I. Call to Order / Roll Call

II. Approval of standing committee minutes from April 28, 2014.

III. Committee Agenda

Item No. 1 - ORDINANCE: ISSUE GOBs, SERIES 2014-D

Synopsis:
An ordinance authorizing the issuance of GOBs, Series 2014-D, to refund the outstanding debt on the Legend's Theater GOBs, Series 2010-E, submitted by Lew Levin, Chief Financial Officer.

It is requested that this item be fast tracked to the July 10, 2014 full commission meeting.
Tracking #: 140223
Item No. 2 - REPORT: BUDGET TO ACTUAL REPORT

Synopsis:
At the request of Commissioner McKiernan, a summary report to review current year budget with year-to-date revenues and expenditures will be given by Lew Levin, Chief Financial Officer.

*Information forthcoming.*

*For discussion only.*
Tracking #: 140226

Item No. 3 - REPORT & DISCUSSION: LIHTC APPLICATION POLICY

Synopsis:
Report and discussion on the Low Income Housing Tax Credits (LIHTC) application policy, by Charles Brockman, Economic Development.

*For discussion only.*
Tracking #: 140224

IV. Goals and Objectives

Item No. 1 - GOALS AND OBJECTIVES

Synopsis:
Overview/discussion of the next phase.

EDF's outcomes presented at the following standing committee meetings:

December 3, 2012
Environmental Trust Fund

August 26, 2013
Economic Development. Foster an environment in which small and large businesses thrive, jobs are created, redevelopment continues, tourism continues to grow, and businesses locate in the community.
January 6, 2014
1. Relook at the tax credit policy
2. Scoring system
3. Strategy countywide for attracting economic development as it relates to housing
4. How much low-income housing
5. How much fair-market housing
6. Over the last five years, what percentage of new housing has income restrictions – report from Charles Brockman, Economic Development Dept. and Mike Grimm, UG Research Division
7. Data on number of new housing starts; types of new housing starts
8. Total number of dwellings for each project

February 3, 2014
Discussion and presentation on workforce housing and its relationship to the LITHC Program.

March 3, 2014
Communication presenting a TIF financial status report which details each TIF since 1991, submitted by Charles Brockman, Economic Development. In addition to the separation of residential and commercial projects, the financial status is broken into three categories: 1) Current TIF’s, 2) TIF's paid off early, and 3) Other.

Tracking #: 120137

V. Public Agenda

Item No. 1 - APPEARANCE: SCOTT MURRAY

Synopsis:
Appearance of Scott Murray regarding Downtown revitalization.

Tracking #: 140229

VI. Adjourn
The meeting of the Economic Development and Finance Standing Committee was held on Monday, April 28, 2014, at 5:55 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairperson; BPU Board Member David Alvey (arrived at 6:42 p.m.); Commissioners Walters, Murguia and Townsend.

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

II. Approval of standing committee minutes for March 3, 2014. On motion of Commissioner Walters, seconded by Commissioner Townsend, the minutes were approved. Motion carried unanimously.

III. Committee Agenda:
Item No. 1 – 970146… REPORT: QUARTERLY INVESTMENT REPORT

Lew Levin, Chief Financial Officer, said this first item is our quarterly investment report is in addition to budget revisions that occurred in the first quarter requiring reporting to this committee and the commission. No action is required on these items, just a few brief comments on the Investment Report.

For the first quarter, if you turn to the summary table, you’ll see the amount of total investments as of the first quarter at $144M, average interest rate 0.5% and interest earnings through the first quarter a little under $100,000. The investments are listed by institution. You can see if we look at the maturity date of those investments they’re spread out over a four-year period. We do that to try, in this time period of low interest rates, just to maximize any interest
earnings potential. With that said, if there’s any questions on the Investment Report, I’ll take those questions.

**Commissioner Townsend** said I did have a question at looking at the investment by type page that you just referred to, I see a couple of these, particularly for Liberty Bank are near their maturity date. What happens when we reach the maturity date? Do you just roll those over? What happens with them? **Mr. Levin** said it depends. We look closely at our available cash. We have a model that we project what our cash needs are and our likelihood of when we’ll need those monies. At this time of the year I’ll say we have more cash on hand because of the receipt of property tax payments. We did our annual bond financing, temporary note financing, at the beginning of the year. So we have those monies available to us and we forecast through the end of the year if we’re going to need those monies and if we have the ability to invest it.

With Liberty Bank I think you referred to, I think we have a couple of smaller investments with them. The local bank emphasis those we do offer every institution in the county on an annual basis if they want to invest up to $95,000 so they’ll have that opportunity. The other investments are done on a competitive bid basis. If we decide, and we’re going to look at the end of April coming up shortly, and do an estimate if we have the ability to put some of our cash on hand out for an investment, but it will be done on a competitive basis.

**Commissioner Townsend** said so, for instance, the one at Liberty that will mature in the middle of May, depending upon our cash position we may or may not reinvest or take out another CD? **Mr. Levin** said I think the Liberty investment, and I’ll look at it, I think there were two investments we must have timed. You see they mature 8/28/15. We had $7M with Capital Federal and $1M with Liberty. I think we must have went out when we placed those investments, in December 2012 we went out for $8M. Liberty at that time, my sense is they said we’ll take $1M. They offered a certain price or rate with that amount. Capital said they would take the remainder. In actually looking at the numbers, I’m guessing, I think there’s an error on this report where it says 0.05%, it’s probably 0.55%, I believe, on the Liberty number.

**Commissioner Townsend** said and that was on the amount on which one? I was looking at the one that was a little bit under $100,000. **Mr. Levin** said on that one, the one that’s under $100,000 they’ll have the opportunity to renew that investment if they so choose. I was looking at the one midway down on the page where it had the one that matures August 28, 2015. **Commissioner Townsend** said thank you. I was just wondering what the procedure was for
whether or not we reinvest when they mature or what happens. So it kind of depends on what our cash position is at the time. **Mr. Levin** said correct.

**Chairman McKiernan** said any other discussion, comments or questions? This item was informational only so we thank you very much for that presentation. That brings us to Item No. 2 which is an ordinance request for the Happy Foods Project, also Mr. Levin.

**Mr. Levin** said I didn’t get to the budget revision part. Reginald is here to speak on those. **Reginald Lindsey, Budget Manager**, said the first quarter we had three budget revisions. One was for the Sheriff’s Department. One was also for Public Works and then one that recently passed this past Thursday which was for the YMCA. These three, they all represent policies that we recently passed with our budget policy. One was where if something is under $50,000, the Administrator can approve it. Then the others are if there’s over $50,000 and its part of Operations, the Administrator can approve it with approval also of the Mayor or the Mayor Pro-tem. Then if it’s over $50,000 and it’s discretionary, it has to go to commission review. That was the one that was approved by the commission on Thursday night.

**Chairman McKiernan** said any questions, comments, discussions on that? It would appear that we now have wrapped up Item No. 1. **Mr. Levin** said that is correct.

**Action:** No Action.

**Item No. 2 –140131… ORDINANCE: HAPPY FOODS PROJECT**

**Synopsis:** Ordinance authorizing the issuance of Transportation Development District Sales Tax Revenue Refunding Bonds (Happy Foods Project), Series 2014 in the maximum principal amount of $340,000, submitted by Lew Levin, Chief Financial Officer.

**AND**

**Item No. 3 –140132… ORDINANCE: PRESCOTT PLAZA PROJECT**

**Synopsis:** Ordinance authorizing the issuance of Transportation Development District Sales Tax Revenue Refunding Bonds (Prescott Plaza Project), Series 2014 in the maximum principal amount of $1,550,000, submitted by Lew Levin, Chief Financial Officer.

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Lew Levin, Chief Financial Officer, said I’ll combine my discussion to both Item Nos. 2 and 3. We have two financings that we’re doing concurrently, they are for two transportation districts. The first being Happy Foods grocery store at approximately 55th & Leavenworth Road. We currently have in place 1% transportation tax. The second is for Prescott Plaza.

Both of those transportation districts were established in 2009. We had initially, I’ll say, shorter term financing. We had four year financing in place for each of those. The Happy Foods one is actually, that financing we have a payment due June 1 that would, I’ll say, terminate that financing. We want to extend that another ten years. At the same time actually our Prescott financing, our final payment is due next year, but we found it easier to go to the market on both financings concurrently, which we’re doing.

The Happy Foods one, and now I’ll treat them separately, the outstanding principal on that debt is $340,000. The initial note for that transportation district was $400,000. We’re looking at a ten year financing. We’re doing it competitively. We have four local banks that have indicated an interest in that financing. We’re actually taking proposals from the banks. Their proposals are due tomorrow, April 29. We would then make certain over the next two weeks that those proposals were in agreement with those proposals and we would take final approval action to the commission on May 15.

Commissioner Murguia said just as a refresher on TDDs, because I think I understand but I may not. Is this where they are going to keep a percentage of the sales tax for the grocery store? Mr. Levin said we’ve already incurred the expense. So the expense was incurred up front and we’re paying back the expenditure over time. The transportation district allows for 22 years to pay that expense back.

One additional item I wanted to mention was that we have an annual appropriation backing for both of these transportation districts, meaning that if there’s a revenue shortfall from that 1% sales tax, the government would make up that shortfall. For both of these we have not had to use that annual appropriation pledge. There have been sufficient revenues generated from the project. Commissioner Murguia said wait a minute. So, the sales tax, a percentage of the sale tax generated from Happy Foods grocery….Mr. Levin said it’s actually not a percentage, it’s an additional 1% sales tax. Commissioner Murguia said so an additional 1% sales tax that’s generated at this grocery has to meet a certain threshold. If it doesn’t, then per the development agreement, our government has agreed to take money from our general fund and

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Mr. Levin said I’m not certain it was originally in the development agreement. It was always part of the financing. To get the project financed, the government authorized or provided the annual appropriation pledge. So that’s done on an annual basis as part of the budget process.

Commissioner Murguia said so it’s not part of the development agreement. It’s an annual appropriation that the commission could decide to stop funding if it ever was to fund it. Mr. Levin said the commission could decide not to do it. If the commission decided not to do it, and we had made the sale of these bonds with that annual appropriation pledge, it would not be looked upon positively by I’ll say the institutional marketplace. It would be an indication that we provided an annual appropriation pledge and then at some point in the future we backed away from that pledge. Commissioner Murguia said but you said it wasn’t part of the development agreement. Mr. Levin said its part of this financing.

Doug Bach, County Administrator, said we went out and got the money for the projects to happen five years ago. To your first point, no none of this money went to the developments themselves, or to the developers. It all went for infrastructure related. A TDD is similar to a CID that we use more robustly today, except for you can’t use it for as many things as you can a CID. It’s restricted more to the infrastructure of the projects, the roads and stuff like that around it. We did this around both the project areas, put the 1% on it to do the road projects and work around both of these areas, parking lots that were eligible for it. Funded them, the work is done. The 1% TDD has paid for the service on those bonds every year. They’re just back today to say okay it’s time to refinance these structures.

Commissioner Murguia said okay, but before you get there, just because I have a question because I wasn’t on the commission when Prescott Plaza was done, but I have been on the commission since other grocery stores have been done. My question is, is that there is no way this project can fail because the differential, if this grocery store does not perform, or Prescott Plaza does not perform, the government will pay the difference. Is that correct? Mr. Levin said with our annual appropriation pledge. Commissioner Murguia said but it doesn’t matter. I guess, Lew, the deal is this. We went out and borrowed a bunch of money, millions of dollars, to build Prescott Plaza. We said if the deal itself could not perform and make the payments back to pay for this, the government would make that payment for them in essence.

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Mr. Levin said I think what Mr. Bach said is accurate. We said as part of the development agreement we were going to make some transportation related improvements. We were using the TDD tool to do that. As part of that, the developer agreed to implement a 1% transportation district tax. We’ve provided our annual appropriation backing to it. Commissioner Murguia said but we require developers on all developments to do transportation like things that normally wouldn’t be incurred or wouldn’t have necessarily to do with the business that’s being located there. We require developers all the time to do street improvements and sewer improvements and infrastructure improvements. We don’t offer to use general obligation money or annual appropriations to buy down debt if they don’t perform, correct? Mr. Levin said in some instances we’ve provided a stronger pledge. We’ve provided a general obligation pledge to the development.

Commissioner Murguia said but the business has to perform to ensure that that general obligation debt will be paid back, correct? Mr. Levin said when we’ve provided the general obligation pledge I guess we’re assuming or we believe that the development will occur to cover that debt service. Commissioner Murguia said but if it doesn’t, the developer or the owner of the property is responsible for that debt. Mr. Levin said no, not if we have a general obligation bond pledge, we are totally responsible. The developer is not behind the financing on this. This is our debt at this time.

Commissioner Murguia said so all the people that we’ve issued general obligation debt to could just walk away and not pay that general obligation debt if they didn’t want to and there’d be no recourse for that. Mr. Levin said if it’s part of a TIF project, in our development agreement we have the pledge of the TIF revenues generated from that project. If the project doesn’t perform to the level that’s projected, there may be a revenue shortfall. Commissioner Murguia said but the project has to perform. If it doesn’t, somebody’s responsible for that. Mr. Levin said if the government’s providing a pledge. If we have a project that’s strictly based on project revenues and there’s not a government backing behind it, then there’s a higher level of risk for the purchaser of the debt.

