Economic Development and Finance Committee
Standing Committee Meeting Agenda
Monday, August 10, 2015
5:05 PM

Location:
Municipal Office Building
701 N 7th Street
Kansas City, Kansas 66101
5th Floor Conference Room (Suite 515)

Name Absent

Commissioner Brian McKiernan, Chair
Commissioner Hal Walker, Co-Chair
Commissioner Gayle Townsend
Commissioner Ann Brandau-Murguia
Commissioner James Walters
David Alvey - BPU

I. Call to Order / Roll Call

II. Approval of standing committee minutes from June 1, 2015.

III. Committee Agenda

Item No. 1 - REPORT: QUARTERLY INVESTMENT & BUDGET REVISIONS

Synopsis:

For information only.
Tracking #: 970146
Item No. 2 - REPORT: ANNUAL FUND BALANCE COMPARATIVE

Synopsis:

For information only.
Tracking #: 150214

Item No. 3 - REPORT: BUDGET TO ACTUAL

Synopsis:

For information only.
Tracking #: 150215

Item No. 4 - ORDINANCE: VACATION VILLAGE AREAS 1 AND 2A BONDS

Synopsis:
An ordinance authorizing the issuance of Sales Tax Special Obligation Revenue Bonds (Vacation Village Projects Areas 1 and 2a), Series 2015A and 2015B not to exceed $95M, submitted by Lew Levin, Chief Financial Officer.

It is requested that this item be fast tracked to the August 13, 2015 full commission meeting.
Tracking #: 150217

Item No. 5 - RESOLUTION: TURNER WOODS INDUSTRIAL PARK PROJECT

Synopsis:
A resolution of intent to issue approximately $69M in industrial revenue bonds for NorthPoint Development, LLC (Turner Woods -130-acre site proposed for a business park near Riverview Ave. & SW corridor of Turner Diagonal) and approval of the development agreement outlined in the executive summary, submitted by George Brajkovic, Economic Development.
Tracking #: 150211
Item No. 6 - RESOLUTION: CRICKET WIRELESS AMPHITHEATER REPAIRS

Synopsis:
A resolution authorizing improvements to Cricket Wireless Amphitheater, and requesting the Public Building Commission issue revenue bonds, submitted by Joe Connor, Assistant County Administrator.
Tracking #: 150218

Item No. 7 - RESOLUTION: FUNDING INCREASE-KAW POINT PARK TRAIL

Synopsis:
A resolution increasing authorized funds to $760,000 for the Kaw Point Park Connector Trail 2013, CMIP 971-7865 improvements, submitted by Dave Clark, Public Works. This project is included in the proposed 2015 Amended CMIP Budget.

On November 21, 2013, the commission unanimously adopted Resolution No. R-107-13, authorizing $510,000 in GO debt for the project.
Tracking #: 150208

IV. Adjourn
The meeting of the Economic Development and Finance Standing Committee was held on Monday, June 1, 2015, at 6:30 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Walker, Townsend, Walters, Murguia and BPU Board Member David Alvey. The following officials were also in attendance: Doug Bach, County Administrator; Lew Levin, Chief Financial Officer; George Brajkovic, Director of Economic Development; Melissa Mundt, Assistant County Administrator; Jody Boeding, Chief Legal Counsel; Gordon Criswell, Assistant County Administrator; Joe Connor, Assistant County Administrator; Rick Mikesic, Accounting Director; Bill Heatherman, County Engineer; and John Pack, Public Works.

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

Approval of standing committee minutes from March 9 and 30, 2015. On motion of Commissioner Walker, seconded by Commissioner Murguia, the minutes were approved. Motion carried unanimously.

Chairman McKiernan said everyone should have gotten both a blue and a pink sheet regarding our committee agenda tonight. Relative to the original agenda that was sent out, Item No. 3 has now been struck from that agenda. What was Item No. 3 – Resolution: Set Public Hearing for a CID has been struck and a new Item No. 5 has been added to our agenda tonight. That is a communication regarding motor vehicle renewal notices. On the blue sheet that accompanied that you also got the text that goes along with our Item No. 1 which is the 2014 Comprehensive Annual Financial Report (CAFR).
Committee Agenda:

Item No. 1 – 150139…PRESENTATION: 2014 CAFR

Synopsis: Presentation of the 2014 Comprehensive Annual Financial Report (CAFR), by Allen, Gibbs, and Houlik, LC, the UG’s independent auditor, submitted by Rick Mikesic, Accounting Director. It is requested that this item be fast tracked to the June 4, 2015, full commission meeting due to it being time sensitive. Information forthcoming.

Rick Mikesic, Accounting Director, said we are here to present our 2014 CAFR to the standing committee tonight. The action that we are looking for is approval and we would like it to be fast tracked to Thursday evening’s full commission meeting. Here with Lew and I tonight are auditors, Allen, Gibbs & Houlik, L.C. (AGH). Shelly and Tara are here with us and I will let Shelly take over.

Shelly Hammond, AGH Sr. Vice-President, said as I understand it we will be doing a more detailed presentation on Thursday to the full commission. I’ll keep my comments here brief this evening. Really what I’m reporting to this group here are just a couple of high level points. One is we are issuing what’s called an unmodified opinion. That in layman’s terms is sometimes referred to as a clean opinion. On your audit that is the highest level of opinion you can get. So that’s—the result of the audit is a clean opinion, if you will.

In the packet of information, you also have what we call our annual management letter. I’ll go into that in more detail on Thursday, but just a couple of highlight points: there are no new findings, no new controlled efficiencies or matters of that nature to report to you. We do have one repeat item from last year that actually continues to show improvement, but where we still continue to recommend on-going improvement.

We really don’t have a lot to report because there isn’t anything new and just an update on a prior item. Again, I was just going to keep my comments here this evening brief, but would be glad to take any comments or feedback that you have before the meeting on Thursday.

Action: Commissioner Walker made a motion, seconded by Commissioner Murguia, to forward and fast track this item to the June 4, 2015 full commission
meeting for presentation and approval. Roll call was taken and there were six “Ayes,” Alvey, Walters, Murguia, Townsend, Walker, McKiernan.

Item No. 2 – 150142…RESOLUTION: SAFE ROUTES KCK WALKING SCHOOL BUS GRANT
Synopsis: A resolution authorizing the UG to enter into an agreement with the State of Kansas for the acceptance of a $120,000 MARC grant to implement and expand the Safe Routes KCK Walking School Bus Expansion, submitted by Lideana Laboy, Public Works.

Bill Heatherman, County Engineer, said this is one of those MARC grants. Tonight’s resolution would authorize us simply to move forward with all the KDOT paperwork etc. In fact the only reason this one is different, it’s a small amount of cash that’s needed for our local match instead of debt. This is the actual initiating document that lets us move forward with the rest of the project.

Action: Commissioner Murguia made a motion, seconded by Mr. Alvey, to approve the resolution as submitted.

