement (the "Third Amendment") is made and entered into as of the ____ day of ____ 2024, by and between the UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ("Unified Government") and KANSAS ENTERTAINMENT, LLC ("Entertainment"), a Delaware limited liability company.

RECITALS:

A. The parties entered into that certain Development Agreement dated September 8, 2009, as amended from time to time by the parties, including the Addendum to Development Agreement dated March 15, 2010, the Amendment to Development Agreement dated January 9, 2014, and the Second Amendment to Development Agreement, dated June 26, 2014 (collectively, the "Development Agreement"; reference to the Development Agreement shall include reference to this Third Amendment, as appropriate).

B. Pursuant to that certain Gaming Facility Contract, dated August 25, 2009, Entertainment is the Lottery Gaming Facility Manager for the Gaming Facility in the Northeast Gaming Zone d/b/a Hollywood Casino at Kansas Speedway ("Hollywood"). The Development Agreement terminates, and the Unified Government loses all benefits associated therewith, if Entertainment is no longer the Lottery Gaming Facility Manager for the Northeast Gaming Zone.

C. Entertainment is in negotiations with the State for renewal or extension of the Gaming Facility Contract and, in conjunction with those discussions, Entertainment has notified the Unified Government of its intention to proceed with building a hotel connected to Hollywood, which will include at least 125 guest rooms and have a construction commencement date of on or before December 31, 2026 (the "Hotel"), provided the Gaming Facility Contract is renewed or otherwise extended and the Unified Government is amenable to amending the Development Agreement as set forth herein.

D. Entertainment's plan for the Hotel and its renewal or extension of the Gaming Facility Contract are in the best interest of the Unified Government and entering into this Third Amendment is necessary for Entertainment's construction of the Hotel and the renewal or extension of the Gaming Facility Contract.

E. ln light of the circumstances set out above, the Unified Government Board of Commissioners wishes to amend the Development Agreement to facilitate Entertainment's completion of the Hotel and support renewal or extension of the Gaming Facility Contract.

F. The Unified Government Commission adopted Resolution No. ______ on ___, 2024, authorizing this Third Amendment, and authorizing the County Administrator to execute on behalf of the Unified Government the Third Amendment.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows.

1. The Development Agreement is hereby amended in the following respects.

2. Any and all references in the Development Agreement, direct or indirect, to the Project and/or Hotel, including but not limited to Sections 2.01 of the Development Agreement, any Development Agreement Exhibits, and/or any reference to the Hotel, rooms or guest rooms or the timing of any aspect of the Hotel, shall be amended so that the Project now contemplates a Hotel with (a) 125 guest rooms; and (b) a construction commencement date of on or before December 31, 2026, striking any reference, direct or indirect, to the contrary, subject to Section 13.03, as amended in Paragraph 3 of this Third Amendment. For clarity, references to the beginning of construction and/or the construction commencement date of the Hotel, as used herein, shall refer to the occurrence of both the issuance of the necessary permits to begin construction of the Hotel and Entertainment's undertaking of a program of construction that is continuously pursued to completion.

3. Subject to the timing provisions set forth in Paragraph 5, Section 13.03 of the Development Agreement, inclusive of any terms or conditions in the Development Agreement arising from or relating to Section 13.03, are hereby stricken in their entirety and Section 13.03 is replaced with the following:

> **13.03. Failure to Timely Develop a Hotel.** In the event Entertainment has not begun construction on a Hotel, containing a minimum of 125 guest rooms, on or before December 31, 2026, Entertainment shall be liable to the Unified Government for liquidated damages as follows: from January 1, 2027 until such time as Entertainment commences construction of the above-referenced Hotel, Entertainment shall pay to the Unified Government liquidated damages equal to one-percent (1%) of the "Lottery Gaming Facility Revenues" (as that term is defined in the Gaming Facility Contract) to be utilized solely at the discretion of the Unified Government.
>
> Any liquidated damage liability arising under this Section 13.03 shall be due and payable from Entertainment within thirty (30) days after the date the Unified Government provides Entertainment with a written demand for such payment. Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 13.03 constitute the exclusive remedy of the Unified Government for the failure of Entertainment to comply with its obligation contained regarding the Hotel.

