

STATE OF KANSAS                    )  
WYANDOTTE COUNTY            )) SS    **SPECIAL SESSION, THURSDAY, MAY 6, 2010**  
CITY OF KANSAS CITY, KS        )

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in special session, Thursday, May 6, 2010, with ten members present: Holland, Commissioner At-Large First District; Mendez, Commissioner At-Large Second District; Barnes, Commissioner First District; Miller, Commissioner Second District; Murguia, Commissioner Third District; Mitchell, Commissioner Fourth District; Kane, Commissioner Fifth District; Pettey, Commissioner Sixth District; Ellison, Commissioner Eighth District; and Reardon, Mayor/CEO presiding. Cooley, Commissioner Seventh District; was absent. The following officials were also in attendance: Dennis Hays, County Administrator; Jody Boeding, Interim Chief Counsel; Carol Godsil, Deputy Unified Government Clerk; John Jurcyk, Sr. Policy Advisor to Mayor; Alfonso Zarate, Assistant to Mayor; Doug Bach, Deputy County Administrator; Bob Roddy, Director of Public Works; Kenneth Moore, Deputy Chief Counsel; Lew Levin, Chief Financial Officer; Sharon Meyers, Commissioners' Liaison; and Edwin Birch, Public Information Officer.

**MAYOR REARDON** called the meeting to order.

**ROLL CALL:** Ellison, Holland, Mendez, Barnes, Miller, Murguia, Mitchell, Kane, Pettey, Reardon.

**NOTICE OF SPECIAL MEETING** of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, May 6, 2010, at 5:00 p.m. in the 9<sup>th</sup> floor conference room of the Municipal Office Building for an update on the World Cup Initiative/Wizards followed by an executive session for consultation with the Unified Government attorney to discuss litigation and potential litigation.

**CONSENT TO MEETING** of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in

such service and in such notice, and consent and agree that the governing body shall meet at the time and place therein specified and for the purpose therein stated.

**Mayor Reardon** said first Lew will go over the bond sale which was the final bond sale for the Wizard Stadium and from the Cerner Project.

**Lew Levin, Chief Financial Officer**, said we have had a very lengthy process to complete the financing for the soccer stadium. The first week in January the Commission authorized the issuance of \$25 million as the first funding for the bonds. This week we completed the \$150 million financing which included the refunding of the initial first phase and complete project funding. One of the key elements that contributed to the successful sale was that we got a very good rating from Fitch Ratings which reviewed the financial capacity of this transaction. There was a BBB rating which was the actual rating for the issue. Anything above BBB- is considered an investment grade bond deal and since the bond deal there is not the pledge of full faith and credit of the government, it is pledged solely on sales tax revenues. What makes the bond transaction even a little more complex, the investors in this bond deal will not see any return on their investment until the initial bonds of \$140 million are paid off which is estimated in 2013. Below the BBB rating, you will see how Fitch views the current outstanding bonds, the 2005 issue and they are rated an A-, a very high rating. **Mr. Hays** said Lew spoke of the fact that full faith and credit of the Unified Government is not pledged. In lay terms it means our local taxpayers are not obligated for any of this debt. This is supported solely by the project itself and there is no GO debt in this issue in any way. **Mr. Levin** said we had a meeting with the Fitch Company on March 9<sup>th</sup> and city staff including the Mayor and administration, made a presentation as well as the developer and based on the results and providing them with a multitude of information, we were very pleased with the rating received.

**Mr. Levin** referenced a letter from Springsted and a slide. On all the studies done, we had projected an interest rate of 7.25%. There was concern, depending on the bond rating and the limitations that the State placed on this deal, the State limited their participation

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up to \$144 million and whether or not with that interest rate and with the State's level of participation we didn't know if we were going to be able to finance the complete project. Last week after we had information on the Fitch Rating, our underwriters, projected the interest rate would be somewhere around 6.25% and then on Tuesday the final pricing occurred and we were able to get an interest rate of 6.07%.

**Commissioner Miller** said are we refunding anything with any portion of these? **Mr. Levin** said we are refunding the initial \$25 million that we issued in January.