Commissioner Murguia said I do have one little question. I’m sorry I didn’t read the details. I saw Safe Routes and I’m thumbs up on that. Is this for which safe routes? Mr. Heatherman said what this actually does is gives us funding to support what’s called “Walking School Buses” at ten schools which we are working with the districts. I don’t have the list of all ten that have been nominated. Commissioner Murguia said that’s fine I’m good with that. Mr. Heatherman said what a walking school bus is, is trained parents and teachers who help take the kids home and teach them safety and the joys of walking home from school. Commissioner Murguia said yes I participated with that in Rosedale, so great.

Roll call was taken on the motion and there were six “Ayes,” Alvey, Walters, Murguia, Townsend, Walker, McKiernan.

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Item No. 3 – 150135…RESOLUTION: SET PUBLIC HEARING FOR A CID
Synopsis: A resolution setting a public hearing date of July 9, 2015, to consider a Community Improvement District (CID) as part of the new $50M, 246 unit multifamily and parking garage project at the SE corner of Parallel and Village West Parkway as proposed by EPC Real Estate, RED Legacy, KKR, and Humphries Architects, submitted by George Brajkovic, Economic Development Director. On April 27, 2015, the proposed project was presented to the standing committee.

Action: Item was removed from agenda.

Item No. 4 – 150136…PRESENTATION: NORTHPOINT DEVELOPMENT PROPOSED BUSINESS PARK
Synopsis: Presentation of NorthPoint Development’s proposal for a business park on the Turner Woods site (130 acres south of both I-70 and Riverview Ave., along the SW corridor of the Turner Diagonal), presented by George Brajkovic, Economic Development Director. NorthPoint is requesting Industrial Revenue Bonds (IRBs) and a Community Improvement District (CID).

Action: For information only.
George Brajkovic, Director of Economic Development, said I’ll make a couple of quick introductions, but I think you know all these folks since you already said their names. Brent Miles with NorthPoint, Todd LaSala. Brent represents the developer with a proposal for the site. Todd is representing the UG. There are a couple more people: Chase Simmons with Polsinelli is the developer’s attorney on this deal, Greg Gaffney is here representing the current property ownership group and Phil Gibbs, Jr. with Continental Engineering. He has kind of helped us with some of our corridor photos and I believe he may be involved on the developers end for design; Greg Kindle with WYEDC and then Anna Krstulic with UG Legal has been a part of this.

Turner Woods, I think some of you are familiar with it because it’s been around for a while and initially started as a Residential TIF. I think late last year actually the full commission approved an ordinance actually dissolving that TIF District as a residential area.

In somewhat recent history we actually pursued a large fulfillment center here that ended up being a Macy’s project that went to Oklahoma City, but they were looking for a site that could accommodate one million square feet under a single roof. We quickly found that in the metropolitan area there’s not a lot of that type of land product available that still has close proximity to a road system that logistic facilities would need to utilize. It kind of brought up the whole discussion back of Turner Woods and what are we really doing, and then we started to actively pursue developers that we knew were in the industrial segment of the market and see if they had some interest.
Before we dive right straight into Turner Woods though, I wanted to talk very quickly about the Turner Diagonal Corridor and Greg Kindle is here with WYEDC and I know that they’re pursuing a committee that’s really looking at identifying new industrial space. When I say industrial, it’s probably more in the logistics light manufacturing. It’s not that heavy industrial use that Fairfax, that heavy electrical supply, but there’s a real need for something a little softer than that.

When we look at the Turner Diagonal Corridor to the north—the top of the page here represents north, is State Avenue. As you travel down Turner Diagonal you’re moving towards bypass I-70 and you move down towards K-32. There are a lot of vacant land opportunities here that could potentially serve some sort of light industrial logistic use.

The pink highlighted areas alone represent KDOT right-of-way. If you’ve ever traveled this area, you know there is really an odd system of meandering off and on ramps that just don’t really utilize this corridor to its fullest. I forget the total number of acres. I think it’s spelled out there but I just can’t read it. Just putting that right-of-way into play what it creates, but when we look at this we see a corridor that could accommodate another five, six hundred type acre site for bringing that type of product here. What really gets us excited then you know State Avenue we have a good transit corridor at 65th & State. You’ve got the Burke Technical Training Facility with the community college that can do training or on site training. We think this corridor has some great potential.
At the very bottom of the page is the Turner Woods site that’s 130 acres. That’s really what we’re here to kind of talk about tonight, is some general deal perimeters of what we think it would take to get that site developed.

Again, you see the—it’s just a slightly zoomed in image, 130 acres just south of I-70. One of the things you’ll see though as you exit from eastbound I-70 onto Turner Diagonal, approaching Riverview Avenue you have a very short ramp system there. As you come off the ramp there’s not much capacity here to stack vehicles in particular any sort of semi-trucks that would be associated with logistics or manufacturing type, industrial type setups. That would one thing on the public infrastructure component that we would have to take a look at. We’ve got some slides later in this presentation that talks about that. In general it’s 130 acres. It’s all under one ownership; we’ve got a developer that’s interested in purchasing it.

With that here’s the concept plan that they’ve presented and it does show three buildings. I think what I’ll do is I’ll turn it over to Brent to kind of talk about why they’re interested and why they think this type of setup works.

**Brent Miles, NorthPoint Development**, said you know what we looked at was much like other things that we’ve done in your community. We think we see what other people don’t see. People didn’t see luxury apartments at Village West, but we did. People did not want to take on tearing down eight buildings at the Public Levee and going through the brain damage of 26 tenants and asbestos and environmental remediation, but we did. We view this as our next
business park at NorthPoint. We think that the logistics of this site are tremendous, your proximity to I-70, I-635 and 435. We think this is merely an extension of the Kansas Avenue corridor as you come off the Turner Diagonal.

People haven’t been able to see it meaning developers for mainly, probably in my opinion, two big reasons. They see the access as it exists today and not what it could be in the future. It doesn’t accommodate an industrial park now because of what George said about the access. The off ramp, don’t drive it faster than maybe 25 miles per hour. It is not meant for truck traffic or high speed and second if you ever get up on the site and you don’t get lost in the weeds, this site has about $3.2M of grading on it. It has 30 feet of cut and 30 feet of fill. This might mean something to some of you. It has 1.2 to 1.5 million cubic yards that have to be moved on this site. It is a massive, massive, massive grading project.

You have to have a developer that’s willing to pay cash for the land which we are. You have to have a developer who’s willing to sit on it essentially for almost a year as you do that grading because it’s going to take time to grade it and let it settle and surcharge and get all the moisture out of it. It’s going to take a long time to do that. You have to have someone who is patient and that’s how we operate. We’re patient but we’re patiently waiting for the next business park because we think this is it. Finding sites of 130 acres with one ownership inside the 435 ring that can be zoned for industrial is a really rare find. Doing it in Wyandotte County is a plus for us because of our track record in relationship with the Commission and with the staff.