Commissioner Murguia said so I’m a little bit confused and I guess I need to understand this because I’ve been here a long time and I should understand it and I don’t. The general obligation debt is where the government goes out, we borrow that money to finance the development, correct? Mr. Levin said I’ll give you the hierarchy for three examples.

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Plaza at the Speedway, for example, we have special obligation bond debt. Area banks have purchased the debt. We have issued the debt. We as a government are the issuer of the debt. We have a pledge of a certain portion of sales tax revenue and property tax increment. If Plaza at the Speedway does not generate sufficient revenue from those pledges, that is the sole source of revenue for that. There’s no government backing.

The next level of backing would be an annual appropriation pledge. In that instance, Prescott Plaza and Happy Foods are examples. We’re saying the primary revenue source for those financings are the Transportation Development District. If there’s a shortfall in revenue, the government will budget on an annual basis money for those projects.

I’ll just finish the third one. The third example would be the general obligation pledge. The Metropolitan TIF project we have provided a general obligation pledge. Our revenue source for that is TIF increment. However, if the TIF increment is not sufficient, the government has given its full faith and credit that we’ll levy property tax sufficient to cover the debt service on that. That’s a commitment for the term of the bond. It’s a 20 year commitment as opposed to the annual appropriation commitment, or in the case of where there’s just a commitment from the revenue solely generated by the project.

**Commissioner Murguia** said but the developer that owns the development, I can see you having to continue to pay the bill through an annual appropriation, but the person or the entity that owns the project, are you telling me the government doesn’t have any agreement with them to hold them accountable for that debt, any other agreement? **Mr. Levin** said it would be whatever the terms. We talked about this just last week when we adopted our Economic Development Policy as it related to TIFs. There are different terms or different requirements you can put into the development agreement. I think we’re going to make an effort going forward, and we have to an extent in the past, but it’s strictly based on whatever terms are in that development agreement.

**Commissioner Murguia** said but I don’t think we’re making annual appropriation payments on any, I don’t think it’s our obligation without some recourse, with our development partner, except for it sounds like the Prescott Plaza project. We have some recourse. **Mr. Levin** said I’m not certain what that recourse is that you’re referring to. **Commissioner Murguia** said so you don’t have any recourse. There is no personal guaranty on other developments. There’s
no additional financing on any other developments that the developer would be… Mr. Levin said there’s not a personal guaranty on Prescott Plaza or Happy Foods.

Commissioner Murguia said that’s what I mean, that’s what I’m saying. That makes them different from other kinds of TIF general obligation developments. Mr. Levin said I’m not certain of an example where we have a personal guaranty on a TIF general obligation development. Commissioner Murguia said so you’re saying on all general obligation debt, if it doesn’t generate the expected revenue that was expected through the pro forma, that the Unified Government as part of an annual appropriation process will make up that difference on every development agreement that we have. Mr. Levin said no, it depends on each individual development agreement.

Commissioner Murguia said I guess I’ll need a class in that later on. Mr. Bach said I’m trying to understand the question you’re getting to. It really does come down to each individual agreement. Commissioner Murguia said right, and that’s all I was asking. Mr. Bach said these two, on the TDD portions that are there, the TDD portion that we’re refinancing now is strictly backed from the revenue of the 1% with our G.O. behind it. It’s been funded. Both these projects, the 1% is enough to pay them off. If it drops and falls short, there’s no other recourse on these TDDs. Commissioner Murguia said there’d be an annual appropriation issued by the Unified Government. Mr. Bach said we’d go to you and say we need $100,000 to make this payment. It looks like it’s only going to generate $83,000, so we’re going to need $17,000.

Commissioner Murguia said is that the case on other TDDs. Is it the same agreement where the Unified Government would be making an annual appropriation? Mr. Bach said no. I would have to pull them all out and see. I would say, recently the CIDS we’ve done, no, we’re not behind them. Commissioner Murguia said that’s what I thought. Mr. Levin said we have two other TDDs. The Legends has a TDD and there’s not a government pledge on that one. Then I mentioned Plaza at the Speedway. There’s not a government pledge on that one. Mr. Bach said we have several other CIDs. We’re not pledged behind them. There’s some that there is a structure where we are back there, but as a rule our first rule is not to be behind it. That’s where we start. Can CID do it and you sell the CID based on the sales tax revenue that’s coming from the project and go on its own. Commissioner Murguia said some projects are obviously more risky than others based on where they’re located or the challenges.
Mr. Bach said Happy Foods, getting it started back up was a very challenging project when it came about. It’s a pretty small dollar amount, relatively speaking to some of the bigger projects. Prescott Plaza was an extremely challenging project when we went into it. Commissioner Murguia said we put actual cash, we actually wrote a check to Happy Foods. We did. We authorized CDBG funding to be given to Happy Foods grocery store. That’s in addition to the financing that we’ve done. Just for clarity. I remember it. Prescott Plaza, I was just curious what was the difference between other urban groceries. I understand now. I just wanted to be clear.

Chairman McKiernan said any other discussion or questions on these? Mr. Levin said I think you need to take action on each one individually. The only other comment I would add on Prescott Plaza, it’s been performing very well. Our annual TDD revenue is over $200,000 a year. It was originally a $2M debt with the project. In four years we’ve retired almost $500,000 of debt. Even though this financing is contemplated as a ten year financing, we believe we’ll be able to pay it off within seven years.

Once this debt’s paid off, although we have the authority for 22 years, we would terminate that 1% tax at that time. Commissioner Murguia said we have authority for 22 years but we think we can pay it off in seven? Mr. Levin said well, we’re five years into it, but within seven more years. Commissioner Murguia said seven more years, so in twelve years. But we have authority for 22? Mr. Levin said correct. Commissioner Murguia said every year the sales tax meets what the financing obligation is? Mr. Levin said the way we’ve restructured these financings, we have an interest only payment. Then the excess we’re retiring principal.

Chairman McKiernan said it seems to me we have three things before us. First is Item #3 and Item #4 and the third thing would be a question as to whether or not we might want, I’m sorry two and three. Commissioner Murguia said Item No. 2 and Item No. 3. Chairman McKiernan said the third thing would be whether or not we want to go back and possibly review the TDD Economic Development Policy, as we’ve recently done the TIF, to see if we want to just look at any of the guidelines that are contained therein for future project.

Action: Commissioner Walters made a motion, seconded by Commissioner Townsend, to approve Item #2-Happy Foods Project and forward to the full
commission. Roll call was taken and there were four “Ayes,” Walters, Murguia, Townsend, McKiernan.

**Action:** Commissioner Walters made a motion, seconded by Commissioner Townsend, to approve Item #3-Prescott Plaza Project and forward to the full commission. Roll call was taken and there were four “Ayes,” Walters, Murguia, Townsend, McKiernan.

**Chairman McKiernan** said having included those, I would say if anybody is interested in going back and reviewing that Economic Development Policy, let’s just talk with Mr. Bach. If there’s a desire then we can put that on the agenda and open that up for our next meeting. **Commissioner Murguia** said I just think since we have a couple of relatively new commissioners, and obviously I need to go through it again also, it would be great to go over TDD and TIF and CID. I know we just went over TIF, but in general using some examples of projects where you’re actually talking about the details of an economic development deal. I think it could be really helpful especially to commissioners who I know are interested in seeing more economic development in their districts. Something in the future, no hurry on it clearly. **Mr. Bach** said maybe we could get a new project in front of you and go into the details of it to explain it.

I’ll say this, TDD it’s still an eligible tool. It’s out there. We haven’t brought one forward since CID has been approved by the state legislature because essentially, as I noted earlier, CID is more robust. Your flexibility as to what you can use it on has kind of phased out TDD, but it’s still there. Actually probably one opportunity could be if you really wanted to layer them together, then I guess you could put them forth. Otherwise, we probably would be coming forward with CIDs. We could bring it forward in the future.

Maybe it’s a chance to review active CIDs that we have out there, kind of like as we went through the list of TIFs, go through the list of CIDs. **Commissioner Murguia** said sometimes it’s just easier to deal with a real scenario than deal with like the way Lew sort of explains it basically from a financing perspective. It’s a little difficult to get a grasp on it. **Mr. Bach** said Mr. Brajkovic has it on his list.

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Item No. 4 –140138... RESOLUTION: SPORTING KANSAS CITY (SKC) AGREEMENT

Synopsis: Request approval of a resolution amending the development agreement with Sporting Kansas City (SKC) to provide eight additional FUTSAL courts, submitted by Doug Bach, County Administrator.

Chairman McKiernan said that brings us to Item No. 4, both on the original and the blue sheet agendas tonight. Item No. 4 follows up a conversation we had last month about the Sporting Kansas City futsal project. At the conclusion of last month’s meeting we had asked that our staff and Sporting staff begin to reach out to the commissioners who weren’t here, begin to kind of vet the sites that were proposed for the courts, and begin to work with our staff on an amendment to the original development agreement. So we have an update this month.

Mr. Bach said we put the blue sheet forward for the addendum to come in. We do not have the amendment in a position to bring forth to go over with the commission tonight. You know what I had hoped to be a simple agreement, as you get into when it’s attached to what is a fairly complex document amending the portions of the fields agreement as it pertains to all sections of the other agreement just let to many other points that had to be touched on. We don’t have it ready to go tonight. If we can just table that to the next opportunity we have to come forth and let Bob, if there are any questions on that. Commissioner Murguia said I do.

Commissioner Murguia said I just have some comments. I wasn’t here at the last meeting. Mr. Ficklin I just want to say it’s great to see you as always. I have some comments to make and just hope that you and Sporting would not take them at all personally. I’m a big fan of yours and a big fan of Sporting KC, I want to tell you and everyone else. I do have some comments to make in general about the proposal.

There are two new commissioners here which make up 50% of our committee. To me it is very important that they understand the history as I recall it. I want to share that with them in a very public setting.

The whole Sporting Kansas City stadium out in western Wyandotte County came about after I became commissioner in 2007. I was fairly new to the commission at the time. When it came forward, I will tell you because of its location in western Wyandotte County with all of the
other development there were some very vocal commissioners that were unhappy about the location. They really felt as if all of the development, they loved Sporting Kansas City, nothing against them, they felt like all of the development was going into western Wyandotte County and nothing was coming into the city.

So at that time, in order to move the stadium along, there were deals cut, however you want to phrase it, and what came back being proposed is that three regulation soccer fields would be positioned in the city, specifically east of I-635. That didn’t happen. Solely through the rumor mill, apparently the commission wasn’t in agreement on where to locate those three soccer fields. But I will tell you never, ever did a proposal come in front of the full commission for a vote. If people were unable to come to an agreement, that conversation had to take place behind closed doors. I was not involved in those discussions directly.

Sporting KC was wonderful. Mr. Ficklin, himself, came out to my district and we had several discussions. I dealt with a variety of people at Sporting KC who were fabulous, but as far as internal politics, nothing was ever presented or voted on.

However, two years passed. Then eventually I think there was an article in the newspaper. Shortly thereafter there was a special session where all commissioners were engaged where the futsal concept was presented to all of us at that time. We were all fans of the futsal concept. I think one of the things that was communicated it might be a better fit for urban neighborhoods east of I-635 which were more walkable neighborhoods. These are walk-to courts that could improve skills in urban kids and create opportunity for them in soccer.

That’s how it was sort of pitched to us. I remember this because, actually over the last two weeks I pulled my notes from that meeting and I still have them. I know who was there. I know who was in the meeting and I know almost exactly what was said.

We agreed at that time that’d be a good thing. Now, it’s two years later. I don’t know, and I guess it doesn’t really matter what the delay has been, and how from two years ago to now, I don’t really understand or know what happened. We are today where we’re at.

There are two things I need to be very open and public about. I’m the Third District commissioner. It’s my job to represent the Third District. I think if good things happen in the Third District it’s good for all of Wyandotte County, just like I’ve been told for seven years what happens out west is good for all of Wyandotte County. It goes both ways.

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So I was a little bit disappointed and surprised when I had to hear maybe a day or two prior, not even that, that the futsal fields being proposed were being spread out in each and every commission district, which would mean there’d be some east of I-635 and there’d be some west.

For wrong or right, western Wyandotte County gets a multi-million dollar soccer stadium while those east of I-635 have to share futsal fields with the rest of the county. That’s just my perception. There was a deal. There was an agreement. That’s what was going to happen and it didn’t happen that way.

All that said, I’m very happy for all these areas. I could have gotten over that, but then I reviewed the locations of the futsal fields and I was very disappointed that there is not one located in District 3. Clopper Field is not in District 3. I’m very disappointed by that. It kind of gives me a very jaded feeling about this proposal. It just seems that it sends a message of insignificance of District 3.

With all of that said, it looks like this has been agreed upon. I will tell you I am a huge fan of the programming. I watched the video. Even though I wasn’t here at the meeting I did watch it. We tape all of our meetings now. I thought you did a fantastic job with the presentation. Dave, you really did a great job and the programming around this, I would truly like my district to be part of that. Actually, as the Third District commissioner, as the person that puts their name on a ballot every four years and gets elected by more than 50% of the people, I would hope that I would have some say about where that futsal field would go. I’d like to be a part of that and so would my district. If we could work that out, then I guess we’ll move forward.