**Mr. Levin** said we had 18 firms actually place orders on this and so it was a very successful transaction. Contributing to this we had two additional meetings the last week in April. We had investors in town where we provided a visit of Village West and then we had a conference call later in the week that our underwriters organized and then we had a two hour presentation with full participation from the Mayor, administration and the developer.

**Mr. Levin** said how does this financing affect the final payout of the STAR Bonds. Based on the moderate forecast that was done by an outside firm and used in the bond prospectus and given the passage of the sales tax election and our final interest rates, that number shown, referring to slide, if we hit the moderate forecast, it would be at the end of December, 2017 that we would retire the bonds. For the last few years we have been at the moderate level. Last year we did slightly below the moderate forecast. We have always been above the low revenue scenario and even under the low revenue scenario it is 2019. I think it is at least fair to say these bonds and all current bonds will be retired 2017-2018.

**Mr. Hays** said we got an amazing interest rate, more than a whole percent less than what we had modeled at. We had almost three times as much demand for the bonds as we had available. The Wizard Stadium is only one of two critical pieces of the project. The 4,000 jobs that Cerner brings was the other piece to the development agreement that was critical and it was contingent on both pieces.

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## **World Cup**

**Doug Bach** said we have a presentation on the World Cup and present tonight is David Ficklin, Vice President of Development for OnGoal.

**Mr. Ficklin** said four hours ago we finalized a contract to bring Manchester United from England, which is the biggest sports brand in the world, and last year Forbes ranked them as the most valuable sports property in the world to come play the Kansas City Wizards to bring attention to our region, to our soccer team and to our World Cup efforts. We think that will be a sold out stadium and they are going to play at Arrowhead.

**Mr. Ficklin** said I'm before you today, not as a member of OnGoal, but as the Co-Director of the Kansas City World Cup Bid Committee. When I talk about Kansas City, I don't talk about Kansas City, MO. or Kansas City, KS. We consider Kansas City as the region. We are on the brink of an event that will change all of our lives and our city and region forever. We spent almost a year bidding against other United States cities, 57 cities and 64 stadiums to be a member of the United States bid for the World Cup in 2018 or 2022. The World Cup is held every four years. The United States was host in 1994 and 3.6 million people attended, an average of 69,000 per match and that is an all time record. Last time in 2006 in Germany 3.4 million attended, an average of 52,000 per match. United States goals for our campaign are 5 million tickets sold and an average of 78,000 a game. To do that you can only use the very largest of stadiums. We have a brand new Arrowhead Stadium that made us leapfrog above so many other cities. When we were first starting to bid one of the most frequent questions we got was why are we trying, we don't get things like this. It gave us an opportunity to go around the region to remind people how great this region is and resources and what we have done as a region in the last ten years to rebuild ourselves. It is the largest sporting event. The peoples World Cup draws 5 times as many television viewers as the summer Olympic Games. There are 64 matches played and each receives an average of 858 hours of dedicated coverage, 260 million viewers. We are now at the point that on the 14<sup>th</sup> the United States Bid Committee submits the United States bid to people which is the World Cup and body of soccer. Kansas City is one of the 18 cities that make up our bid. Later in the fall

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people will come to all the different countries and inspect. They won't be coming to Kansas City. They only have about 84 hours in the country so they are going to hit DC, New York, Dallas and Houston to show them the biggest and best modern stadiums. December 2<sup>nd</sup> they will choose the host of the 2018 and 2022 World Cup. We are seven months away from learning our fate. Five years prior the final host cities are chosen. When we were putting together our bid, Chicago decided not to sign all the agreements that we had signed and it eliminated them. One of the goals in the bid is to make it a real regional World Cup.

**Commissioner Holland** asked how many will they choose? **Mr. Ficklin** said the minimum is 12 and a maximum is 18 so the United States is putting forth 18, but because of the size of Arrowhead and our goal to sell 5 million tickets and the need to have 78,000 capacity stadium and just the geographic range if you weren't to have it there, it would be very difficult for some of the other stadiums to get them.