We view this, I know several commissioners, Commissioner Walker in particular, has brought it to me several times, I love what you did in Horizons why don’t you do it here? This is our version of Horizons here. I was thinking back and I can’t think of an industrial park that Wyandotte County has done probably in the last 20 years. Mr. Wilhite has done one off buildings and built a portfolio but not a park. There’s not been something like this. Edwardsville is somewhat of a park so that’s probably your best example.

We view this in having a park at Kaw Point is successful for us. Our activity at Kaw Point is super strong. I already have one lease done since I’ve seen you. I’m about to land two to three more leases in my opinion. That’s a good indication from you that we’ll be strong here. The downside of Kaw Point is it’s not part of a portfolio. Somebody comes in and we lease the whole building and they need to grow, what do you do with them? With a portfolio you can say

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to somebody, you’re in 100,000 feet now, we can grow you into the next building, 200, 300. Since we control the lease we can rip up their current lease and move them in. That’s one big benefit that Riverside Horizons has and it’s a selling point that we’ll use here.

It’s a brain damaging project and we’re used to that; three million of on-site grading. There are no streets, there are obviously no utilities, there are wetlands, and I have eight ephemeral streams I have to deal with. I have David Flick on our team working on that with the Corps of Engineers, not to mention what George mentioned before which is the public infrastructure component. You have to do something about the access and then if you haven’t been out there, I will use the word that I use not Unified Government uses, you have a deteriorating bridge. You have a bridge that is in not very good shape now. If you haven’t been by it, it has jersey barriers. It’s just not in very good shape. Comparatively it might be in better shape than some of the other infrastructure, but just generally in long-term, something needs to happen with the Riverview Bridge just because of its age and dilapidation.

That’s our plan. These buildings we build that literally built a replica of all three of these buildings whether it is in Riverside, Edgerton or a project at 87th & 71 which we call Three Trails Commerce Center. It is an exact replica. We know how to build these, we know how to lease them and we think we’ll be successful with this plan.
Mr. Brajkovic said one other thing I’d like to point out about the conceptual plan here is really the building sizes that are listed. As we start working on the agreement phase of this, these would be minimum square footage expectations so building one at 391,000 square feet and then building two and three at least 432,000 square feet. That’s important to remember because as we get into the incentive structure, there’s a special assessment that’s assessed on a per square footage basis of the building.

Project details real quick, $69M total capital investment. As Brent mentioned $9M for site acquisition and the on-site infrastructure and grading that the developer would be responsible for. Then we’re estimating based on the current buildings they build and cost associated with that with the minimum square footage, for those three buildings it’s probably at least another $60M. None of that takes into account what the lessee or the tenants that go in the building and the capital they’re going to spend on machinery and equipment. We know that revenue doesn’t factor in for us, but it does paint a picture of what’s going in here.

The potential for over 600 jobs, worked with Brent to come with an average of how many jobs they produce now in their current business park product over at Horizons. Using that average figure and I can’t remember exactly what it was, you probably have it.

Mr. Miles said yes, in Riverside in the last 3.5 years we’ve built 1.4M square feet of industrial. Essentially we’ve built Turner Woods in 3.5 years there.
In Riverside that’s created 1,224 jobs. We have to report this annually to the city. I didn’t do the math here, but I think that’s .8 per 1,000 square feet. Here you say maybe conservatively, you look at .5 per 1,000 square feet. That’s where you get the 600 jobs. You might see .8 per 1,000. The average salary in Riverside for those jobs is $41,700. Again, we’re required to report that and get it from our tenants at Riverside. We have a pretty good handle on job creation and payroll.

Mr. Brajkovic said we talked about it a little bit in terms of access to the site but the Riverview Avenue Bridge Replacement Alternatives, there’s a clear line in the early discussions here that the developer feels that that’s a UG cost to bear. We think that getting creative in the incentive structure there’s a way to cost share using those incentives and help deflect some of the cost here.

Riverview Avenue Bridge, this is an older image but the image on the left is again as you pull off of I-70 and you’re heading south on Turner Diagonal you see that small stacking capacity towards Riverview Avenue. The bridge is in the distance and I’m sure Mr. Heatherman can comment on what the minimum clearance requirements are from KDOT. I noticed this morning as I was driving south, the first bridge I went over it said the clearance height was 14 feet and some change. By the time I got to Riverview Avenue Bridge it was down to 13 feet and some
change. There was a semi in front of me and it made it through, but I’m not really sure what those requirements are. I’m guessing there is some sort of minimum.

The image then on the right is the view from the bridge looking back towards the Turner Woods site. It’s an older image because those side barriers are the original ones that came with the bridge and now we’ve replaced those with really sturdy jersey barriers.

The Bridge Replacement Alternative, there’s been a lot of discussion about this and actually Mr. Heatherman had shared a report that Lochner did. I think it’s dated January or December of 2014, where they looked at a variety of things. They didn’t look just at replacing the bridge but they studied traffic counts and peak travel times and who needs to come in and out. They came up with a series of options: going to an at grade intersection, so taking the bridge and replacing it with an at grade intersection, to a variety of bridge alternatives. Not just the bridge, but the series of on and off ramps and what that looks like.
I don’t have all of those numbers with me. I will tell you the range if at grade we were looking at a cost of $5 to $7M perhaps in the bridge replacement was north of that, $10, $11, $13M. The magnitude of that again, and those are just estimates that we’ve seen, but again I think the magnitude of the cost will come in as we kind of talk about the incentive structure and costs.

IRBs, we’re contemplating the use of both IRBs and a CID here. It’s a structure that might be similar because it’s actually what we offered to NorthPoint over at the Central Industrial Park site which is the old RACER site. Each building would be eligible for the use of Industrial Revenue Bonds. Through that process they’re entitled to a 10 year pilot. We’re proposing to have 100% of tax abatement during that pilot. In place of that we would add back in for each building, concurrent with that 10 year term, a dollar per square foot special assessment. Then we would 50/50 share that special assessment with the developer. They’re paying back for their $9M in site acquisition and grading and their infrastructure and we’re using that revenue to offset the cost of the bridge replacement.

So one of the things, maybe a policy point discussion is, so the bridge right now and I think earlier today you guys were talking about CMIP. The last time I looked I didn’t see the Riverview Avenue Bridge on the five-year plan. We know it’s an issue and so we’ve got a project that’s ready to go. Would we consider going somewhat at-risk, because even under the structure and we’ve got a slide that kind of closes this presentation that talks about the UG’s exposure on this deal, but I think it’s something to think about. If we’ve got a deal that’s ready to go and we can mitigate some of our risks by adding some guarantees on revenue generation.
from the developer on that. Do we come out a little bit further ahead if we’ve got at least some new revenue that’s dedicated towards that verses waiting and not doing anything on the site. Clearly you’ve heard from the developer that the current access won’t work for what they’re trying to develop here.