Chairman McKiernan said I do want to respond to that because I do believe our direction last month was to check in with any commissioner who was not here and to vet or talk about the location of the proposal that came through in terms of this proposal last month. I’m disappointed that didn’t get done. I hope that it does get done now.
Mr. Bach said also there’s no final placement of any of the fields. This map came out five weeks ago to the commissioners so it was there for your input to give us input on. I would say probably the placement of Clopper Field not being in your district was just probably an oversight of where the district line was. That’s why we set out to find out that input from commissioners over the past few weeks. It’s certainly not done to skip anything. I’d say it’s your call to give us direction on that.

Bob Roddy, Public Works Director, said in fact, if you look at this map up here you can see two commissioners have already commented about the original locations. For example, Commissioner Kane, we had one located out at Wyandotte County Lake Park and he proposed that instead of being located there that USD 500 site to be named be a different site. You see Stony Point moving to Edwardsville Park. This is fluid. I would agree with Doug. We certainly thought that Clopper was in District 3. That’s our error.

There are two other parks in District 3, Emerson and Rosedale. When we looked at the different parks we tried to make sure we avoided areas, we didn’t want to interfere with current
tennis players or basketball uses. We’re trying to balance, taking an unused field where we had capacity and there seemed to be a lot of interest in soccer to begin with. For example, a number of these sites like Bethany, if you put a tennis net up tonight it’ll be down tomorrow because they’ll be turning it into a futsal court. That’s what we see occurring in some sites and we’re trying to take advantage and build upon that interest in some of these sites. With that being said, this is a fluid map. I think David would agree.

David Ficklin, Vice President of Development Sporting Kansas City, said yes.

Commissioners we’ve always said that, or we’ve tried to make clear, that the first proposal is to do eight additional courts to supplement the two at Wyandotte High School. Then, the second effort was to spread one in each of the eight districts. Commissioner Murguia, let me apologize because I’m sitting here very embarrassed, I’m sure with Mr. Roddy, that we had been proceeding with the understanding that Clopper was in your district. It was always an intent to put one in your district. We had spoken many times about the fact that with the offer of one per district, please tell us which one each commissioner chooses as your preferred location within your district.

Mr. Roddy said we did mention, I think, in the previous meeting that there is some trip wires. We obviously don’t want to interfere with current uses. We don’t want to make enemies in the community. We, as much as possible, want to take advantage of underutilized facilities. We want to select sites where we already have an asphalt surface to take advantage of that. We even mentioned that to Edwardsville that Edwardsville, if the site would go there, they do not have a tennis court. The City of Edwardsville would be responsible for putting down the asphalt pad. They’ve agreed to that in concept so far.

I was going to give you a report on the committees we saw, the groups we saw, if you’re interested. Since last meeting we went to three different groups. We went to the Park Board on April 9. They were very supportive. They said that they were going to send us a letter in support. I don’t think we’ve received it yet, but it’s in the mail supposedly.

We also met with the Liveable Neighborhood Executive Committee on April 17. They were supportive and they put the futsal review on the agenda for April 24. At that meeting we appeared in front of the entire Liveable Neighborhood group, which is basically, I think there’s probably over 40 different organizations represented. They took a unanimous vote in support of the futsal concept. I believe in both the Liveable Neighborhoods and in the Park Board they
were supporting the concept. They weren’t saying the locations that we proposed were the final ones, but it was their opinion, I believe, that that was a commission call. They were supportive of the concept.

We were quite pleased with the results we got with the people we met with. We also offered to meet with anyone at the Liveable Neighborhoods if they wanted us to come talk. So far we’ve not received any requests.

**Commissioner Walters** said I think this is a great proposal by Sporting Kansas City. I like the direction it’s going of putting facilities countywide rather than trying to concentrate them in one particular area or another. I did look at the original proposal and I wasn’t obviously involved in any of the discussions that Commissioner Murguia was recalling, but in the original development agreement it says that the developer agrees to construct and maintain three recreational soccer fields at locations within Wyandotte County. At least in writing it was never said that they would be concentrated in one particular area. I really like the idea of spreading them out through the entire county.

I don’t know about the future, but I would hope that maybe in the future we have more than eight or nine futsal facilities. I know that Stony Point Park is a great candidate for a futsal court and they may want one. I haven’t had a chance to meet with that neighborhood group yet, but plan to and hope if we can figure out a way to fund the installation of a futsal court there, it might be able to be added into the overall programming that Sporting Kansas City has said will be part of this overall installation. I’m all for it.

I do recall, I thought last month there was going to be conversations with commissioners from each district. That might be an opportunity to close these last little loops. I would encourage full speed ahead.

**Commissioner Townsend** said I’d like to thank Mr. Roddy for following up on the suggestion made to go to the neighborhood group level. I thought that was important. I met with the Parkwood Neighborhood Association and told them about it. Parkwood will not be on there because they still use the tennis courts there quite a bit.

Klamm Park is not in First District, so we do not have a first district location. However, I would like to see a full evaluation done of the feasibility of putting one of these at Garland to see if that is something that would work so that you clearly have one in First District. I know that we can talk about the financing. There is no concrete pad there, but it is in First District. It

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wouldn’t present the problem of futsal versus tennis versus any other activity or option, if we could follow up on that.

Because these have not been decided upon, what is the target date if there is one for kind of nailing down locations? Mr. Bach said I would say I’d operate from the standpoint that once we got an agreement done with Sporting, which I don’t have the agreement in front of you tonight. Once we get the agreement and concept done and approved that says we’re going to put the futsal courts across the districts without being specific as to what location. I think from Sporting’s perspective was they wanted to see them spread out in areas where they’d be utilized but we could move them around within the district areas. Once that’s done then as soon as a location was identified and maybe I’d let Mr. Ficklin speak to this point. As soon as we identified firm locations we’d probably start construction immediately. Mr. Ficklin said absolutely as fast as we possibly could.

Mr. Bach said the motivation behind that would be those that are finalized and done first would probably get to go first. We’d start going. If there were some that were some indecision about or still working on, I’ll use Edwardsville for example. If we were still trying to work out how we were doing the pad and that pad had to be poured, then the other ones would probably go before that one would go or something. Something like that.

Commissioner Townsend asked do we foresee approving the plan without having to identify specifically the locations. Mr. Bach said well, I guess it depends probably on how specific we get in our development agreement on that point. I think we’re able to work with general locations as long as identifying that they’re in districts, but I won’t say that’s finally agreed to. I don’t think we’ve scripted it that way, but that will probably be a good way that we may be able to write it down. I don’t want to put David on the spot from that standpoint, but that may be a way to do it that allows us just to give us the flexibility to do final placement with discussion with him.

Mr. Roddy said one closing item, at least for me anyway. I was the one chosen to contact the commissioners and I did try to reach out to all commissioners. Unfortunately, I did not make connection with a few. That is on my shoulders.

Chairman McKiernan asked any other discussion. Then continue and we’ll await an update.

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Action: No Action.

Item No. 5 –140135… COMMUNICATION: JE DUNN
Synopsis: JE Dunn has acquired a 20+ acre site at 240 S. 65th St. and they intend to consolidate three logistic divisions on site. The project is expected to include an 80K sq. ft. facility and includes 65 FTE to be relocated at the site, submitted by George Brajkovic, Economic Development. The building/land are expected to be a $9M investment, but including the equipment bumps the total Capital Investment to over $45M. JE Dunn is requesting for the use of IRBs, not backed by the UG, and qualifies for a 65% abatement PILOT.

George Brajkovic, Economic Development Director, said we’re here tonight to talk about a new project that we’re really excited about. It’s a good community partner for us in the past and we love the fact that they’re doing one of their own projects within the community as well. It’s a project that’s kind of come together fairly quickly. I was just looking through my notes and it was really late March, earlier this month that we in full force started those discussions. Greg Kindle with Wyandotte Economic Development Council was instrumental in kind of getting everybody together to ensure that we could proceed down a fairly quick path. Maybe, real quick, let everyone kind of do some introductions and I’ll keep my comments pretty brief after that too.

Curt Peterson, Polsinelli Law Firm, said here on behalf of J.E. Dunn. Here with me is Patrick Lease from J.E. Dunn. Really, a very quick overview and I can hand the baton back to Mr. Brajkovic.

This is a significant expansion from Missouri operations into Kansas for J.E. Dunn. The site, an approximately 20 acre site, would be the site of building up over 4-5 years, 65 employees. The operations would be an equipment rental facility. You have an overhead crane to move things around and you have different equipment that they lease out to J.E. Dunn affiliate entities and also third parties. You’d have good property value, property tax. Have some sales from the site. Just, if I can say, great activity, especially for that part of our county, just a great place to put some development, very capital intensive, a good approximately $10M investment. Not to mention, as Mr. Brajkovic put in the staff notes, really when you add all the equipment that will be brought into the county, you’re talking more of a plus or minus $45M investment, if
you think of that as an investment also, a good size project with a lot of activity in this part of the county. Again, Patrick’s here so he can answer any operational questions you might have or any questions for me.

Mr. Brajkovic said maybe just real quick, in case you’re not familiar with the site.

Turner diagonal, you’ve got I-70 here and Kansas Avenue. This is west on K-32 until you get to South 65th Street and it’s this 22, give or take, acre site that’s currently vacant. I did talk to Rob Richardson. I guess in the past there was another proposal for use here as kind of an open yard site. I think there’s been some work like that done in the past. It is a stoplight exchange here as well.

The one thing we looked at is obviously we love the economic impact of the project coming in. Just too kind of give you a rough idea, the base taxes right now off that 22 acre site are about $1600 annually. We think the project they submitted an IRB application, we’re reviewing it under our tax abatement policy, but we think it’ll qualify for a 65% abatement on a 10 year PILOT. Even doing a 65% abatement, we think year one taxes are going to be $90-$100,000 on the site, so again, going from $1600 to $100,000. The PILOT discussion, what we
hope to do is come back before the full commission then on May 15 to actually hold the public
hearing in accordance with statutory guidelines and give you all the details at that time.

We are extremely excited about the impact here. Chairman McKiernan said I just want
to clarify, we’re actually approving this item in terms of the development, not just to conduct a
public hearing, correct? Mr. Brajkovic said correct. Chairman McKiernan said approving the
item, and that will include a public hearing at that later date. Mr. Brajkovic said the way we’ve
done that in the past is the IRBs don’t, some of the statutory requirements for things like TIF you
have to approve a resolution to set the public hearing. With IRBs you just publish it in your,
we’ll do it in the Echo. This is kind of informational for you, but ultimately then it comes back
before the full commission as a public hearing. Chairman McKiernan said the request before
us then is to approve this item to be brought to full commission for approval which will include a
public hearing at that time.

Action: Commissioner Murguia made a motion, seconded by Commissioner Walters,
to approve and forward to the full commission.

Commissioner Townsend said if there’s any discussion about the amount of the
abatement or anything else, that could be entertained at the full hearing, right? Mr. Brajkovic
said we’ll do a full presentation on what parts of the tax abatement policy they qualify for and
how that calculation was arrived at. Mr. Bach said if you have questions about it now, we can
entertain it. George is projecting where it’s act so we certainly could take that today.

Commissioner Townsend said I guess when I looked at 65% I don’t know for this type
of project if that is average, above average. Now when you ran the numbers, though, you’re
saying as this sits now a base tax of $1600. Mr. Brajkovic said correct. Commissioner
Townsend said if I wrote this correctly you’re saying even with 65% abatement, you’re talking
about $100,000. Mr. Brajkovic said correct.

Our standard abatement starts at 45% for five years. Based on their level of investment,
they go from a five-year term to the ten-year term. I think the points of the policy that we’re
looking at here are total investment and L/M/W participation goals for the construction phase of
the project. With those two, we can get close to the 65%, but again, it is a major impact to the
area. Again, on a vacant piece of ground, $1600 is not a very significant impact.
Mr. Peterson said one other thing I might add, and again we can talk more at the public hearing, you could kind of tell from that site that it’s a very challenging site notwithstanding perhaps different uses and such that might be around it. Just the site, itself, and how you access it at one point. It’s a long site and has some terrain issues. It’s a tough site, just another factor that we would toss out in the mix for consideration in terms of offering this sort of abatement for the investment.

Commissioner Townsend said so you’re saying 45 is like kind of the starting place and based on the sliding scale they qualify for other. Mr. Brajkovic said correct. Commissioner Murguia said it’s a great question Commissioner Townsend. I was just saying to Doug that when you start, there’s no point of reference. It’s very difficult to understand how it works so that’s why I was just saying I’d recommend like Eco. Devo. 101 for new commissioners just so you can get that framework in place because it’s hard to know. But, it’s a great question.

Action: Roll call was taken and there were five “Ayes,” Alvey, Walters, Murguia, Townsend, McKiernan.

Chairman McKiernan said we now have Items 6 and 7 on our agenda tonight. Those are the blue sheet items so they are on the separate agenda that you received after the original.

Item No. 6–140143… RESOLUTION: CONVEY PROPERTY TO LORETTO PROPERTIES
Synopsis: A resolution approving a real estate purchase agreement with Loretto Properties, LLC, regarding property located at 736 Minnesota Avenue, submitted by Doug Bach, County Administrator, and George Brajkovic, Economic Development Director.