4. Subject to the timing provisions set forth in Paragraph 5, ~~E~~expressly conditioned upon Paragraph 2 of this Third Amendment remaining in full force and effect explicitly as contemplated herein and Entertainment not being subject to the penalty contemplated in Paragraph 3, upon construction of the Hotel, Entertainment agrees to increase its voluntary charitable contributions to the Unified Government for social services and charitable community activities by $350,000 and, in furtherance thereof, Section 7.01(ii) of the Development Agreement is hereby stricken in its entirety and replaced with the following: "(ii) annual contributions of Eight Hundred Fifty Thousand and no/100 Dollars ($850,000) to fund Wyandotte County social services and

charitable community activities (while these funds are to be dispersed at the Unified Government's sole discretion, Entertainment urges and supports that each year $50,000 of such annual contribution be allocated to Dotte Promise)". For clarity, in the event that the terms and conditions of Paragraph 2 are no longer enforceable or if Entertainment is subject to the penalty contemplated in Paragraph 3, for any or no reason, in part or in full, Paragraph 4 shall no longer have any effect and the contribution in Section 7.01(ii) shall return to $500,000.

5. ~~The~~ This Third Amendment is a binding agreement upon the parties as of the date first referenced above, provided that the effective date of the terms and conditions set forth in Paragraphs 3 through 4 shall be the earlier of (a) the actual date construction begins on the Hotel; or (b) January 1, 2027. For clarity, the intent of the Parties is that (i) effective immediately upon execution of this Third Amendment, the Development Agreement will contemplate a Hotel with 125 rooms and construction beginning on or before December 31, 2026; ~~and~~ (ii) upon the earlier of the beginning of construction of the Hotel and January 1, 2027, Section 13.03 and Section 7.01(ii) of the Development Agreement shall be amended consistent with this Third Amendment; and (iii) Entertainment shall pay to the Unified Government the penalty referred to in Section 13.03 until the Hotel's construction commencement date.

6. All capitalized terms not defined herein shall have the meanings ascribed to them in the Development Agreement.

7. In the event any provision provided herein conflicts with any provision of the Development Agreement, the provisions of this Third Amendment shall control. To the extent the provisions of the Development Agreement are modified by this Third Amendment, directly or indirectly, such provisions of the Development Agreement are hereby superseded and replaced by the terms and conditions in this Third Amendment. Otherwise, the terms and conditions in the Development Agreement shall remain in full force and effect as set out therein.

8. The Development Agreement, as amended by this Third Amendment, shall be binding upon and inure to the parties' respective successors and assigns.

9. If any provision or any portion thereof contained in the Development Agreement, as amended by this Third Amendment, is held to be unconstitutional, invalid, or unenforceable, such provision or portion thereof, shall be severable, and the remainder of the Development Agreement, as amended by this Third Amendment, shall not be affected and shall remain in full force and effect.

10. The persons signing this Third Amendment are duly authorized to execute the document on behalf of and to bind their respective parties.

IN WITNESS WHEREOF, the parties have executed and delivered this Second Amendment effective as of the date first written above.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:_____________________________________
David Johnston
County Administrator

Attest:

____
Unified Government Clerk

KANSAS ENTERTAINMENT, LLC
By: Penn Hollywood Kansas, Inc., its Managing Member

____
By: Chris Rogers
Title: Secretary

[END OF DOCUMENT]

Unified Government of
Wyandotte County/Kansas City, Kansas
Tyrone A. Garner, Mayor/CEO

MEMORANDUM

To: Unified Government Board of Commissioners

From: Mayor/CEO Tyrone Garner

Date; October 16, 2024

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PROPOSED
HOTEL DEVELOPMENT

HOLLYWOOD Casino® AT KANSAS SPEEDWAY®

September 30, 2024

INTRODUCTIONS & AGENDA

- Todd George, EVP – Operations, PENN
- Jeff Boerger, VP – Corporate Development, NASCAR
- Aaron Rosenthal, SVP – Regional Operations, PENN
- Patrick Warren, President – Kansas Speedway
- Lydia Garvey, VP & GM – Hollywood Casino
- Jeff Morris, VP – Public Affairs, PENN
- Lovell Walker, VP – Development, PENN
- Michael West, VP – Legal/Strategy, PENN