Todd, I don’t know if you want to touch on some of these. These are some of the early things we’re talking about, again with UG risk and how we’re trying to mitigate some of that.

Todd LaSala said George stated the incentive piece of this very well. For each building that comes on line there would be ten years of abatement. There would also be contractually ten years of CID. In theory for each building as the abatement rolls off at the end of ten years, the CID Special Assessments would end too. This agreement is fairly conditional in nature. It’s conditional at the beginning in that the UG doesn’t have to build the bridge or the interchange at all unless the developer says they’re ready to proceed. Contractually they would give us a notice to proceed, a notice to design, but they would only do that when they’re locked and loaded and ready to go with that first 391,000 square foot building. If they don’t come through with that between now and say January 31, 2017, then either party can terminate the agreement and walk away and you do not have to do that interchange work. However, if they do come in and say we’re coming forward and we’ve got that first building ready to go, the UG then commits to that infrastructure and has to build the bridge. It’s conditional in that respect.

It’s important to also point out that in the structure we’re working towards it is really only the first building that would ever be guaranteed by the agreement. If they proceed, it’s really only the phase 1 building that would be contractually committed to. The other two buildings, I’m sure Brent will tell you, will be really based on market demand and it may happen but contractually they may not.

As George has talked about this structure, the UG is going to rely on that $.52 a square foot to try and pay back the infrastructure. It turns out to be a little more than $2M a building if you’re looking at 390,000 square foot building.

We’re working very hard to strongly incent at least a second building in the project. Now NorthPoint would never be committed to do it contractually but if they don’t, they have agreed to help mitigate the risk and the exposure to the UG on the interchange by saying that if they don’t
ever do that second building, our $.52 of the CID remains in place. It will stay there for the entire 22 years. So that gets us somewhere over $4M against the interchange.

If they build that second building, if and when they do, then if it’s after ten years the UG’s CID on the first building would roll off. That is really designed to strongly incent the second building and make sure that it happens.

Mr. Brajkovic said to kind of touch on that the current base taxes on that 130 acres is $4,900 per year. Our share of the CID on each building projects it slightly over $200,000 a year. As that ten year pilot rolls off those buildings then return to the tax rolls and then we’re getting our regular share of the tax revenue that’s generated.

![Deal Structure- UG Mitigated Risk/Exposure/ROI]

I wanted to try to at least touch on the return on the investment for us. Again, you know the site is currently sitting vacant producing $4,900 a year in taxes. This project it’s projecting upwards of 1M new square feet of industrial space. We talked about the 600 jobs. Brent mentioned the average salaries for a like project in the metro area. From staff perspective we feel that the UG has a partner here that’s creating a product that allows us to cost share in some of our infrastructure needs on an aging product that we know at some point we’re probably going to have to address.
We’re obviously available to answer any questions you might have. I know it’s probably one of the easiest deal structures we’ve ever put in front of you so there may not be many questions.

**Commissioner Townsend** said Mr. LaSala mentioned the word “ready to go” in terms of a building being ready and at that point the UG would become obligated to begin the bridge. What does that mean “ready to go”? Tenants are in or girders are going up, what does that mean, ready to go? **Mr. LaSala** said ready to go would mean it would essentially issue the Notice to Proceed. I most likely will do the grading after closing just because it takes so long. Ready to go means I’m going to commit to building the first $20M building. The plans are ready, I’m pulling a permit, here I come and then we’re building these all speculative.

We talk about kind of guarantee and risk. I’ll put my perspective on it which is I can’t grade half a site. I can’t build half a road so I already have $9M into it. The minute I start I have $9M into it. Then I have $20M into it the minute I give you the Notice to Proceed because I’m going to build the first building. So there is 29 and then the guarantee so I at least have 2M of assessments. If I don’t build the other buildings, I have 4M in assessments that go to you. I essentially have $33M in the interest of building other buildings. I really have to build the other buildings to get my $9M back on the infrastructure. The site is so topographically challenged that you can’t grade half of it; you have to grade it all at once.

**Mr. Brajkovic** said and just to add to that Commissioner, there is a bit of a timing issue because typically you guys can put a building up in nine months? **Mr. Miles** said all of the demo and everything that you saw; we’ll build Kaw Point in 151 days. We can build a 500,000—we’re averaging about 130 days for a 500,000 square foot building in Edgerton right now. They’ll need something, the Notice to Proceed, the timing of it is important because I can’t open that building without the at-grade there. I have to time my Notice to Proceed so that the interchange, I’m going to call it the interchange, it’s at-grade. The interchange is done as the building is being delivered. They’ll coincide on a timeline. Interchange opens, buildings open, because the worst thing I could have is a building that has no access and I can’t lease it, and no tenants.
**Commissioner Townsend** said well that was a great segway into what would be my next question. From the time that the UG receives the notice, how much time would we have to I guess complete the desired improvements with the interchange and the bridge? **Mr. Miles** said I can pull it out. We’re still negotiating that point. For those of you who are around, this is similar I describe this internally as similar to the Village West Phase II Sewers. We had a Notice to Proceed scenario where we gave you notice. There was a sewer that had to be built there. I was delivering apartments there, they’re being built at the same time. Picture two ends of the railroad coming together, you know and at the end they coincide in terms of timing. I can’t open my clubhouse or my buildings without a sewer so they have to coincide. We’re working on that now. Continental is helping us.

How long will it take to grade as well as how long does it take to design that interchange? How long does it take to build it? Is there a KDOT approval process because of the distance to I-70? That’s something that we’re all working towards. It’s kind of a master schedule once I hand that notice. Are they going to coincide or do I need to hand my notice and commit myself four months ahead of when I typically would start a building to give you enough lead time so that we catch each other. **Commissioner Townsend** said but the plan is to have those two completed at the same time. **Mr. Miles** said hopefully opened the same day.

**Commissioner Walters** said do I understand that we haven’t decided whether we want to replace the bridge or do the at-grade crossing or are we committed to the at-grade crossing? **Mr. Brajkovic** said that’s a good question. Public Works issued the study and it listed a variety of options. I think that within that report the opinion was that perhaps a bridge could best serve a replacement bridge with new ramps could best serve this site.

As we sort of look at historical information though, we’ve already kind of done the switch to the at-grade intersection in the community and that’s over at State Avenue. For those of you that might remember what the State Avenue and Turner Diagonal Exchange used to look like, great. For those of you that don’t, I have a picture that I can share with you and it’s got a—there’s about two ramps that come down and the traffic counts at that intersection are higher than what we’re experiencing here. I think it’s a good question back for Public Works to see where they’re at. I think from Economic Development the way we’re projecting our share of the
incentive structure, we’re in a much better position to cost share the at-grade than we are a replacement bridge. If the at-grade is deemed to be suitable and doesn’t present any life safety type issues and we’ve already done one at State Avenue, why wouldn’t we do it here?