Doug Bach, County Administrator, said this is a very excited project that we’re able to bring forward tonight. I know it’s one that Commissioner McKiernan is very aware of. George, can I get you to pull that up on the screen. It’s just the site layout.
The area we’re talking about is on Minnesota Avenue. It’s our property. It’s the old, old EPA building. One that we’ve held ownership of since the EPA moved over to the current facility that they’ve abandoned in our downtown. Loretto is looking at acquiring our property and they are proposing a development where they come in and have another building that they’ve acquired on the Avenue.

The structure of the deal is one where we would sell our building for $100,000 to them. They’re committing to spend $1M-$1.5M on the buildings internally and the fronts of them, such like that, fixing them up and occupying. I’ll let them speak to that point. In exchange for that they’ve asked us to move within our current CMIP Plan, advance what we currently have in our 2017 and 2018 budgets to our 2014 and 2015 budgets to finish the streetscape that comes down from basically 7 ½ all the way over to Eighth Street. This is about a $1M - $1.5M streetscape venture for us. We currently have it in our budget at $1.7M. We’ve gone through, worked through it. We believe it’s $1.4M, maybe a little less than that, but until we get into it the cost of that streetscape is so high because there’s so much infrastructure within the streets and such like that as you come down to that area.

The concept behind that is one really where they’re investing to make the buildings look like they did from times past really to continue our streetscape so it looks like it does as we did

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down at the intersection of 7th & Minnesota. With that, I’d like to turn this over to James Arkell and Joe Reardon who is representing the developer on this and let them talk a little bit about their project.

**James Arkell, Loretto Companies**, said I’m with Loretto Companies and one of our divisions is Loretto Commercial Development. Another division of our company is Loretto Charities. That’s what brought me down to this area originally. We work with Little Sisters of the Lamb. I was down here doing quite a bit of work with them. I got to know Greg Kindle and a few other people in this room. The opportunity came up to buy the Katz building. We had no idea how long it would take to buy the Katz building. I found out from our general contractor that we originally started looking at that in December of 2012. As you can see from the picture we finally have a dumpster out in front of there now.

We got involved after we saw the wonderful work you guys did on the Chamber building. We were very impressed. Greg proposed that we buy the Katz building. We were looking for a project like this to get involved with. We are very excited at the prospect of being involved with the Unified Government and restoring that part of the city bringing families back. I keep seeing these pictures of families walking up and down Minnesota Avenue. Our charity is very committed to strengthening families and we think this is a great opportunity to be involved, not just from an economic standpoint, but from just future value. We want to create an area that families can come walk around.

With the Katz building, I think we might hit that number with just that one. It keeps getting more and more expensive, but we have committed to do it right. As the weeks go by and I meet with the architects and the general contractors, we are completely taking it back to historical, what it looked like. We’re pulling horrible silver awning off of it, restoring the façade. As my contractor keeps telling me, you’re basically going to have a brand new building on the inside and we’re going to make the outside look just like it did so it will hopefully compliment the work you guys have done on the Chamber building across the street.

After we got committed to that building, then the offer was made to go to the building next door. The vision we have, basically, for both buildings, currently we’re working on filling the Katz building. We’ve had a lot of interest. There’s a lot of people excited at what’s going on here. We’re kind of the first ones in line at the buffet. We’re willing to take a chance and we realize that this is a long term commitment. We’re not looking, I joked with some of these guys

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before that someday I want to sit, my boy’s four right now, when he’s older, say daddy and pappa helped build this when it’s back to its former glory.

We are currently working with Greg. Again, there are a number of people very excited at the opportunity to be in these buildings. We don’t know exactly who’s going to go in which buildings, but like we’ve presented to Doug and Commissioner McKiernan, we’re kind of wanting to use this as a model home, if you will, of redevelopment. We’re talking to a number of for-profits and non-profits. The only tenant we have committed to the Katz building right now is a non-profit coffee shop. Not a big money maker, but we think it’s going to be a tremendous asset for the community. That’s kind of where we stand. It’s not often that in a construction project that your neighbors are very thrilled to see a dumpster in front but that causes that much improvement in the building that you’re getting thanked for putting a dumpster out front. We look forward to completing these projects as well as any other opportunities that come up in the future.

Chairman McKiernan said I’ll open it up for comments or questions or discussion. But just let me say for the record, now I am biased about this because it is my district after all. But I have been so thoroughly impressed. Every time I’ve talked to Mr. Arkell with his vision and passion and commitment for not only doing this project, but for doing it right and doing it in such a way that it really is going to be the springboard for additional development down the road. I am absolutely thrilled with the prospect of having this development. I am so grateful that you have come to our downtown and said let me help you fix that up. It is really a blessing and I truly do think that it capitalizes on our transit center. It capitalizes on the bus route. It could be the seed for a lot of additional things to move forward beyond just the two buildings you’re starting with. I thoroughly enjoy thinking about the opportunities that could be ahead of us.

Any other questions or comment or discussion?

Commissioner Townsend said I had a question about in Section 12 of the presentation. My understanding is the UG is going to sell the property for $100,000 and you as the buyers agree to rehab up to an investment between $1M and $1.5M, substantially rehabilitate. What would be the definition of substantially rehabilitate this? How do we know when that mark has been hit?

Joe Reardon, Counsel for Loretto Properties, said Commissioner I’ll let James explain his vision. I think he does it better than anyone. But I think the goal has always been to be in a
place where the interior of these buildings would be at a quality like or better than the Chamber rehabilitation across the street. That’s the intention. We believe that an investment, the commitment is to make a minimum investment of $1M up to $1.5M. James, in working with his contractor, believes that that amount of money in those two buildings would reach that kind of, you never know because there may be more cost involved as you get into the buildings, but there’s general belief that an investment between $1M and $1.5M in those two buildings and that square footage would take you to that place. The Unified Government would be holding us to that dollar commitment as evidence of the rehabilitation. Then the quality I’ll let James speak to in greater detail. Commissioner Townsend said that was one of the questions I guess, the thought that was concerning me. If you reach that number and you still had not gotten to the place that the building looked like or was functional as you desire it to be, then where do we go from there?

Mr. Arkell said to be honest, that number was set by you guys. My commitment financially is to make the buildings as they’re supposed to be. If it takes, this is based on our estimates, but we’ve had a number of things come up. Rather than doing it the inexpensive way, I’d rather do it the right way. I’m not limiting what I’m willing to spend. That was just a number that we came up with so, we’re trying to attract the type of clients that would want to be in the Chamber building. We think that with the history and architecture of the building, and we’ve already had a great deal of interest from architecture firms, engineering firms, the type of jobs that we think will kind of lift up the district. I’m not going to skimp in order to meet that number. I want to make sure that the building is done right, both buildings are done right.

Commissioner Murguia said so where are we going to get the $1.4M we need for landscaping that was scheduled for really 2017 and 2018? Where are we going to get that for this year? Mr. Bach said if you direct us to do so, then when we’re building the CMIP Plan coming in for presentation this summer, then we’ll rotate projects around to match for this. I can’t say I can sit here today and say I know which ones they will be. The money that was this year’s engineering costs, that’s a couple hundred thousand dollars, but what would come next year is looking at projects that were previously planned for 2015 and push something probably out to push this up.

I would say operating from the perspective that we usually do when we look something to say if we can get grant money to move a project up or leverage significant investment into a
neighborhood or a different part of town, which is why we promote this forward. We think it’s a good investment.

Commissioner Murguia said the project sounds great. Are you using tax credits on your renovation? I was just curious. Mr. Arkell said no. Commissioner Murguia said why not? Mr. Arkell said well, we actually have a construction schedule and we want to get them done and we don’t want to wait around for tax credits. Commissioner Murguia said so the total investment on the building itself is $1.2? Mr. Arkell said between the two buildings right now with the Katz building, including purchase price and renovations that we’re looking at, we’re at about $900,000. Commissioner Murguia said so $900,000? Mr. Arkell said just on the Katz building next door. Commissioner Murguia said and that’s with the renovation and the purchase price? Mr. Arkell said correct. Commissioner Murguia said so you want to purchase the building and renovate it and invest like $900,000 in it, which is what you’ve done. Then you want us to put $1.4M into the landscaping on the outside of it. Mr. Arkell said correct. Well, completing the streetscape down to the end of our block. It currently starts at 7th Street and it stops basically in front of our building. So what we were talking about was continuing that on to help when the front of our building was completed. We’d like the streetscape to match up.

Commissioner Murguia said why is the $1.4M in streetscape so important that it can’t wait until 2017 or 2018? Why is that so important? Mr. Reardon said Commissioner it’s a matter of timing on the construction for the building. The Katz building Loretto has already purchased. I can say a bit of good news for the committee tonight is the Katz building for the first time in decades is not tax delinquent as a result of the purchase. There’s already great progress in that respect.

The intention is to have the Katz building completed in January of next year. If you allow the purchase of the old, old EPA building to move forward, the intention would be to complete that in no less than 24 months after the approval to purchase would occur. I believe that Loretto Commercial Properties thinks that the best way to lease these properties up, which they would be bringing 48,000 square feet online, is to have the improvement of the streetscape which everyone has seen at 7th & Minnesota compliment the investment that they’re making to both the interior and the exterior of the buildings and the timing in which they want to complete construction. Commissioner Murguia said wouldn’t it be easier to go out to CID and TIF these projects and get tenants with the assurance that when the properties are full of tenants that you’ll
be able to use that revenue to do those improvements instead of taking revenue from something else right now. **Mr. Reardon** said, Commissioner, great thoughts about using tools and we’re certainly open to those ideas. I think the driving force for Loretto right now is to move as quickly as they possibly can to complete the construction project. They do intend to take advantage of NRA, but in our initial discussions with Economic Development staff as well as with Wyandotte Economic Development, there really is not enough increment here yet to look at a CID. You’ll see in our agreement for purchase that we’re open to those ideas, but we’ve believe it’s probably further on in the entire life of the project before a CID or a TIF would generate enough revenue to make a significant difference in something in the future. The desire really is to make the investment today, which they’re prepared to do, and to try to get these buildings back to life as quickly as possible.

**Commissioner Murguia** said I just guess, usually when we get development deals the norm is that you have a tenant. It’s not just that you’re going to come in and fix up a building, it’s that there’s a tenant that’s going to go in there. We kind of have an idea who we’re fixing it up for. That’s the leverage on the investment. **Mr. Reardon** said James has done a great job and is actively meeting with potential tenants for the Katz building. As he’s mentioned, there’s some very good interest there. The commitment by Loretto is to move forward even before they have leased up anything in the two buildings and start to make rehabilitation investment now. They will do that on the Katz building. They’ve already purchased that building. In fact, they’ve done the architectural work. A.L. Huber is their contractor on that building. Their intention is they will proceed forward with that. I think the broader vision is to try to move forward on the building next door which they think has great potential and then perhaps to continue on from there. Their commitment is to move forward with investment today.

**BPU Board Member Alvey** said I understand the concern about rotating projects from other years to try and generate some more quick development of this area. If I were a potential tenant, it would seem to me that if I were looking at leasing an office in either one of these buildings knowing that there was then going to be another streetscape project, construction project, after I tried to move in, that could certainly affect my ability to attract customers or to really utilize the space. I understand the concerns about taking money that’s committed to other projects and up fronting the cost now. It seems to me the UG in the past has been flexible in its capital improvement funds to make sure that a project like this can move forward. I would
definitely think in this situation because so much of downtown KCK has lain dormant for so long, we have an excellent opportunity. I think we ought to move forward on this.

Commissioner Townsend said I think Commissioner Murguia brought up one of the questions that I wanted to get clarified in terms of the expected cost for the UG to do the streetscape. That was $1.4M or thereabout and we expect to try and get that from some other place in the CMIP budget, right. But we don’t know where that is right at this point?

Could you show me again the area that’s being considered for the streetscape? Are we just talking about right in front of Minnesota Avenue or a larger area than that? Is it a possibility that Mr. Arkell you would still consider going through with this project if maybe the size was limited for the streetscape area we’re talking about just so that we don’t have to take money from a project that we haven’t identified yet to do this for right now? Not that we would never do it.

Mr. Bach said George if you would run the arrow up there. It runs about halfway down the block. We’ve already done this area, about to here (indicating). We start there and move all the way down to 8th Street. The budget you have gets us through the 8th Street intersection. They didn’t actually ask for that. That’s a recommendation that came back from our Engineering Department that if we’re going to go in and go through this, it is more cost efficient for us to move all the way through the intersection now and fix everything there. They said they wanted to get us down to 8th Street. That gets the construction work done, gets the streetscape done in front of them. Knowing that was our plan to get through the 8th Street intersection, with this budget it makes a lot more sense for us to do it all in this chunk and not leave that last intersection piece and then do it later.

As we get into it, there is that opportunity to value engineer out some of those points. They’re not holding us to a dollar figure. They’re holding us to a project work. It’s kind of like that’s how we come through there. As we did the other end of this area we got into a lot of different things that we’re hopeful don’t happen on this end of the street. There is a fair amount of contingency built into our budget, but we have to do that when we design like this.