1

Reintroducing Kansas Speedway & PENN Entertainment

2

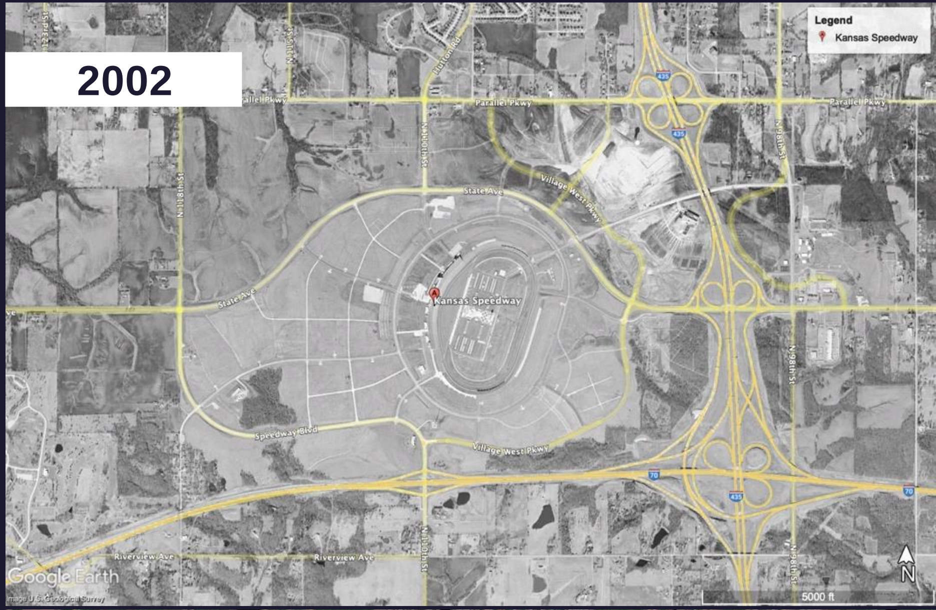
History and Opportunity in Wyandotte County

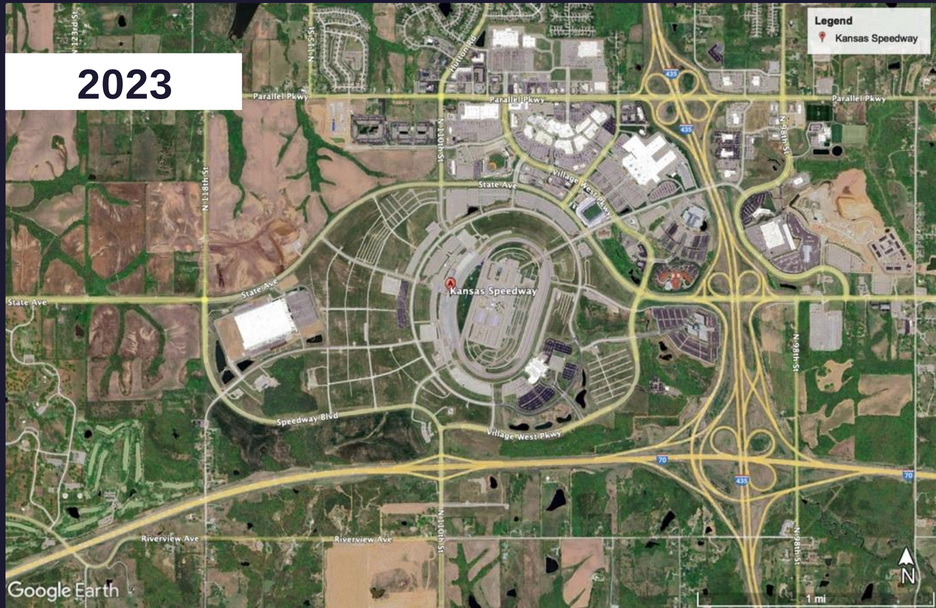
1

REINTRODUCING KANSAS SPEEDWAY & PENN ENTERTAINMENT

KANSAS SPEEDWAY

- Opened in April 2001
- Spurred ancillary development
  - Village West
  - Residential Expansion
  - Hollywood Casino
- Hosts two major annual race weekends
  - Advent Health 400
  - Hollywood Casino 400
- ~250 events at the Speedway each year