Mr. Miles said, commissioner, from my perspective you know from the CID generation that we’ll have off the buildings, the site can only accommodate so many square feet, therefore; it can only produce so much CID, therefore; you can only produce so much. Our perspective is, at build out you’re probably talking I’m going to give it a big range $6 to $9M of total revenue generated; $6 to $9M from the studies that we saw can buy you an at-grade. Six to $9M probably can’t buy you a bridge replacement. Now, if there were CMIP or some other funding source that could come into it, that’s a decision from you all. All I’ve told George is my site can’t produce $13M.

Commissioner Walters said well I prefer the at-grade crossing. I think we cleaned up a lot of problems when we did what was done at State Avenue and Turner Diagonal and made it a conventional intersection. That sounds good to me, but believe it or not traffic engineers don’t often listen to me, and I’m not one. I like the idea of the at-grade crossing, but it is important you know when we evaluate this. If you’re thinking a couple hundred thousand dollars a year if they build one building and if we bite off a new bridge, that’s a lot of money that we don’t have unless all the buildings are built. We’re kind of in a predicament in that situation, right? Mr. Brajkovic answered yes. That would be my take on it. Looking at this map, again, I believe this represents the current bridge location and configuration ramp so again to accommodate for that stacking and having a truck turn lane, even if you replace the bridge, you’re still moving everything somewhere to the south.

Again, I’m not a traffic engineer either and I’ve had conversations with Bill Heatherman and I know Bill has strong opinions about what he’d like to see there in terms of preference, but again it’s a cost decision. I think that’s the discussion again from a policy standpoint. If we’ve got a project that can cost share and cover most of the cost is that the direction we want to go. Commissioner Walters said in your diagram the dark gray road that’s lined in red, that would be a public street and that would be the UG infrastructure? Mr. Brajkovic said that is correct. Commissioner Walters said and then everything south which looks like a driveway would be

June 1, 2015
the private. Mr. Brajkovic said that’s correct. Mr. Miles said and the private would still be public streets because there are three lots. Commissioner Walters said okay. Mr. Miles said just to clarify, and again, we’re talking about the guarantee. You would at least have a guarantee of $4M and, again, my words my perspective not staff’s; $4M towards a bridge that I already think that you need to replace. That’s my perspective.

Doug Bach, County Administrator, said I guess I’ll be a little more direct on this. We’re proceeding down the path on this that we’re going to an at-grade intersection on it commissioner? We have evaluated that through, looked at it. The premises of this project their financial feasibility covers it from an at-grade perspective.

There are good arguments as to why a bridge makes nice sense here, but I am proceeding under the position that we can do an at-grade here and I’ve not been told otherwise why we could not. That’s where we’re at.

Commissioner Townsend said well I think the Administrator took care of the question that I was going to ask. After listening to Commissioner Walters, can we do this project even without the bridge and it sounds like we’re going in the direction of the at-grade which sounds like its more feasible economically. Mr. Bach said if there’s a reason we can’t do the at-grade, then we won’t be coming back to you in the next meeting seeking approval of final agreement the way this is structured today. Commissioner Townsend said so that means we’ll have to have some more CMIP talks? Mr. Bach said we’ll get Mr. Miles to figure a new way to finance different…Mr. Miles said I like that. That’s a good idea. Mr. Brajkovic said let me talk with Mr. Hagendorn then I can tell you how that will go.

Mr. Miles said we looked at again it’s a tough project, a tough site, you’ve got the bridge. I think we all felt that have been working on this for a long time that this was the solution that everybody could live with to get a foreclosed piece of property turned into 1.2M square feet of industrial. This has been sitting foreclosed since 2009. It needs some attention and it needs some capital and we’d like to do both.
Chairman McKiernan said I think this is enormously exciting and we look forward to having you back again and seeing a final proposal on this. Thank you.

Action: No action taken.

Item No. 5 – 150145…COMMUNICATION: MOTOR VEHICLE RENEWAL NOTICES
Synopsis: Communication stating motor vehicle renewal notices will no longer be printed by the state as of August 2015 and recommending the UG take over the notice program, submitted by Debbie Pack, Treasurer.

Chairman McKiernan said everyone should have gotten both a blue and a pink sheet regarding our committee agenda tonight, relative to the original agenda that was sent out. Item No. 3 has now been struck from that agenda. What was Item No. 3 – Resolution: Set Public Hearing for a CID has been struck and a new Item No. 5 has been added to our agenda tonight. That is a presentation or communication regarding motor vehicle renewal notices. In the blue sheet that accompanied that you also got the text that goes along with our Item No. 1 which is the 2014 Comprehensive Annual Financial Report (CAFR).

Chairman McKiernan said as everybody knows the State of Kansas has proposed to no longer mail motor vehicle renewal notices to residents of the state leaving it up to the residents to remember when they’re going to renew and to take care of that process online. We have Debbie Pack who’s going to give us a presentation. I think, Mr. Bach, do you have anything to set this up? Mr. Bach said I think Debbie can begin with the presentation about the situation, the analysis they’ve done, and then we can go for the recommendation from there.

Debbie Pack, Director of Revenue, said I have Maddie Waldeck my Deputy with me and also Lew Levin just supporting me.

Basically as commissioner said the State has taken a cost savings measure to not send renewal notices with detailed information with the August renewals of 2015. They will be sending a small postcard that just says your renewals due, here’s your option to get this

June 1, 2015
information online. They want you to go online and print your own renewal or call them and type an option 2 to have them help you out which we don’t see is going to happen.

What we’ve come up with—we believe the potential impacts on the office is going to be additional calls to our phone banks, both 311 and the phone bank that we have in our office, for people to obtain their payoff amounts. Obviously, we’re going to have additional customers in the office. As you all know or, hopefully, remember we implemented a $5.00 walk-in renewal fee at the beginning of this year because we’re trying to encourage people to renew their tags online or by mail because it’s much more cost-effective for us.

We feel that this postcard initiative by the state is going to be very counterproductive to that initiative. We also believe that it’s going to increase delinquent property tax because people are just going to downright forget. They’re going to get a postcard and not know what it is.

Basically when I brought this to Administration I told them we have two options. One option was to do nothing which was to allow the state to send the postcard and hope that our citizens got it and paid and were able to get this information. Option two was to print our own. The state is going to provide us with a file to print our own notices and from the demonstrations it’s going to be a pretty simple file. We’ve done some initial cost analysis and in order for us to perform this with a third party to outsource it, it’s going to be about roughly $45,000 a year. We have about 75,000 unique renewals that we send out in Wyandotte County. We also looked at performing this in-house but didn’t feel that was feasible with the resources that we have.

Administration has authorized us to move forward with the bid process for outsourcing the printing of the renewal notices which is basically going to have an effect in 2015 of probably about $20,000 on our budget because it won’t start until August; and going forward, somewhere around $45,000.