Commissioner Murguia asked do you have a copy of our 2014 CMIP budget. Mr. Bach said I do have, not in front of me, but I have one. Commissioner Murguia said that would be helpful to see what we have currently budgeted for 2014. Mr. Bach asked, do you want us to get a copy of it now. Commissioner Murguia said if we’re going to spend $1.4M, I think it’s a great project don’t get me wrong. I think it’s fantastic. I’m confident you’ll do a
good job. I’m just concerned. It’s really not even a dollar for dollar match. It’s $900,000 versus $1.4M.

In addition to that, if we do this which I’m okay with, but then $1.4M has to come from somewhere else. I just want to know if we’re going to move things around in the CMIP budget where that $1.4M is going to come from. Chairman McKiernan said let me clarify one thing. You’re saying $900,000, that’s the Katz building, right? Mr. Arkell said that’s just the Katz building. Chairman McKiernan said there’s two buildings here. Mr. Arkell said actually, by the time we factor in the building next door we had our contractor going through it late last week and we’re looking at at least another half million on that one. Commissioner Murguia said and all of this will take place in 24 months. Mr. Arkell said correct. Commissioner Murguia said that’s how much did you say total again. Mr. Arkell said we’re working on a budget for the, we keep referring to it as UG building, but the old EPA building. The purchase price plus what it’s going to take.

The plan on that one is to have a tenant before we start construction on it and then build it out to suit the tenant. It’s going to be a minimum of $400,000 which will put us right at the $1.4M when you combine the two buildings. Mr. Bach said not to mention the fact they’re paying us $100,000 for our building. It’s a building that we currently need to do more maintenance work on and should program in that area. If not, it’ll become a bit larger cost center for us if we hold on this project. Commissioner Murguia said we’re down to $1.3M. The reality is I think it’s a good project but we have to come up with $1.4M for the difference. I’m good with that. I just want to know where that’s going to come from.

Mr. Bach said understand, it’s not like we’re coming out with that much money. It’s that much that’s in our debt area, that’s from our debt funding that we come out with. I don’t know if that’s what you were going to say, Lew. Commissioner Murguia said we can only issue so much debt. Lew has been adamant about that. We can’t just be issuing willy-nilly debt out there. Mr. Bach said that’s right. That’s why I said I’d go through and prioritize in the recommended budget that would come forward would be a way to put in that amount. If there’s an additional $1M that’s in the 2015 budget from this, then find something to push out probably. We have the capital budget here. I don’t know that we’re going to go through every capital project today and come up with that priority. I wouldn’t recommend it. Commissioner
Murguia said no, I just wanted to see what was on the list. It’s helpful just to see what’s on the list not to necessarily make the decision.

Do you have to have this decision tonight to move forward? I mean, you’ve got sort of a time frame. Could you know at the next Economic Development standing committee, could we vote on it then so we’d have some time. I’d like to talk to Commissioner McKiernan. It’s his district. It sounds like a great project. Mr. Reardon said Commissioner, I think Doug clarified this, we didn’t come up with a dollar figure for your investment. We would love to have you go all the way to 8th Street. We were asking for this rehab to occur in front of the buildings that the investment’s being made at. As James said, this acts as their model home. If you really want to have a model home, and I think this really needs to happen on Minnesota Avenue, you need to have a model home that shows what it can be because the vision’s been lost on a lot of parts of Minnesota Avenue as it exists today. Seeing is believing. In a spirit of partnership, that the beginning of this is James came forward to negotiate, really, was the idea that they’re making investment in these buildings, if the streetscape could match the vision of the buildings themselves. It’s obviously going to benefit everyone because they’re going to be able to get tenants excited in downtown. The dollar figures for your investment, we hope it’s much less. The dollar figures are not our dollar figures. Our dollar figures are what our investment’s going to be. Furthermore, we’d love to see you to 8th, but if you only could go to the alley on Minnesota Avenue, we’ve talked in principal, that gets our model home going. I will say, I’m certain Loretto would want to see more of this happen because their investment as James said is for the long haul in the corridor. They will have made a large investment on the corridor and they would intend to continue to be investors.

Mr. Arkell said our plan is to push forward with construction if you approve the sale. We’ve been pretty relaxed on the scheduling of when that would happen. I guess I’ve always seen it when we’ve been discussing it is it was something that was planned to be done anyways. It’s something that’s going to benefit the block. We would just like to see it pushed up a little bit. That’s our thinking. When I’ve been talking to potential tenants telling them about it and walking them down the street and showing them what you guys have already done just a little bit in the other direction gets them excited. It gets me excited to see how just simple projects like putting new sidewalks in and putting a new façade on a building gets people who care about this area very excited.
Chairman McKiernan said certainly I think we lost a tremendous opportunity by only taking the TIGER grant out to the current Chamber building. You’ve got what could be, what is, and there’s a stark difference on that block. I think we really lost the opportunity while we had everything already torn up anyway to finish that out. Personally I think we should have planned that a little bit better. I didn’t have anything to do with that, but I think we should have finished that streetscape out at the time.

In terms of myself, if we only finished it to the alley how much of a difference would that make in terms of the total dollar investment. We already have a line in the sand at one point in the block. We can just shift that line 400 yards further down the block and then next year we’ll get it all the way to the intersection. What I’d like to do is find a way in terms of a compromise that we can move this forward without negative impact spilling over into other projects as little as possible. I would hate for us to lose the opportunity to synergize with a potential development that could unlock much more in the downtown.

BPU Board Member Alvey said I guess I just want to reiterate, I just think if this project had come forward before the adoption or before putting together the CMIP, it would have been already front loaded. In other words, we would have made this a priority to make sure that this happened all the way down to 8th Street. The fact that it has come to us now, the CMIP can be adjusted. I don’t think, Commissioner Murguia, that you’re suggesting that you would vote against this very wonderful project coming forward based upon what might get shifted around. If the presumption is you would vote for it knowing that we would have to shift some CMIP funds around, it would seem to me that we could move forward with a vote today and then decide how to shift those funds later.

Chairman McKiernan said alternatively, we could if there’s no time urgency of making the decision tonight, if we have a month, we certainly could go back and look at alternative pricing. We could look at alternative plans. We could consider how that might impact and what that might impact in terms of dollars and projects and have a clearer vision of that before we come back for an actual vote on the agreement.

Commissioner Townsend said I hope that would be an option because as I read this I was very optimistic about this. There are two pieces of vital information here that were not here spelled out. One was the cost of what the UG’s obligation would be and how we’re going to finance that. I think we need the additional time to do the homework and see where that might
come from, especially since we put a lot of time into constructing the budget and what are going
to be priorities. This is just a little bit out of the blue, but I hope it’s a project that we can do. I
used to sell a lot of records in that Katz building, so I’d like to see it revitalized. I think we just
have to be smart and practical about it. If it’s not an encumbrance to you and what you want to
do, I think it would be additional time well spent.

Commissioner Walters said if we were to vote tonight, what would be the process by
which we would actually make a modification to the CMIP budget? When would it happen?
Would it be a commission activity at a regularly scheduled commission meeting or just what?
Mr. Bach said the final action that you would take for the CMIP budget would come in July
when you’re reviewing the budget. What we’ll do is we’ll sit down and go through all the
different priorities that have been submitted from the departments, which we’re in the process of
doing now, going through all the different priorities we have for projects that are out there. Look
at them. Determine what we can finance under our current debt load coming into 2015.
Assuming that it’s about the same as where we’ve been, we’d need to shuffle that amount of
project one up and one back to make it work. The alternatives we’d have in building that would
be to say, okay I know an estimated budget of $1.4M to get through the 8th Street intersection,
we could reduce that down by a half million, not go as far, or some number less than that, as we
work through the project and build on it, you would be able to reach a final conclusion by the
end of July to know where your priorities are going to be for this. Commissioner Walters said I
guess that’s my point. If we take action tonight or if we take action 30 days from now, roughly,
we still won’t finalize the CMIP budget until July. I think there’s nothing we can do here at this
committee that binds us to modifying the CMIP budget. I understand the consternation as we’re
sort of being asked to take a leap of faith that we will be able to figure out how to rearrange the
future spending. As David said, I can’t imagine that if this had come prior to us establishing the
CMIP budgets for those outlying years we would not have been able to figure it out. We would
have figured out a way to do this project which we’ve already committed to do as I understand it,
it’s just a question of when. We’re just moving money from one year to another. I really don’t
know that we can’t figure that out. Mr. Bach said I would agree with that.

Chairman McKiernan said so then the question before us tonight is we have a request
to approve the purchase agreement as outlined. We can entertain a motion for that or we could
put this off.
Action: BPU Board Member Alvey made a motion, seconded by Commissioner Walters, to approve and forward to the full commission.

Chairman McKiernan said we have a motion and second to approve the purchase agreement as outlined with the understanding that the final CMIP will be determined as a part of the regular process moving forward and we will try to find the most equitable solution to the CMIP expenditures. Commissioner Townsend said let’s say this goes forward, I guess what I’m still having some consternation about is that we by that vote are not binding the commission to go forward in the event that other commissioners have another view or that we can’t identify what we want to delay or shift in the CMIP budget to accommodate this. Mr. Bach said we would go forward to the full commission so the other commissioners would have a say and could voice in on this or disagree or vote for it. The action would be one that binds us to move forward with doing the streetscape work in front of their building. Commissioner Townsend asked by our vote tonight. Mr. Bach said the full, final action when it goes to the full commission would, yes. This would be a recommendation approving this. The actual agreement that would go before the full commission would say we would do the streetscape work in 2015.

Now, if you don’t do it, and Ken you can correct me if I’m wrong, the outside of this is if we decide and we just don’t follow through with the work next year, we don’t find a way to do it, don’t move through it, they’ve bought the building. They’re going to own the other building. They just don’t have to go ahead and spend the money on the project. Is that correct? Ken Moore, Deputy Chief Counsel, said that’s correct. Our investment in the streetscape guarantees their investment in the two buildings and also eliminates that extra $100,000 agreed value of the purchase price. Those obligations on behalf of Loretto would be gone. They would not have to invest any more money in the buildings and would not have to pay that. Mr. Bach said from that perspective, well Ken just said it. Our investment in the streetscape assures their investment in the buildings. If we don’t make our investment, they don’t have to make their investment.

Commissioner Townsend said then it becomes a timing issue? By that I mean, Loretto would own the buildings. If we don’t do the streetscape at the time we’re talking about now, let’s say we don’t identify projects in the CMIP to delay in favor of moving this forward, it’s a timing issue. If we came back next year and said, hey we can afford this, then possibly Loretto
would, at that time, reconsider doing the upgrade that they’re talking about now. **Mr. Bach** said yeah, I think that’s right. I think what we’re committing to by this, Commissioner, is that we really have a good faith effort that we’re going to get into our CMIP budget and try to make this adjustment work. If we just absolutely went ahead forward to it and couldn’t do it, it would be very apparent to them this summer that we’re not going to move forward with it and it would probably stop them from where they’re going forward with things. By us doing this you’re directing me from a good faith perspective to say hey Mr. Administrator, get into the budget and figure out a way to make this a priority because it leverages another $1.5M to $2M worth of investment that’s probably going to happen down on the Avenue by us spending $1M-$1.4M by doing this.

**Commissioner Murguia** said how do we know we have the ability, if I remember right, prior to this year we pretty much eliminated our CMIP budget because we didn’t have any money. We weren’t moving anything forward. Weren’t there a couple of years in there we didn’t do anything, pushed everything back? **Mr. Bach** said you’re thinking of our capital equipment side of it. In our CMIP projects we’re still funding out about $13M annually. We finance that much. I think, Lew, 13 to 14, wasn’t that the number we’re at for the general fund projects? **Commissioner Murguia** said it sounds like you’ve already looked at them and all of the 2014 CMIP projects we have for 2014 are not time sensitive and are flexible enough to switch with a project like this. **Mr. Bach** said I’m going to say that I believe there are some that we could consider for pushing. **Commissioner Murguia** said okay. Well, if there’s some that aren’t, the project’s great, I just want to make sure, and I don’t know what’s on our CMIP list. I don’t know if those projects are leveraging funds. I don’t know if those projects are time sensitive. Then we get ourselves into, and I’ve been down this road, where we get ourselves into budget and everybody’s like wait a minute this project was supposed to be in 2014 because this developer was going to do this or this project was supposed to be then because that way I could do this what I was going to do, whatever the commissioner in that district or all of us had talked about in the past. If you, though, are saying Doug as the Administrator that you believe that there’s some flexible spending in there up to $1.4M, then there’s no reason to continue the conversation.

**Mr. Levin** said I think ultimately it’s a policy decision by the commission. Currently there’s $13.6M in the 2015 budget. The CMIP Plan, historically it’s an evolving plan. Each
year the commission reviews the plan and I’ll say amends the CMIP for the next five years. My expectation is that there’s projects in this 2015 Plan that are, even if this project didn’t come forward, would be moved to out years or there’d be other projects that would be for some reason viewed as a higher priority and moved to the 2015. It’s a plan that each year the governing body looks at and says what are our priorities? This is what it is today but have things changed? Have the government finances changed. Can we afford more or can we afford less. I think it’s an appropriate action by the commission. It’s not a document that’s in stone that cannot be altered. Mr. Bach said similar to that is if like the TIGER grants or other grants, if they came in, some of them we landed them for next year, we would be coming forward this summer saying hey we recommend to move this forward with project because if we spend this $1M we’re going to leverage another 3 or 4. That’s the kind of fluid thing we work with our CMIP each year. To that point, if we just can’t get to it, we may come back and say well, we’re not going to go all the way through the intersection because we could only find about $800,000 worth of moving it around.