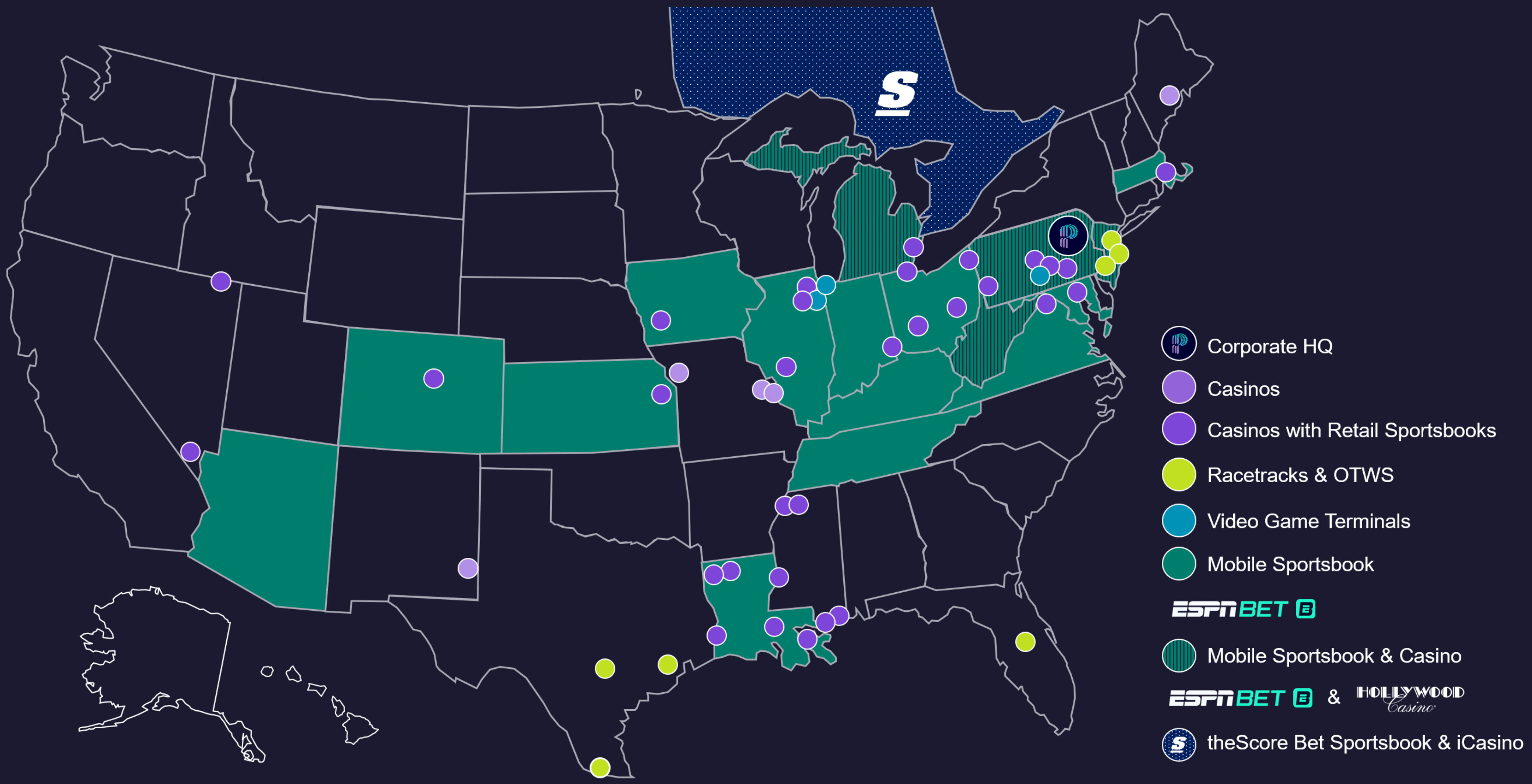


VIDEO

ABOUT PENN ENTERTAINMENT

43
Properties

20,000+
Team Members



OMNI-CHANNEL STRATEGY

Retail Gaming

43 Properties in 20 U.S. States

32 Retail Sportsbooks in 15 U.S. States

Media & Content

Strategic Sports Betting Alliance with ESPN

theScore Media App *(Wholly-Owned)*

Online Gaming

Online Sportsbook Live in 18 U.S. States + Ontario

Online Casino Live in 4 U.S. States + Ontario

31M

LOYALTY PROGRAM MEMBERS (1)