Now on a good note, I got an email today that the Senate has actually gone in and revised one of the bills that they’ve got in place right now with their revenue bills. They are trying to put this in statute that the Kansas Department of Revenue must provide this renewal notice. I don’t guarantee that’s going to happen. My proposal would be that we move forward under the assumption that we will have to provide these and if by some miracle that doesn’t happen at least we’re ready. We’re not going to have a very long time to produce this. We have to notify the state by June 5th which direction we’re going because they’re not going to mail the postcards if we’re going to print our renewal notices. So we’re kind of in a short-term frame. If anyone has

June 1, 2015
any questions, it really doesn’t require any commission action, it was more an information for
you all.

David Alvey, BPU Board Member, said if we go on our own and they do not send out the
postcards, do they renumerate us for…Ms. Pack said no they don’t. Mr. Alvey said of course
not. I’m assuming that the Senators are receiving feedback from the counties complaining that
this is an inefficient way to handle this. You have one spot that does it and now you’re
disseminating to all of the counties and that’s simply going to…Ms. Pack said it’s going to
create a lot of inconsistency because of 105 counties right now there’s about 12 to 15 that are
going to move forward or saying they’re going to move forward to do it. Ninety some counties
won’t be getting renewal notices.

Lew Levin, Chief Financial Officer, said if I may add, just to give you the magnitude of
what Motor Vehicle revenue is to the county and all entities within the county including the
school districts and the other cities, the Treasury Office collects approximately $18M in motor
vehicle renewals. For the Unified Government budget including city and county, our share of
that is approximately $9M so it’s a major revenue source to all taxing entities in Wyandotte
County. We just believe the postcard’s a less efficient way to invoice our customers and for us
to collect the revenue.

Commissioner Townsend said what is it we would be sending out? Would we be, UG, sending
out postcards as well or the type of notices that the State used to send out with more detailed
information. Ms. Pack said we’d be sending out the type of notices the state used to send out.
Commissioner Townsend said okay, thank you.

Mr. Bach said I want to say it was my analysis when I looked at what Ms. Pack had put together
and thought about it from a business case scenario, you’re talking about the numbers Lew just
put out there that were somewhere in a thousandth of a percenter of the cost to do this billing is
what you get back in revenues coming back to your community.

If you lose a tenth of those that were coming in to renew it, you’re making a very bad
business decision. I don’t like this from the aspect that what the state is put forth, them just not
taking responsibility for something they’ve done for years where they’d funded. It doesn’t make

June 1, 2015
any sense from that perspective. I don’t have any bills that I get at home that I don’t get a reminder from the billing company that says here’s your bill and tells me what it is and tells me to go pay it. Most of them send you an envelope or they work hard to get you online for that bill payment. They don’t try to go real lax about it. Here’s a bill you might want to look and see if you have something and not really be any detail; particularly something that’s done on an annual basis.

It’s really a ridiculous thought process that going to the State to throw this away. To say they wouldn’t do this. I don’t how we can be attentive to the needs of our citizens by not letting them know it and then increase the level of delinquency where we have our citizens out there getting tickets because of this. Then we collect less revenue in the end. It doesn’t take very many car tags to get up to $46,000.

Chairman McKiernan said I too am disappointed that the State has chosen to shift another cost to the local level rather than continue to be responsible for this. They have been in the past. Even though we are currently trying to incent online renewals, we do know that there’s a large percentage of our population who currently don’t have access or easy access to the internet and to the ability to print those notices off or to renew online. Like Mr. Bach, I worry that we will see a great uptick in citations for expired tags, expired registration, and that in many cases it’ll be a situation where the citizen has simply overlooked or forgotten or not been able to comply. It’s just going to create a lot more work across the board. Although I really don’t want to spend this money, I think that it’s a good responsible move on our part to move forward with this plan as presented.

We look forward to moving and, hopefully, they will follow through on their teaser that they might continue to do this at the state level.

Action: For information only.

Chairman McKiernan adjourned the meeting at 7:25 p.m.

cdm

June 1, 2015
TO: Economic Development and Finance Standing Committee

FROM: Lew Levin, Chief Financial Officer

SUBJECT: Quarterly Investment and Budget Revision Report, June 2015

DATE: July 29, 2015

Attached you will find three schedules entitled "Investments By Type, Interest Revenue Earned, and Cash By Fund Type". A fourth table lists budget revisions approved by Administration in excess of $10,000. The Commission authorized the revision for the Stadium Enterprise Fund.

The first schedule contains details of the Unified Government cash currently invested indicating investment type, date invested, maturity date, as well as interest rate.

The second schedule is a chart comparing the total interest earned, and the average invested for years 2012, 2013, 2014 and 2015 through June 30, 2015.

The third schedule indicates the total cash held by fund type.

The final table provides a brief description of the budget revisions referred to above.

These reports are presented for inclusion in the information packet to the Standing Committee members and no action is required.

cc: Cash Management Committee
## INVESTMENT BY TYPE

### UNIFIED GOVERNMENT OF

### WYANDOTTE COUNTY /

### KANSAS CITY, KANSAS

### June 30, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Rate</th>
<th>Invest. Date</th>
<th>Mat. Date</th>
<th>Days to Mat.</th>
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<td>UMB, NBA Wyandotte - Oper.</td>
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<td>59</td>
</tr>
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<td>Liberty Bank</td>
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<td>0.550%</td>
<td>12/14/12</td>
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<td>59</td>
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<td>05/22/13</td>
<td>04/28/17</td>
<td>668</td>
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<td>Capital Federal</td>
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<td>05/22/13</td>
<td>05/22/17</td>
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<td>10/23/17</td>
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<tr>
<td>Commerce</td>
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<td>1.100%</td>
<td>05/09/14</td>
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<td>855</td>
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<td>05/04/18</td>
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<td>10/25/18</td>
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<td>07/08/15</td>
<td>08/11/17</td>
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<td>02/09/15</td>
<td>983</td>
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<td>1.300%</td>
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<td>08/13/18</td>
<td>1,140</td>
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<td>Capital Federal</td>
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<td>05/11/18</td>
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<td>09/10/19</td>
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<td><strong>TOTAL CERTIFICATES OF DEPOSIT</strong></td>
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<td>UMB/ FHLMC</td>
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<td>05/13/16</td>
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<td>12/12/16</td>
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<td>UMB/FNMA</td>
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<td>06/08/13</td>
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<td>UMB/FNMA</td>
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<td>09/15/16</td>
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<td>UMB/FFCB</td>
<td>1,030,658</td>
<td>1.100%</td>
<td>09/28/14</td>
<td>09/22/17</td>
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<tr>
<td>UMB/FHLB</td>
<td>6,094,631</td>
<td>1.584%</td>
<td>09/22/14</td>
<td>09/14/19</td>
<td>1,172</td>
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<td><strong>TOTAL U.S. TREASURY</strong></td>
<td>$17,969,658</td>
<td>0.915%</td>
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<td>TEMP NOTE 2014/</td>
<td>$60,125</td>
<td>0.450%</td>
<td>22/27/14</td>
<td>08/12/15</td>
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<td>TEMP NOTE 2014/</td>
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<td>22/27/14</td>
<td>08/12/16</td>
<td>398</td>
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<td>TEMP NOTE 2014/</td>
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<td>1.100%</td>
<td>22/27/14</td>
<td>08/12/17</td>
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<td>TEMP NOTE 2014/</td>
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<td>3/1/17</td>
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<td><strong>TOTAL TEMPORARY NOTES</strong></td>
<td>$4,577,375</td>
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### STATISTICS