The CMIP project is a very dynamic, it’s a Five-Year Plan. That’s what it is. It’s a plan. I give a lot of credit to Bill Heatherman who’s in the room and other staff that go through and work on this and refine it every year. We find different ways and what projects have to be done. There’s other projects that if something happened to the integrity of a road or something over the course of a winter we’ve got to shuffle it. As Lew said, we’ll be shuffling more than $1-2M probably around. Commissioner Murguia said if you think that there’s that much flexibility in the CMIP budget, I trust your judgment. Mr. Bach said we can work it. You may not like the recommendations. Commissioner Murguia said that’s what I’m saying. I’m just saying I’ve been around now for a few budgets, not all of them, but a few of them. I’ve never seen that level of flexibility. If you say that there is, and we won’t be compromising other projects bringing the same leverage and the same level of benefit, then I’m good with that. Mr. Bach said I can figure it out. Commissioner Murguia said okay, we’re good.

Action: Roll call was taken and there were five “Ayes,” Alvey, Walters, Murguia, Townsend, McKiernan.
Item No. 7 – 140145… RESOLUTION: LANE4 TO MARKET FORMER INDIAN SPRINGS MALL SITE

Synopsis: A resolution approving an agreement with Lane4 Property Group, Inc., to market for sale the former Indian Springs Mall site (Midtown Redevelopment District), located at approximately 4601 State Avenue, submitted by George Brajkovic, Economic Development Director. (On April 7, 2014 this item was heard by the EDF Standing Committee but did not advance.)

Chairman McKiernan said the final item on our agenda is an item that we actually discussed last month. Last month this was voted on and did not move forward. It was suggested that if the people from Lane4 wanted to just consider the agreement that they could bring it back again for further discussion this month.

Mr. Brajkovic said we were here earlier this month on the 7th. We had the opportunity to do some follow up with commissioners that had questions as well as the district commissioner to get their input in terms of what they thought their constituents were going to look for at this site. What we wanted to do is take a look back at the two documents we brought before you last time. One was the narrative agreement and there didn’t seem to be much discussion or discourse with that document. More the discussion was on the conceptual design.

One of the things from a staff perspective we wanted to clarify tonight was again the three conceptual designs that were put out by Lane4 and the architect that they hired to do that was more just a mass and scale, how many square feet of retail, how many square feet of commercial, how many potential units on multi-family or senior housing or assisted. Again, it was just to give us a sense of the scale that should the market bear those types of end developments, what we could expect to see. Again, I think the big picture though was to show this mixed-use horizontally integrated across the site. I’m going to turn it over to Hunter and Owen and let them kind of talk about the feedback they received and where we perceive going with that feedback incorporated.

BPU Board Member Alvey said I think there was just one more issue that Commissioner Walters raised. That is that he wanted to make sure that we didn’t short sell the property in terms of the development. If I’m right, that you wanted to make sure that this
remains kind of a lead property, high quality property that can attract the kind of investment that area really deserves. Commissioner Walters said that’s correct.

Hunter Harris, Lane4 Property Group, said we had a great opportunity to dialogue with several of the commissioners and the Mayor about the vision for Indian Springs. Unfortunately we did not have that opportunity prior to seeing you on the 7th. Hindsight being 20/20 always, I wish I would have said that evening and brought some of the preliminary documents of where we start on other projects in the Unified Government such as the 39th & Rainbow corridor and what our early conceptual images were for that project and where we are today. I’m sure they vary quite drastically from just a napkin sketch. Then after providing input from all of the key stakeholders on those projects, they evolved into something that we’re very proud of and we feel will be very special projects for the community. We share that with the Indian Springs project. We look forward to additional dialogue. We’ll use our best efforts to market the property to various users that we feel could have a very impactful, long lasting change on the area in a very positive way. Owen, anything I left off there? Owen Buckley, President Lane4 Property Group, said no you did a good job. I think just to the point of short selling, we agree.

Our job is to vet that out. Our job is to see what potential there is out there. One thing that’s certain is that the property is not being worked right now. It’s not being marketed. I’m a little prejudice, but I think Lane4 is a good option because we’re out there. We’re talking to all kinds of people. I think we can vet that out. I think we can come back and give reports and keep everybody up-to-date on what’s going on, the good news right along with any bad news. We’re optimistic about our ability to get that property back on the tax rolls so to speak. You look around town and you look at what’s happened to Antioch Mall, Blue Ridge Mall, Bannister Mall, even Corbin Park which had its little problem there for a while and now it’s coming back, Metcalf South there’s some new life being breathed into that right now. I think good things happen to good properties. Certainly Indian Springs is very, very well located.

BPU Board Member Alvey said to be clear this agreement is simply to give you an opportunity to try and market the property to see what is available. You’re not presenting us a done deal with a development plan. It’s just let’s get some traction on this as Commissioner Townsend said last time. Let’s get some traction, what kind of traction. You’re going to be doing that for the Unified Government. Is that correct? Mr. Harris said that’s accurate, correct.

April 28, 2014
However, we look forward to taking that one step further because when we’re out marketing this, obviously it’s in our best interests to create a project that we can go put together and bring back before you here. Our interests are aligned along with your’s to do something that we’re all going to be very proud of. Mr. Buckley said that’s exciting to us. That’s important that we’re motivated, we’re incentivized. If it were easy the property would be already productive and something would have been done several years ago or whenever. We like the way that it’s structured. It’s exciting to us.

Commissioner Murguia said isn’t the intent of this tonight is just to give you control over the property. I don’t know how else to describe it so that you can go out and see what you can do with it without another developer or someone else swooping in and you doing all the work and someone else doing the development. Isn’t part of it that that you control the site? Who wants to go out and try to build a beautiful site and put it all together and not control it and have another developer come in and swoop it out from underneath you? Mr. Harris said well I don’t know, Commissioner Murguia. Obviously we’ll be marketing the site but I would say that there’s a decent chance that we’ll be approached potentially by other developers who say we would like to do this specific use on this site. We would report that back to you to say that we have someone who’s interested in doing this project. It’ll be on this portion of the site. Here’s how we feel it fits into a master plan per say that we would work on with the Unified Government for the site or here’s how we need to adapt it for this project and present you with those options. Our efforts in marketing the property don’t necessarily preclude another developer from bringing forward a great project for Indian Springs.

Commissioner Murguia said right, but if you want to control the whole site and develop a quality master plan for the whole site you need to control the whole site and decide how that’s going to be put together so that there’s not three or four different of you working in a different direction. So that it becomes truly the quality development that people want. Is that right? Mr. Buckley said yes I’d say so. Actually it’s a very good question. If we’re out talking to a significant user so to speak, and they want 5 acres or 15 acres and we’re spending the time talking to them, marketing the site to them, answering their questions, going back and forth maybe between, maybe their headquarters are out of town and we’re going to that length to get them to the site and help them be attracted to the site. Then, to have somebody swoop in as you say and take them away because they’re going to come in and do the entire site could be
problematic. We want to make it clear that we’re very inclusive and that we will work with other developers. Again, our goal is to get this site up and running for the UG. That’s what you have charged us with and that’s our main objective.

Mr. Brajkovic said, Commissioner, maybe a point of clarity. When you said to have control ultimately the Unified Government stays the owner of the property. It’s at our sole discretion to approve any project that’s brought forward. You’re right. The agreement would give them the exclusive rights to act on our behalf both in a brokerage role as well as a developer role. Commissioner Murguia said if you did come up, say you only developed part of the site, I’ll just make something up because I have to use an example. How many acres is Indian Springs, it’s a lot of acres. Mr. Brajkovic said 100.

Commissioner Murguia said its 100 acres. You come back, you have 100 acres and you come back and say I’m going to put a Home Depot and a Target there. I would guess that the commission would question that that would be a very comprehensive, quality development on 100 acres when you may only need 30 acres to do that. From what I’ve heard over the last few years about what people, it’s not my district, but from what people would like to see there is a more mixed-use sort of development where you’re encompassing lots of like residential, business and other kinds of things. We still have that right, correct, that if you come in front of us and propose something that we don’t like, we at that time can tell you no we don’t like that, try again. You’ll keep doing that. How long do you get to control that site? Mr. Harris said a two year period. Commissioner Murguia said so then at the end of two years if we’re still, could you terminate that agreement prior to two years if you just were? Mr. Harris said yes. Either party could if they were dissatisfied.

Mr. Buckley said I think the agreement will cover a lot of things and protect us in that situation I just described where maybe we’re going back and forth and doing this and doing that. Our hope is that we’ll be protected in some sort of way and be rewarded for our efforts. Mr. Harris said to your point Commissioner Murguia, we heard loud and clear from the commissioners that we met with that they too share the view that this needs to be a site that contains a mix of uses. Our efforts won’t be singular in just attracting retail users for the site. We would also want to go out and find great residential and other types of uses to bring forward as it is a very large area.

April 28, 2014
Commissioner Walters said I want to thank Lane4 for the time they’ve spent between the last time we got together and tonight and giving additional information to various commissioners, myself included. I won’t repeat all the comments I made last time, but those are the concerns. I think after meeting with Lane4 I think we’re on the same wavelength as being something, looking for that property to be a transformational development in our midtown area. I think some of the impressions I had from the last time were that there was a chance that it might kind of lose that focus. After talking with representatives of Lane4 I think I have gained a lot of confidence in their vision and I think we can work together very well on the overall development of this property.

**Action:** Commissioner Murguia made a motion, seconded by BPU Board Member Alvey, to approve and forward to the full commission. Roll call was taken and there were five “Ayes,” Alvey, Walters, Murguia, Townsend, McKiernan.

V. Adjourn

Chairman McKiernan adjourned the meeting at 7:49 pm.
**Staff Request for Commission Action**

**Type:** Standard  
**Committee:** Economic Development and Finance Committee

**Date of Standing Committee Action:** 7/7/2014  
(If none, please explain):

**Proposed for the following Full Commission Meeting Date:** 7/10/2014  
**Confirmed Date:** 7/10/2014

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<td>6/24/2014</td>
<td>Lew Levin</td>
<td>x-5186</td>
<td><a href="mailto:llevin@wycokck.org">llevin@wycokck.org</a></td>
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**Item Description:**

Ordinance authorizing and providing for the issuance of General Obligation Refunding Bonds, Series 2014-D, of the Unified Government of Wyandotte County/Kansas City, Kansas for the purpose of providing funds to refund 2010-E General Obligation Bonds; Providing for the levy and collection of an annual tax for the purpose of paying the principal and interest of said bonds.

Resolution prescribing the form and details of and authorizing and directing the sale and delivery of general obligation refunding bonds, series 2014-D in the amount of $6,905,000.

**Action Requested:**

This action refunds the outstanding debt on the Legend's theater. Security Bank will be the purchaser of the bonds. The interest rate is 2.75%. A final balloon payment in the amount of $6,605,000 is scheduled for August 1, 2018. These bonds may be redeemed at any time, in the event of a theater sale.

Request approval of the ordinance and resolution and Fast Track to July 10th to allow for the financing to be finalized prior to August 1st of 2014.

**Publication Required**

**Budget Impact:** (if applicable)

**Amount:** $

**Source:**

- [ ] Included In Budget  
- [x] Other (explain) Theater operating revenues have and are expected to cover annual debt service payments.
ORDINANCE NO. O-___-14

OF

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

PASSED

JULY 10, 2014

GENERAL OBLIGATION REFUNDING BONDS
SERIES 2014-D
ORDINANCE NO. O-___-14

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014-D, OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY’S OUTSTANDING GENERAL OBLIGATION BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THERewith; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”) is a municipal corporation, duly created, organized and existing under the Constitution and laws of the State as a consolidated city-county having all the powers, functions and duties of a county and a city of the first class; and

WHEREAS, the Unified Government heretofore issued and has outstanding the Refunded Bonds and is authorized by K.S.A. 10-427 et seq. to issue general obligation refunding bonds of the Unified Government for the purpose of refunding the Refunded Bonds; and

WHEREAS, in order to provide an orderly plan of finance for the Unified Government, it has become desirable and in the best interest of the Unified Government and its inhabitants to refund the Refunded Bonds; and

WHEREAS, the governing body of the Unified Government has advertised the sale of the Bonds in accordance with the law and at a meeting held in the Unified Government on this date awarded the sale of such Bonds to the best bidder.

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

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-427 et seq., K.S.A. 10-620 et seq., and Article 12, Section 5 of the Kansas Constitution, all as amended and supplemented from time to time.
“Bond and Interest Fund” means the Bond and Interest Fund of the Unified Government for its general obligation bonds.

“Bond Resolution” means the resolution to be adopted by the governing body of the Unified Government prescribing the terms and details of the Bonds and making covenants with respect thereto.


“Clerk” means the duly appointed and acting Clerk of the Unified Government or, in the Clerk’s absence, the duly appointed Deputy, Assistant or Acting Clerk.