(1) We have added >3m new members over the last 2 quarters, highlighting the power of ESPN BET and our continued success in acquiring members at retail (as of August 2024).

CARING FOR OUR PEOPLE

Investing in our Team Members is investing in our Company.

- Excellent Benefits
- Leadership & Talent Development Programs
- PENN Women
- Commitment to DE&I
- PENN Diversity Scholarship Program
- Inclusive Recruitment Practices
- Partners with the U.S. Chamber of Commerce Foundation's Hiring Our Heroes Program
- Named a Certified Age Friendly Employer by the Age-Friendly Institute

Newsweek

America's Greatest Workplaces for 2023
America's Greatest Workplaces for Diversity

TIME

"World's Best Companies" for 2023

Forbes

"America's Best Large Employers"
America's Best Employers for Diversity in 2023

BRISTOL ASSOCIATES | SPECTRUM GAMING GROUP Independent Research and Professional Services

Consistently ranked in the top two as "Employer of First Choice"

INVESTING IN OUR COMMUNITIES

- PENN contributed over $8M in 2023 and collectively volunteered over 9,500 hours in service of local organizations and our communities.

- Over $750,000 donated companywide in 2023 to Veteran and military support-focused non-profits.

2

HOLLYWOOD CASINO AT KANSAS SPEEDWAY: HISTORY AND OPPORTUNITY

HISTORY

- Kansas Entertainment – a Joint Venture between PENN and NASCAR - stepped into previous agreement with Wyandotte County in 2009 to develop and open a gaming facility.
- Opened February 3, 2012
- 95,000+ sq ft of gaming space
- 1,533 slot machines
- 35 table games
- 12 poker tables
- ESPN BET Sportsbook
- 472 team members