- **Total Investments**: $180,881,943
- **Avg. Days**: 631
- **Overall Average Rate of Interest**: 0.78%
- **Average Investment - YTD**: $175,753,943
- **Weighted Average Yield**: 0.82%
- **91-day T-Bill Rate (Benchmark)**: 0.01%
- **Average Weighted Maturity**: 573.26
- **Interest Posted Through June 30, 2015**: $184,082

**ALL ABOVE INVESTMENTS ARE FULLY COLLATERALIZED IN COMPLIANCE WITH THE UNIFIED GOVERNMENT'S INVESTMENT POLICIES AND K.S.A. 9-1402**

**INTEREST POSTED IS CALCULATED ON A GAAP BASIS.**
## CASH BY FUND TYPE

**June 30, 2015**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount</th>
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<tbody>
<tr>
<td>General Fund Type</td>
<td>50,778,276</td>
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<tr>
<td>Special Revenue Fund Type</td>
<td>14,364,575</td>
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<tr>
<td>Debt Service Fund Type</td>
<td>17,308,213</td>
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<tr>
<td>Capital Project Fund Type</td>
<td>61,698,847</td>
</tr>
<tr>
<td>Enterprise Fund Type</td>
<td>22,117,872</td>
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<tr>
<td>Internal Service Fund Type</td>
<td>(4,422,273)</td>
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<td>Trust and Agency Fund Type</td>
<td>12,316,815</td>
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<tr>
<td><strong>Total Cash</strong></td>
<td><strong>174,162,326</strong></td>
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The difference between the Cash by Fund Type and the Investment by Type report is the investment of reconciling items, such as outstanding warrants.
### BUDGET REVISIONS $10,000 OR GREATER - SECOND QUARTER 2015

(For information only)

<table>
<thead>
<tr>
<th>ENTRY</th>
<th>FUND</th>
<th>DEPARTMENT</th>
<th>CMIP/OPERATING</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
<th>DATE APPROVED</th>
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<tr>
<td>1</td>
<td>City General</td>
<td>Economic Development</td>
<td>Operating</td>
<td>Legal Expenses</td>
<td>$32,000</td>
<td>April 17, 2015</td>
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<tr>
<td>2</td>
<td>County/City General</td>
<td>Transit</td>
<td>Operating</td>
<td>Grant Match for buses, bus equipment, &amp; routes enhancements</td>
<td>$21,219</td>
<td>April 17, 2015</td>
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<tr>
<td>3</td>
<td>County General</td>
<td>Coroner</td>
<td>Operating</td>
<td>Bad Debt Write-off</td>
<td>$28,731</td>
<td>May 3, 2015</td>
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<tr>
<td>4</td>
<td>Dedicated Sales Tax</td>
<td>Fire</td>
<td>CMIP</td>
<td>Replacement of Breathing Air Fill Stations</td>
<td>$137,145</td>
<td>May 26, 2015</td>
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<tr>
<td>5</td>
<td>City General</td>
<td>Public Works/Buildings &amp; Logistics</td>
<td>CMIP</td>
<td>City Hall Boiler Mud Leg Repair</td>
<td>$60,000</td>
<td>June 25, 2015</td>
</tr>
</tbody>
</table>

**GRAND TOTAL** $277,095
Staff Request for Commission Action

Tracking No. 150214

Date of Standing Committee Action: 8/10/2015

Date of Standing Committee Action: 8/10/2015

(If none, please explain): 

Proposed for the following Full Commission Meeting Date: Confirmed Date: 8/27/2015 

8/27/2015

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

Date: 7/28/2015 Contact Name: Lew Levin Contact Phone: X-5186 Contact Email: llevin@wycokck.org Ref: Department / Division: Finance

Item Description:

Action Requested:
For Information only.

Publication Required

Budget Impact: (if applicable)

Amount: $ Source:

Other (explain) For information only.

File Attachment

File Attachment

File Attachment
## Unified Government

### Fund Balance Actual-Policy Comparison

**Color Key**
- **Red** = Under goal
- **Black** = Goal range
- **Blue** = Exceeds goal

<table>
<thead>
<tr>
<th>Color</th>
<th>Key</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fund Balance &amp; % of Expense</td>
<td>Fund Balance &amp; % of Expense</td>
</tr>
<tr>
<td><strong>Policy Goals</strong></td>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>City</td>
<td>10%</td>
<td>4,858,624</td>
<td>130,515,515</td>
</tr>
<tr>
<td>County</td>
<td>10%</td>
<td>2,028,271</td>
<td>52,171,343</td>
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<tr>
<td>Parks</td>
<td>10%</td>
<td>447,872</td>
<td>5,140,866</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>10%</td>
<td>7,334,767</td>
<td>187,827,724</td>
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<tr>
<td><strong>Special Revenue Funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>8-12%</td>
<td>718,063</td>
<td>460,158</td>
</tr>
<tr>
<td>Court Trustees</td>
<td>8-12%</td>
<td>718,063</td>
<td>460,158</td>
</tr>
<tr>
<td>Dedicated Sales Tax (Special Sales Tax 2010)</td>
<td>5-10%</td>
<td>472,023</td>
<td>7,149,935</td>
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<td>Developmental Disability</td>
<td>10-15%</td>
<td>237,317</td>
<td>519,866</td>
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<tr>
<td>Elections</td>
<td>10-15%</td>
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<td>1,187,604</td>
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<tr>
<td>Environmental Trust Fund</td>
<td>10-15%</td>
<td>297,099</td>
<td>1,014,450</td>
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<tr>
<td>Health Department</td>
<td>10-15%</td>
<td>614,211</td>
<td>3,016,285</td>
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<td>8-12%</td>
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<td>10-15%</td>
<td>641,953</td>
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<td>Mental Health</td>
<td>10-15%</td>
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<td>533,331</td>
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<td>Register of Deeds Technology</td>
<td>5-10%</td>
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<td>1,159,362</td>
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<td>Special 911 Tax</td>
<td>5-10%</td>
<td>2,028,271</td>
<td>52,171,343</td>
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<tr>
<td>Special 911 Tax - Wyandotte County</td>
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<td>305,431</td>
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<td>Special Alcohol</td>
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<td>Special Street and Highway</td>
<td>3-5%</td>
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<td>873,819</td>
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<tr>
<td>Tourism and Convention</td>
<td>3-5%</td>
<td>39,215</td>
<td>873,819</td>
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<td><strong>Sub-Total</strong></td>
<td>Varies</td>
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<td>Debt Service Fund</td>
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<td></td>
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<tr>
<td>City</td>
<td>5-10%</td>
<td>3,557,579</td>
<td>26,902,405</td>
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<td>County</td>
<td>5-10%</td>
<td>213,464</td>
<td>1,616,630</td>
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<td><strong>Total</strong></td>
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<td><strong>GAAP Basis</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Generally Accepted Accounting Principles)</td>
<td></td>
<td></td>
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<tr>
<td>General Fund</td>
<td>10%</td>
<td>16,378,849</td>
<td>185,093,951</td>
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</tbody>
</table>
Unified Government
Fund Balance Actual-Policy Comparison