“Mayor/CEO” means the duly elected and acting Mayor/CEO of the Unified Government or, in the Mayor/CEO’s absence, the duly appointed and/or elected Vice Mayor/CEO or Acting Mayor/CEO of the Unified Government.

“Ordinance” means this Ordinance authorizing the issuance of the Bonds.

“Refunded Bonds” means the Series 2010-E Bonds maturing August 1, 2014, in the aggregate principal amount of $6,815,000.


“State” means the State of Kansas.

“Unified Government” means the Unified Government of Wyandotte County/Kansas City, Kansas.

Section 2. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Refunding Bonds, Series 2014-D, of the Unified Government in the principal amount of $6,905,000, for the purpose of providing funds to: (a) refund the Refunded Bonds and (b) pay costs of issuance of the Bonds.

Section 3. Security for the Bonds. The Bonds shall be general obligations of the Unified Government payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Unified Government, excluding the incorporated areas of Bonner Springs, Edwardsville and Lake Quivira, and excluding the unincorporated area of the Unified Government. The full faith, credit and resources of the Unified Government are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 4. Terms, Details and Conditions of the Bonds. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the governing body of the Unified Government.

Section 5. Levy and Collection of Annual Tax. The governing body of the Unified Government shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the
taxable tangible property within the Unified Government, excluding the incorporated areas of Bonner Springs, Edwardsville and Lake Quivira, and excluding the unincorporated area of the Unified Government, in the manner provided by law.

The taxes above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the general ad valorem taxes of the Unified Government are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Unified Government and to reimburse said general funds for money so expended when said taxes are collected.

Section 6. Further Authority. The Mayor/CEO, Clerk and other Unified Government officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 7. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the Unified Government, approval by the Mayor/CEO and publication in the official Unified Government newspaper.

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PASSED by the governing body of the Unified Government on July 10, 2014 and APPROVED AND SIGNED by the Mayor/CEO.

(SEAL) 

_______________________________
Mayor/CEO

ATTEST:

_______________________________
Clerk

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RESOLUTION NO. R-___-14

OF

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

ADOPTED

JULY 10, 2014

GENERAL OBLIGATION REFUNDING BONDS
SERIES 2014-D
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RESOLUTION NO. R-____-14

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014-D, OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. O-____-14 OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Bonds; and

WHEREAS, the Ordinance authorized the governing body of the Issuer to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Bonds.

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

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Bond Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-427 et seq., K.S.A. 10-620 et seq. and Article 12, Section 5 of the Kansas Constitution, all as amended and supplemented from time to time.

“Authorized Denomination” means $100,000 or any integral multiples of $1,000 in excess thereof.

“Beneficial Owner” of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.
“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

“Bond Registrar” means the Security Bank of Kansas City, Kansas City, Kansas, and any successors and assigns.

“Bond Resolution” means this resolution relating to the Bonds.

“Bonds” means the General Obligation Refunding Bonds, Series 2014-D, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“Clerk” means the duly appointed and/or elected Clerk or, in the Clerk’s absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.


“Costs of Issuance” means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Costs of Issuance Account” means the Costs of Issuance Account for General Obligation Refunding Bonds, Series 2014-D created pursuant to Section 501 hereof.

“Dated Date” means August 1, 2014.

“Debt Service Account” means the Debt Service Account for General Obligation Refunding Bonds, Series 2014-D created within the Bond and Interest Fund pursuant to Section 501 hereof.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:
(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

   (1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

   (2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

   (3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

   (4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

   (5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

   (6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Event of Default” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Resolution (other than the covenants relating to continuing disclosure requirements contained herein and in the Disclosure Instructions) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

“Federal Tax Certificate” means the Issuer’s Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.
“Fiscal Year” means the twelve month period ending on December 31.

“Funds and Accounts” means funds and accounts created pursuant to or referred to in Section 501 hereof.

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Bond which shall be February 1 and August 1 of each year, commencing February 1, 2015.

“Issue Date” means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

“Issuer” means the Unified Government and any successors or assigns.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Mayor/CEO” means the duly elected and acting Mayor/CEO, or in the Mayor/CEO’s absence, the duly appointed and/or elected Vice Mayor/CEO or Acting Mayor/CEO of the Issuer.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Notice Address” means with respect to the following entities:

(a) To the Issuer at:

Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street
Kansas City, Kansas 66101
Fax: (913)573-5003
Attn: Chief Counsel

(b) To the Paying Agent at:

Security Bank of Kansas City
Corporate Trust Department
701 Minnesota Avenue
Suite 206, P.O. Box 171297
Kansas City, Kansas 66117
Fax: (913) 279-7960

(c) To the Purchaser:

Security Bank of Kansas City
Corporate Trust Department
701 Minnesota Avenue
Suite 206, P.O. Box 171297
Kansas City, Kansas 66117
Fax: (913) 279-7960
or such other address as is furnished in writing to the other parties referenced herein.

“Notice Representative” means:

(a) With respect to the Issuer, the Clerk.

(b) With respect to the Bond Registrar and Paying Agent, the Manager of the Corporate Trust Department.

(c) With respect to any Purchaser, the manager of its Municipal Bond Department.

“Ordinance” means Ordinance No. O-___-14 of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

“Outstanding” means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore authenticated and delivered, except the following Bonds:

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of Section 701 hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“Paying Agent” means Security Bank of Kansas City, Kansas City, Kansas, and any successors and assigns.

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer’s temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements 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 or Standard & Poor’s; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 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 securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Purchase Price” means the principal amount of the Bonds plus accrued interest to the date of delivery.

“Purchaser” means Security Bank of Kansas City, Kansas City, Kansas, the original purchaser of the Bonds, and any successor and assigns.

“Rebate Fund” means the Rebate Fund for General Obligation Refunding Bonds, Series 2014-D created pursuant to Section 501 hereof.

“Record Dates” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of this Bond Resolution.

“Redemption Fund” means the Redemption Fund for Refunded Bonds created pursuant to Section 501 hereof.

“Redemption Price” means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of this Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunded Bonds” means the Series 2010-E Bonds maturing August 1, 2014, in the aggregate principal amount of $6,815,000.

“Refunded Bonds Paying Agent” means the paying agent for the Refunded Bonds as designated in the Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent of the Refunded Bonds.

“Refunded Bonds Redemption Date” means August 1, 2014.

“Refunded Bonds Resolution” means the ordinance and resolution which authorized the Refunded Bonds.


“Series 2010-E Principal and Interest Account” means the Principal and Interest Account for the Series 2010-E Bonds.

“Special Record Date” means the date fixed by the Paying Agent pursuant to Section 204 hereof for the payment of Defaulted Interest.
“Standard & Poor’s” means Standard & Poor’s Ratings Services, a Division of McGraw-Hill Financial, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor’s shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Treasurer” means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

“Unified Government” means the Unified Government of Wyandotte County/Kansas City, Kansas.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

ARTICLE II
AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds. The Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of $6,905,000, for the purpose of providing funds to: (a) refund the Refunded Bonds; and (b) pay Costs of Issuance.

Section 202. Description of the Bonds. The Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, without option of prior redemption and payment, and shall bear interest at the rates per annum as follows:
SERIAL BONDS

<table>
<thead>
<tr>
<th>Stated Maturity</th>
<th>Principal Amount</th>
<th>Annual Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$100,000</td>
<td>2.750%</td>
</tr>
<tr>
<td>2016</td>
<td>100,000</td>
<td>2.750</td>
</tr>
<tr>
<td>2017</td>
<td>100,000</td>
<td>2.750</td>
</tr>
<tr>
<td>2018</td>
<td>6,605,000</td>
<td>2.750</td>
</tr>
</tbody>
</table>

The Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in Section 204 hereof.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as EXHIBIT A or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 et seq.

Section 203. Designation of Paying Agent and Bond Registrar. Security Bank of Kansas City, Kansas City, Kansas, is hereby designated as the Paying Agent for the payment of principal of and interest on the Bonds and Bond Registrar with respect to the registration, transfer and exchange of Bonds. The Mayor/CEO of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar by (a) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 et seq. and K.S.A. 10-620 et seq., respectively.

Section 204. Method and Place of Payment of the Bonds. The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to any Owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less
than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefore to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the Issuer.

Section 205. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 206. Registration, Transfer and Exchange of Bonds. The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

The Bonds shall be transferable by the Purchaser or subsequent transferee only upon prior delivery to the Bond Registrar and the Unified Government of an Investment Letter in substantially the form of Exhibit B hereto, signed by the transferee, stating that (a) the transferee is either (1) an “accredited investor” as defined in Rule 501 of Regulation D of the Securities and Exchange Commission (the “SEC”) or (2) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended, (b) the transferee is purchasing the Bonds for its own account for investment and with no present intention of selling or transferring the Bonds, (c) the transferee has been provided with or given access to all financial and other information requested relating to the Bonds or which it deems material in connection with the purchase of Bonds, (d) the transferee considers that it has such knowledge
and experience in financial and business matters, including the purchase of tax-exempt obligations, as to be independently capable of evaluating the merits and risks of investment in the Bonds and to make an informed decision with respect thereto, and (e) the transferee understands that the Bonds are subject to all terms and conditions of this Bond Resolution. The Bonds shall be held by no more than five (5) persons at any time.

Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner’s duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to Section 204 hereof.

The Issuer and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner’s order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 207. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor/CEO, attested by the manual or facsimile signature of the Clerk, and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor/CEO and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of
such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor/CEO and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Bond Registrar for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as EXHIBIT A hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the Issuer or its representative.

Section 208. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer’s request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Bond Resolution equally and ratably with all other Outstanding Bonds.

Section 209. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 210. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying
Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer.

Optional Redemption. At the option of the Issuer, Bonds will be subject to redemption and payment prior to their Stated Maturity, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.

Section 302. Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner’s duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the
Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption.

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar, the State Treasurer and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information:

(a) the Redemption Date;
(b) the Redemption Price;
(c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
(d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
(e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the date of issue of the Bonds as originally issued; (2)
the rate of interest borne by each Bond being redeemed; (3) the maturity date of each Bond being redeemed; and (4) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositaries then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV
SECURITY FOR BONDS

Section 401. Security for the Bonds. The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer, excluding the incorporated areas of Bonner Springs, Edwardsville and Lake Quivira, and excluding the unincorporated area of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax; Transfer to Debt Service Account. The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer, excluding the incorporated areas of Bonner Springs, Edwardsville and Lake Quivira, and excluding the unincorporated area of the Issuer in the manner provided by law.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.
ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS
DEPOSIT AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

(a) Redemption Fund for Refunded Bonds;

(b) Debt Service Account for General Obligation Refunding Bonds, Series 2014-D (within the Bond and Interest Fund); and

(c) Rebate Fund for General Obligation Refunding Bonds, Series 2014-D; and

(d) Costs of Issuance Account for General Obligation Refunding Bonds, Series 2014-D.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Bond Resolution so long as the Bonds are Outstanding.

Section 502. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) All accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Account.

(b) The sum of $6,895,928.13 shall be deposited into the Redemption Fund.

(c) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Costs of Issuance Account.

Section 501. Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be paid and transferred to the Refunded Bonds Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Bonds on the Refunded Bonds Redemption Date. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Bonds shall be transferred to the Debt Service Account.

Section 502. Application of Moneys in Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Bond Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be
deposited in accordance with and subject to all of the provisions contained in this Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

Section 503. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the arbitrage rebate, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Bond and Interest Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular Article VII hereof, the obligation to pay arbitrage rebate to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Section 504. Deposits and Investment of Moneys. Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositaries shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Moneys held in any Fund or Account other than the Escrow Fund may be invested in accordance with this Bond Resolution and the Federal Tax Certificate in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account.

Section 505. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Debt Service Account.
ARTICLE VI

DEFAULT AND REMEDIES

Section 601. Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

Section 602. Limitation on Rights of Owners. The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.
ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer’s faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with Section 303 of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution.

ARTICLE VIII

TAX COVENANTS

Section 801. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor/CEO, Chief Financial Officer and Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Section 802. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to Article VII hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.
ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 901. Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Clerk. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner. As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

Section 902. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Bond;

(b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;

(c) permit preference or priority of any Bond over any other Bond; or

(d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Bond Resolution.

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Bonds or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution adopted by the governing body of the Issuer amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Bond Resolution shall always
be kept on file in the office of the Clerk, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of this Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Bond Resolution which affects the duties or obligations of the Paying Agent under this Bond Resolution.

Section 903. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Owners the pledgee’s right so to act with respect to such Bonds and that the pledgee is not the Issuer.

Section 904. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.
All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Section 905. **Electronic Transactions.** The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 906. **Further Authority.** The officers and officials of the Issuer, including the Mayor/CEO and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 907. **Severability.** If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

Section 908. **Governing Law.** This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 909. **Effective Date.** This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]
ADOPTED by the governing body of the Issuer on July 10, 2014.

(SEAL)

ATTEST:

______________________________

Mayor/CEO

______________________________

Clerk

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]
EXHIBIT A
(Form of Bonds)

REGISTERED
NUMBER __

REGISTERED

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY (1)
TO AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 OF
REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE
COMMISSION AND (2) IN ACCORDANCE WITH THE TRANSFER
RESTRICTIONS SET FORTH IN THE BOND RESOLUTION.