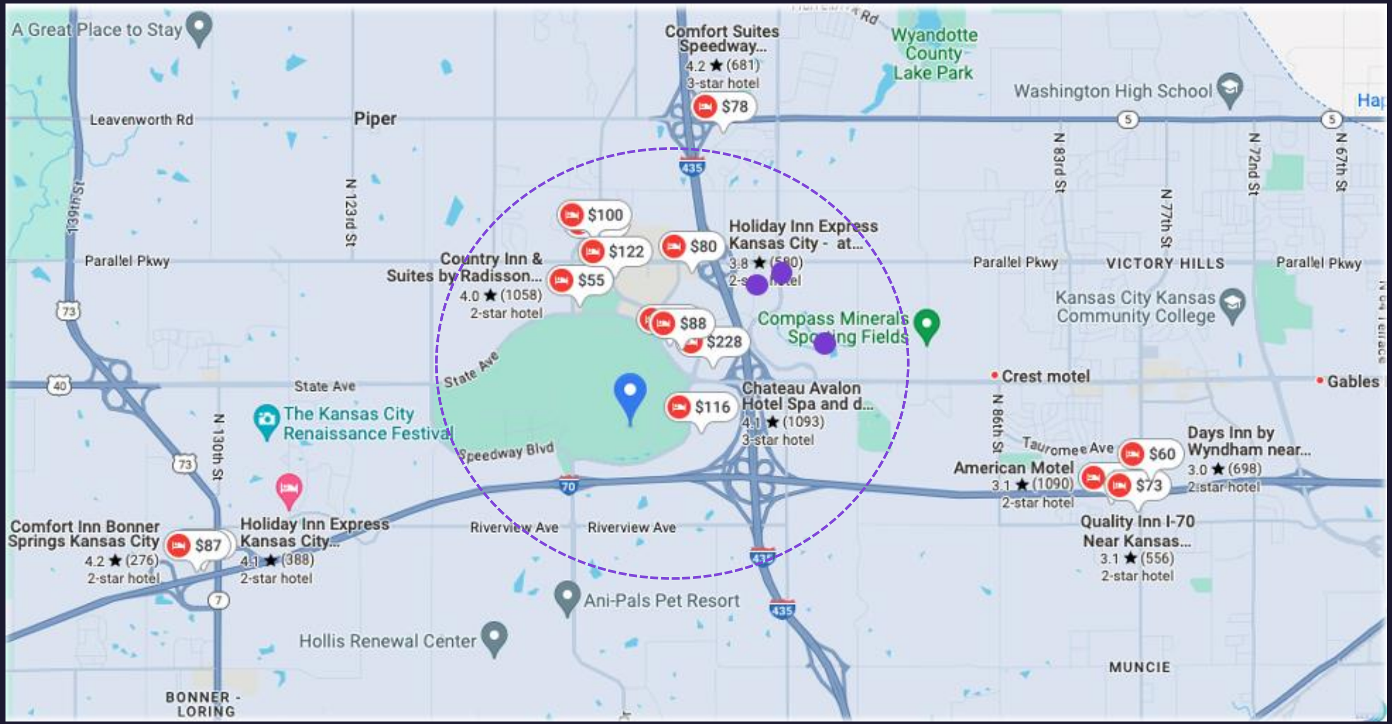
MAJOR ECONOMIC DRIVER IN WYANDOTTE COUNTY

- $290.6 Million in Payroll & Benefits
- $66.7 Million in Property Taxes/Fees
- $32.4 Million in Gaming Taxes
- $14.8 Million in Charitable Contributions

ANNUAL BENEFITS TO WYANDOTTE COUNTY

- 3% of Casino Gaming Revenue (Kansas Lottery revenue share)
- 1% of additional Casino Gaming Revenue per our Development Agreement
- $500,000 to the three nonhost school districts
- $500,000 to fund Wyandotte County social services and charitable community activities
- 100,000 for use by the UG Parks and Recreation
- $25,000 to be distributed to CVB
- $10,000 to the Wyandotte County Chambers of Commerce, to be distributed as follows:
    - $4,000 to the Kansas City Kansas Area Chamber
    - $1,500 to the Bonner Springs Edwardsville Area Chamber
    - $1,500 to the Kansas Black Chamber of Commerce
    - $1,000 to the Women's Chamber of Commerce of KCK
    - $1,000 to the Asian-American Chamber of Commerce
    - $1,000 to the Hispanic Chamber of Commerce