**Mr. Ficklin** said why is this so important to all of you and all of us? There are some intangibles and some tangibles. Intangibles, it puts Kansas City in the list of world class cities. The global awareness I spoke about when I talked about the field boards and the dedicated viewership, but when you think about a minimum of four cities with the size of our stadium, it is reasonable to expect that we would get six matches. Tangibles, there was an economic impact report done at the beginning of last year that showed that a host city can be expected to generate \$400 to \$600 million in revenue around the tournaments and generate 5,000 to 8,000 new jobs around the tournaments. It is a fantastic economic benefit. There are a lot of other venues and needs around the tournament and we tried to space them on both sides of the state line. Starting with the Wizard Stadium that would be a base camp for a team and that means a country comes and sets up a base camp in a city and we are ideal with our centralized location and our hot summer. They need to come to the United States and acclimate to our heat, humidity and travel. We are an ideal location with a fantastic stadium. We have Swope Park Training Complex, Jayhawks Soccer Complex, Park University, Mid-America Nazarene, and the Chief's Training Camp all are great fields and we are putting them forth as both training sites and base

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camps. Training sites are where teams fly in to practice. One of the really cool things is the people Fan fest. It is a free outdoor viewing area and now it has become mainstay at World Cups and Olympic games. We have proposed ours as the north glade of Liberty Memorial. There are other special events such as a preliminary draw where the countries are drawn into qualifying groups and there is a Confederation Cup that is a tournament that is played the year before the World Cup.

**Mr. Ficklin** said another huge challenge was to get hotel rooms. A lot of people said there weren't enough hotel rooms in this area to get major events and that is not the case. We had a goal of 9,000 rooms that needed to be contracted for our bid and we actually have 11,500 rooms.

**Mr. Ficklin** said May 14<sup>th</sup> the bid goes in and there will be a lot of media around that. We have finalized an agreement with Cornish Co. to do a mini Fan fest. It will be on a much smaller scale, but it will be a free viewing party at the Power & Light District and we will show every single game free and it is starting out to be, we think, the largest United States previewing. We just signed the deals to bring Manchester United here so that will happen two weeks after the final game of the World Cup. That is already causing ripples through the whole soccer world. We are planning a sustainability strategy because that is one of the major tenants of the United States bid. There is an economic side to bid it for sports events and then there is a social side. We are really good at sustainability and we think we have printed best practices as a country that we can apply to the game, to the tournament, and also use as the awareness around the tournament as a way to publicize what we do as a nation around sustainability. We put together a task force to look at what short-term goals and what long-term goals we can implement through the awareness around the World Cup and then doing exactly what I'm doing now, telling the story and letting people know that the eyes of the world are actually on us right now. Even if the United States weren't to win either the 2018 or 2022 World Cup and even if they were and we weren't named a city, just by the virtue of the fact that we made the 18 and our name is being mentioned of all the great cities in the world that are bidding for it right now, that is publicity and awareness about Kansas City and by that

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we win by bidding. If nothing else, people begin to see the positives about our region and about our cities instead of just the negatives.

**Mr. Ficklin** said our request to you is not for money, it is simply to help us publicize the USA bid being turned in on the 14<sup>th</sup> by declaring it “Soccer Day in KCK” and encouraging all the residents of Kansas City, Kansas and your constituents to go on line and sign the National Bid petition. The United States goal is to have one million supporters for the decision-making in December.

**Mr. Ficklin** showed a video of a Fan fest.

**Commissioner Holland** asked who funds the bid committee. **Mr. Ficklin** said right now it is funded entirely by the Wizards and the Kansas City Chiefs. If we win, we will set up a non-profit local host committee that will raise the money. We anticipate somewhere in the neighborhood of \$15 million that will need to be raised to offset the costs that all local governments will have such as police, fire, extra clean-up, traffic control and things like that.

**Mayor Reardon** thanked Mr. Ficklin and said we want to be supportive.

**Commissioner Petty made a motion, seconded by Commissioner Ellison, to go into executive session for one hour for consultation with the Unified Government attorney to discuss litigation and potential litigation.** Motion carried unanimously.

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**MAYOR REARDON RECONVENED INTO SPECIAL SESSION AND  
ADJOURNED THE MEETING AT 6:47 P.M.**

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Carol Godsil  
Deputy Unified Government Clerk

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