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF WYANDOTTE
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2014-D

Interest Rate: Maturity Date: Dated Date:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the Unified Government of Wyandotte County/Kansas City, Kansas in the County of Wyandotte, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on February 1 and August 1 of each year, commencing February 1, 2015 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal of this Bond shall be paid at maturity to the person in whose name this Bond is registered at the maturity date thereof, upon presentation and surrender of this Bond at the principal office of Security Bank of Kansas City, Kansas City, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Bond on any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to any Owner of
$500,000 or more in aggregate principal amount of Bonds by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Bond Resolution.

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the Issuer designated “General Obligation Refunding Bonds, Series 2014-D,” aggregating the principal amount of $6,905,000 (the “Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details of the Bonds (collectively, the “Bond Resolution”). The Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-427 et seq., and Article 12, Section 5 of the Kansas Constitution, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer, excluding the incorporated areas of Bonner Springs, Edwardsville and Lake Quivira, and excluding the unincorporated area of the Issuer. The full faith, credit and resources of the Issuer are hereby pledged for the payment of the principal of and interest on this Bond and the issue of which it is a part as the same respectively become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity, as follows:

Optional Redemption. At the option of the Issuer, Bonds will be subject to redemption and payment prior to maturity, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Redemption Denominations. Whenever the Bond Registrar is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Bond as though it were a separate Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the Purchaser of the Bonds and to the Bond Registrar in accordance with the Bond Resolution. The Issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer defaults in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear interest.
Transfer and Exchange. This Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Bond, together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner’s duly authorized agent, and thereupon a new Bond or Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Bonds are issued in fully registered form in Authorized Denominations.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration thereon shall have been lawfully executed by the Bond Registrar.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, and that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual or facsimile signature of its Mayor/CEO and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(Facsimile Seal)

By: (facsimile)________________________
Mayor/CEO

ATTEST:

By: (facsimile)________________________
Clerk
CERTIFICATE OF CLERK

STATE OF KANSAS     )
COUNTY OF WYANDOTTE  ) SS.

The undersigned, Clerk of the Unified Government of Wyandotte County/Kansas City, Kansas does hereby certify that the within Bond has been duly registered in my office according to law as of August 1, 2014.

WITNESS my hand and official seal.

(Facsimile Seal) By: (facsimile) Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

RON ESTES, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Bond has been filed in the office of the State Treasurer, and that this Bond was registered in such office according to law on ________________.

WITNESS my hand and official seal.

(Seal) By: ________________________
Treasurer of the State of Kansas

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Refunding Bonds, Series 2014-D, of the Unified Government of Wyandotte County/Kansas City, Kansas described in the within-mentioned Bond Resolution.

Registration Date ________________

Security Bank of Kansas City,
Kansas City, Kansas,
as Bond Registrar and Paying Agent

By ________________________

Registration Number ________________
BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer to

__________________________________________________________
(Name and Address)

__________________________________________________________
(Social Security or Taxpayer Identification No.)

the Bond to which this assignment is affixed in the outstanding principal amount of $___________, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint ______________________ as agent to transfer said Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated ______________________

Name

__________________________________________________________
Social Security or
Taxpayer Identification No.

__________________________________________________________
Signature (Sign here exactly as name(s) appear on the face of Certificate)

Signature guarantee:

By ______________________

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

GILMORE & BELL, P.C.
Attorneys at Law
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108

(PRINTED LEGAL OPINION)
EXHIBIT B
TO BOND RESOLUTION

FORM OF REPRESENTATION LETTER

[date]

Unified Government of Wyandotte County/
Kansas City, Kansas
Kansas City, Missouri

Security Bank of Kansas City,
as Paying Agent and Bond Registrar
Kansas City, Kansas

Re: $6,905,000 Unified Government of Wyandotte County/Kansas City, Kansas General Obligation Refunding Bonds, Series 2014-D

Ladies and Gentlemen:

The undersigned is the transferee of $__________ of the bonds described above (the “Bonds”) issued by the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”) pursuant to Resolution No. R-___-14 adopted on July 10, 2014 (the “Bond Resolution”).

The undersigned hereby represents, acknowledges and covenants as follows in connection with the purchase of the Bonds:

1. In purchasing the Bonds, the undersigned is relying solely on information provided by the Unified Government and on statements, certifications, covenants, warranties and representations of the Unified Government, and on the undersigned’s own knowledge and investigation of the facts and circumstances relating to the purchase of the Bonds.

2. The undersigned is an “accredited investor” within the meaning of Regulation D of the Securities and Exchange Commission. The undersigned has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be capable of evaluating the merits and risks of an investment in the Bonds. The undersigned has had an opportunity to obtain and has received such information and materials from the Unified Government as the undersigned considers necessary to evaluate the merits and risks involved in the purchase of the Bonds.

3. The undersigned has been advised that the Bonds (a) have not been rated by any rating service, (b) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (c) will not be listed on any stock or other securities exchange, (d) will not be readily marketable and (e) are subject to provisions regarding restrictions on transfer set forth in the Indenture.
4. The undersigned is purchasing the Bonds for the undersigned’s own account and not with a view to other resale or other distribution thereof provided, however, that the undersigned may transfer the Bonds in accordance with the provisions of the Bond Resolution and applicable law.

Sincerely yours,

[TRANSFEREE]

By: ________________________________
Name: ______________________________
Date: ______________________________
June 6, 2014

Mr. Lew Levin, Chief Financial Officer
Unified Government of Wyandotte County/Kansas City
701 North 7th Street
Kansas City, Kansas  66101-3064

Re: Village West Theatre Refinancing Recommendation

Dear Mr. Levin:

This recommendation covers the refinancing of the Unified Government’s outstanding debt originally issued for acquisition of the Legend’s Theatre. In 2010, the Unified Government issued $8,175,000 General Obligation Refunding Bonds to refinance the $8,200,000 Certificates of Participation, Series 2008, funding the acquisition. The 2010 Bonds were purchased by Security Bank of Kansas City through a competitive sale process. The 2010 Bonds have a final maturity of August 1, 2014. The Unified Government now needs to issue General Obligation Refunding Bonds of 2014 to repay the 2010 Bonds. The 2010 Bonds have an interest rate of 2.375%.

The Unified Government has been in negotiations with Security Bank to purchase the 2014 Bonds. These negotiations have centered on two options as to repayment term with corresponding interest rates. One objective is flexibility in being able to prepay the 2014 Bonds. The Unified Government continues to seek a private purchaser for the Theatre. This effort or other efforts to lease the facility would be facilitated by this flexibility.

One option was to refund the 2010 Bonds for one year with a new total maturity on August 1, 2015 at the current interest rate of 2.375%. A second option was to extend the repayment date to August 1, 2018 at 2.75%.

The negotiations have resulted in the following conclusion:

- Par amount of $6,815,000
- Four-year repayment term with $100,000 annual principal payments each August 1st, years 2015 through 2017, and the remaining balance due August 1, 2018
- Interest rate of 2.75%, tax-exempt
- Prepayment option at any time upon 30 days written notice

We recommend the Unified Government proceed with the finalization of this financing with Security Bank.
Unified Government, Kansas
June 6, 2014
Page 2

Our recommendation is based, in part, on the recently completed limited competitive placement of transportation development district bonds. Although many differences exist between the two financings, overall interest rate and terms for the 2014 Bonds compare appropriately and favorably. Our recommendation is also based on the Unified Government achieving all of its objectives.

We welcome any discussion on this transaction and our recommendation.

Respectfully,

[Signature]

David N. MacGillivray, Chairman
Client Representative

dww

cc: Gina Riehof, Gilmore & Bell
Staff Request for Commission Action

Type: Standard
Committee: Economic Development and Finance Committee

Date of Standing Committee Action: 7/7/2014
(If none, please explain):

Proposed for the following Full Commission Meeting Date: 7/24/2014
Confirmed Date: 7/24/2014

Changes Recommended By Standing Committee (New Action Form required with signatures)

<table>
<thead>
<tr>
<th>Date</th>
<th>Contact Name</th>
<th>Contact Phone</th>
<th>Contact Email</th>
<th>Ref.</th>
<th>Department / Division</th>
</tr>
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<tbody>
<tr>
<td>6/24/2014</td>
<td>Lew Levin</td>
<td>x-5186</td>
<td><a href="mailto:llevin@wycokck.org">llevin@wycokck.org</a></td>
<td></td>
<td>Finance</td>
</tr>
</tbody>
</table>

Item Description: Budget to Actual Report -For Discussion only.

Commission McKiernan requested a summary report to review current year budget with year-to-date revenues and expenditures. (Information forthcoming.)

Action Requested:
For discussion only.

☐ Publication Required

Budget Impact: (if applicable)

Amount: $
Source:
☐ Included In Budget
☐ Other (explain)
Currently, there is a moratorium for the acceptance of Low Income Housing Tax Credits (LIHTC) applications, commonly called Section 42 Tax Credits. Staff was instructed to meet with the other elected officials (not on ED&F), with the goal to come back to the ED&F July 7, 2014 with recommendations.

Action Requested:
Report information and discussion only.

Budget Impact: (if applicable)

Amount: $
Source:
- Included In Budget
- Other (explain) Policy action.
Memorandum

TO: Economic Development & Finance Standing Committee Commissioners

FROM: Charles A. Brockman, Analyst
Economic Development Department

THROUGH: George Brajkovic
Economic Development Director

DATE: June 23, 2014

RE: Low Income Housing Tax Credit (LIHTC)

Staff completed a LIHTC report with recommendations per the Economic Development & Finance Standing Committee for discussion.

Summary:

Currently, there is a moratorium for the acceptance of LIHTC applications, commonly called Section 42 Tax Credits. Staff was instructed to meet with the other elected officials (not on ED&F), with the goal to come back to the ED&F July 7, 2014 with recommendations.

The top four ED&F items of concern with the tax credit policy currently are the following: 1) Scoring matrix, 2) Rubber stamping, 3) Veto authority, and 4) Number of LIHTC projects in Commission District.

Meeting with Non-ED&F Commissioners:

Staff Discussion Points:

1. What is LIHTC to a Developer,
2. History of the 2004 ERC vs. UG,
3. Scoring Matrix,
4. LIHTC General Qualifiers, and
5. Workforce vs. LIHTC

Top 5 Commissioner Responses:

1. Increase the points in the scoring matrix, which includes pre-requisites (stay objective),
2. Mixed-use projects – retail, commercial, market-rate and LIHTC,
3. Preference for more points based on number, mix, rates, and size of units.
4. Renovate and/or tear down old LIHTC projects and replace with new, and
5. Replace the old housing stock with MR/LIHTC projects (infill).

Staff Recommendations:

- Edits to existing policy/matrix to account for current practices
- Increase the minimum point matrix from 50 to 80

Some examples of additional points to be earned:

- a) Mixed-use development (new or remodel)
- b) Demolish old housing projects and build new (this can be infill as well)
- c) Increase the market rate unit ratio to LIHTC (new or remodel)
- d) Allow a maximum type of LIHTC projects across the board in each district
- e) Review of the tax credit policy bi-annually as a monitoring tool
Mr. Murray, Your email request dated June 24, 2014, to appear before a standing committee regarding Downtown revitalization has been approved.

Meeting: Economic Development and Finance Standing Committee  
Date/time: Monday, July 7, 2014, at 6:00 p.m.  
Location: 701 N. 7th St., Suite 515, Kansas City, KS 66101

You will be given five minutes to make your presentation. All comments made must pertain to the subject matter.

If you have any questions, do not hesitate to contact me via email or phone: 913-573-5263.

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FYI

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Mr. Murray

Thanks for the clarification. We will submit your request to appear at the Economic Development & Finance committee regarding downtown revitalization to the Mayor.

---

Hi, my main focus will be downtown revitalization. Thanks

---

On Tuesday, June 24, 2014 1:25 PM, "Cobbins, Bridgette D" <bcobbins@wycokck.org> wrote:

Mr. Murray
For clarification. The topics that you listed are two distinct topics and will need to be presented to the appropriate standing committees. Is your emphasis on codes (Neighborhood & Community Development committee) or downtown revitalization (Economic Development & Finance committee) or both?

Please advise in order for me to submit your request to appear before the appropriate committee.

Bridgette D. Cobbins
Unified Government Clerk
Voice (913) 573-8039
Fax (913) 573-5005

From: Cobbins, Bridgette D
Sent: Tuesday, June 24, 2014 12:08 PM
To: 'Scott Murray'
Subject: RE: Standing Comm Agenda

Mr. Murray

We will be having a meeting on Thursday afternoon with the Mayor to discuss upcoming agenda items for the July 7th Economic & Development Standing Committee meeting. Once we receive direction from the Mayor, my office will contact you regarding your request to appear.

Bridgette D. Cobbins
Unified Government Clerk
Voice (913) 573-8039
Fax (913) 573-5005

From: Scott Murray [mailto:scottmurray2020@yahoo.com]
Sent: Tuesday, June 24, 2014 8:13 AM
To: Cobbins, Bridgette D
Subject: Standing Comm Agenda

Hello Ms Cobbins, could you please add me to the upcoming Standing Comm (I believe its called Economic Development chaired by A Mergua). The topic is downtown revitalization and code amendment.

Please let me know the time and place,

Thank you, Scott Murray