CURRENT LANDSCAPE

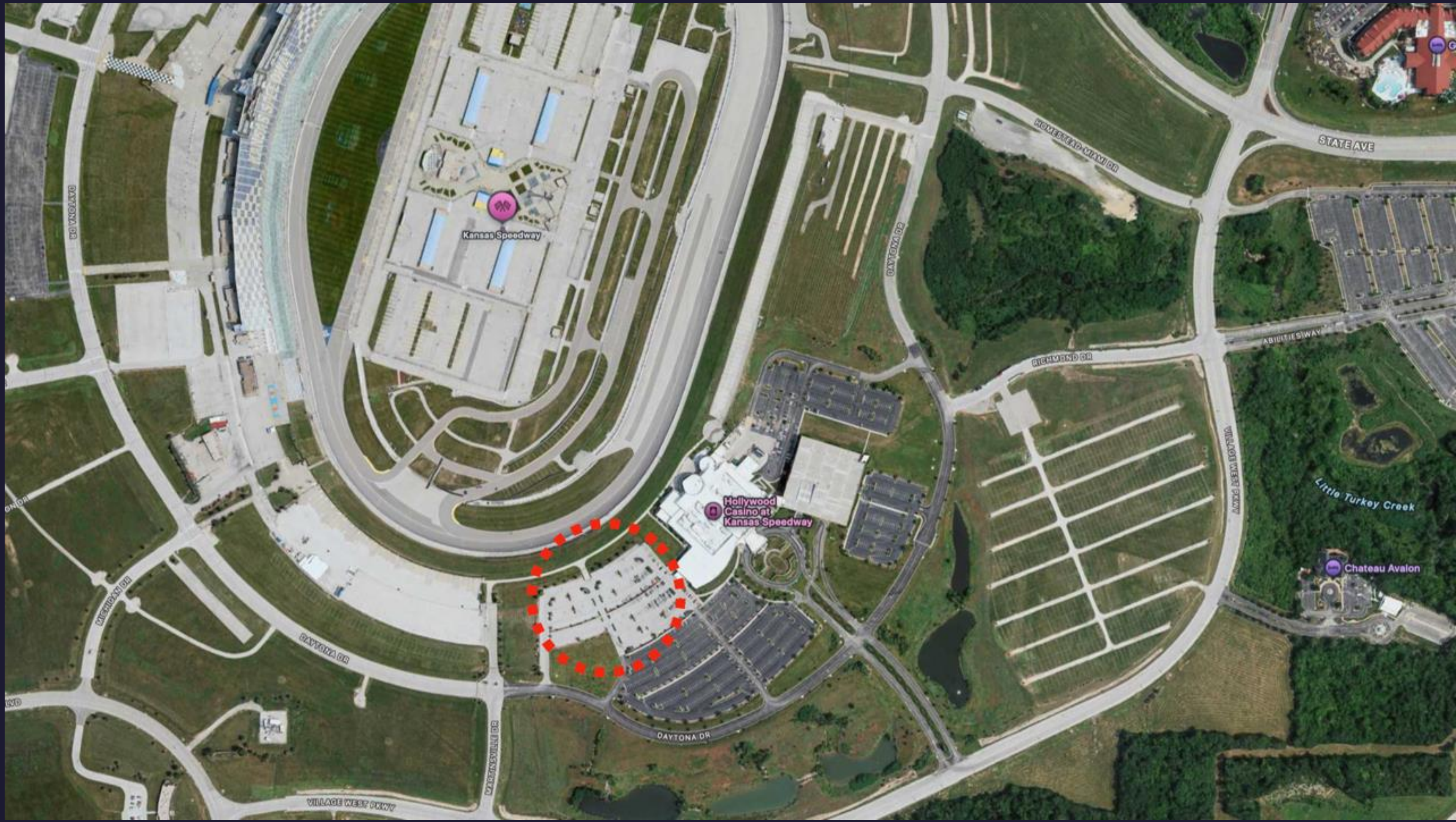


The occupancy rates of area hotels is 70.3% YTD through September 2023 and 65.4% in 2022.

Existing Hotels	Rooms
Comfort Suites Speedway Kansas City	84
Candlewood Suites Kansas City Speedway	95
Homewood Suites by Hilton Kansas City Speedway	108
Great Wolf Lodge Kansas City	281
Hampton Inn Kansas City The Legends	76
Chateau Avalon	60
Holdiay Inn Express Kansas City at The Legends	96
Country Inn & Suites Kansas City at Village West	116
Best Wester Premier KC Speedway Inn & Suites	82
Residence Inn Kansas City at The Legends	108
Existing Room Count	**1,106**
Future Development	
Fairfield Inn & Suites (TBD)	110
Margaritaville Resort (2025)	230
Hilton Garden Inn (TBD)	125
With Future Development	**1,571**

AN OPPORTUNITY TO EXPAND OUR OFFERINGS AT HOLLYWOOD CASINO

- Proposed 125-140 room and suite hotel (with room to expand) connected to the west side of the casino
- New dining options, meeting space, and additional amenities to be determined
- Proven 3rd party developer with a diverse and global portfolio of over 65 hotel accommodations and 27 dining venues



Proposed Hotel Location

Images are examples of similar quality expected at Hollywood Casino's Proposed Hotel

NEW BENEFITS FOR WYANDOTTE COUNTY

- Hundreds of construction and permanent jobs
- Additional $350K to fund Wyandotte County social services and charitable community activities, totaling $850K annually
- New hotel room, sales, and property tax revenue
- Expected increase in gaming tax revenue from higher projected gaming revenues
- One-time tax benefits from construction of hotel

THANK YOU