Color Key
Red = Under goal
Black = Goal range
Blue = Exceeds goal

<table>
<thead>
<tr>
<th>Budgetary Basis</th>
<th>Policy Goals</th>
<th>2012 Fund Balance</th>
<th>Fund Exp. &amp; Transfers Out % of Exp.</th>
<th>2011 Fund Balance</th>
<th>Fund Exp. &amp; Transfers Out % of Exp.</th>
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<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
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<tr>
<td>City</td>
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<td>118,561,634</td>
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<td>50,129,737</td>
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<td>5,180,332</td>
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<tr>
<td>Sub-Total</td>
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<td>173,871,703</td>
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<td>4,781,011</td>
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<tr>
<td>Special Revenue Funds</td>
<td></td>
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<td>Court Trustees</td>
<td>8-12%</td>
<td>750,228</td>
<td>391,745</td>
<td>191.5%</td>
<td>753,915</td>
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<td>Dedicated Sales Tax</td>
<td>5-10%</td>
<td>191,001</td>
<td>6,785,696</td>
<td>2.8%</td>
<td>735,292</td>
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<td>Developmental Disability</td>
<td>10-15%</td>
<td>254,187</td>
<td>455,114</td>
<td>55.9%</td>
<td>300,459</td>
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<td>Elections</td>
<td>10-15%</td>
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<td>1,071,922</td>
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<td>713,816</td>
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<td>Environmental Trust Fund</td>
<td>10-15%</td>
<td>221,560</td>
<td>832,713</td>
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<td>Health Department</td>
<td>10-15%</td>
<td>882,049</td>
<td>3,165,165</td>
<td>27.9%</td>
<td>1,208,209</td>
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<tr>
<td>Jail Commissary</td>
<td>8-12%</td>
<td>131,600</td>
<td>35,176</td>
<td>28.1%</td>
<td>149,765</td>
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<td>Library</td>
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<td>466,586</td>
<td>1,878,971</td>
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<td>Mental Health</td>
<td>10-15%</td>
<td>89,348</td>
<td>508,331</td>
<td>17.6%</td>
<td>107,424</td>
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<td>Register of Deeds</td>
<td>5-10%</td>
<td>53,813</td>
<td>163,853</td>
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<td>Special Program for the</td>
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<td>81,410</td>
<td>1,145,765</td>
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<td>9,712</td>
<td>490,132</td>
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<td>490,132</td>
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<td>Special 911 Tax -</td>
<td>5-10%</td>
<td>319,730</td>
<td>444,549</td>
<td>71.9%</td>
<td>-</td>
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<tr>
<td>Special Alcohol</td>
<td>5-10%</td>
<td>380,986</td>
<td>461,120</td>
<td>82.6%</td>
<td>330,756</td>
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<td>Special Parks and Rec</td>
<td>3-5%</td>
<td>172,345</td>
<td>432,141</td>
<td>39.9%</td>
<td>110,201</td>
</tr>
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<td>Special Street and Highway</td>
<td>3-5%</td>
<td>573,655</td>
<td>6,522,115</td>
<td>8.8%</td>
<td>283,156</td>
</tr>
<tr>
<td>Tourism and Convention</td>
<td>3-5%</td>
<td>183,367</td>
<td>747,500</td>
<td>24.5%</td>
<td>152,465</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>Varies</td>
<td>5,434,061</td>
<td>25,532,008</td>
<td>21.3%</td>
<td>5,936,728</td>
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<tr>
<td>Debt Service Fund</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>City</td>
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<td>1,845,081</td>
<td>25,554,012</td>
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<td>2,785,104</td>
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<tr>
<td>County</td>
<td>5-10%</td>
<td>302,416</td>
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<td>Sub-Total</td>
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<td>26,613,470</td>
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<td>3,033,609</td>
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<tr>
<td>Total</td>
<td>Varies</td>
<td>17,331,890</td>
<td>226,017,181</td>
<td>7.7%</td>
<td>13,751,348</td>
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<tr>
<td>GAAP Basis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>10%</td>
<td>19,469,242</td>
<td>169,150,292</td>
<td>11.5%</td>
<td>14,311,481</td>
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</tbody>
</table>

(Generally Accepted Accounting Principles)
Staff Request for Commission Action

Tracking No. 150215

<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>
</thead>
<tbody>
<tr>
<td>7/28/2015</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 as of 6/30/15. The report is consistent with the adopted budget, as of 6/30/15, and does not reflect the amended budget scheduled for adoption on 7/30/15.

Action Requested:
This report is for information only. No further action is required.

Publication Required

Budget Impact: (if applicable)

<table>
<thead>
<tr>
<th>Amount</th>
<th>Source</th>
</tr>
</thead>
</table>
| $ | □ Included In Budget
| □ Other (explain) | For information only. |
BUDGET TO ACTUAL REPORT, THRU JUNE 30, 2015

(Reflects 2015 Amended Budget)

Presented to Economic Development and Finance Standing Committee
August 10, 2015

Prepared by:
Finance Department
July 2015
# Unified Government of Wyandotte County/Kansas City, Kansas

## Budget to Actual through June 30, 2015

Second Quarter

### REVENUES

<table>
<thead>
<tr>
<th>ALL FUNDS</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>% of Budget</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Levy Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund - City</td>
<td>135,551,669</td>
<td>80,429,605</td>
<td>59.3%</td>
<td>136,409,355</td>
<td>59,779,889</td>
<td>44%</td>
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<td>Bond &amp; Interest - City</td>
<td>27,046,735</td>
<td>19,023,070</td>
<td>70.3%</td>
<td>27,508,862</td>
<td>7,050,773</td>
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<td>General Fund - County</td>
<td>51,740,542</td>
<td>42,790,196</td>
<td>82.7%</td>
<td>51,932,400</td>
<td>24,399,009</td>
<td>47%</td>
</tr>
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<td>General Fund - Consolidated Parks</td>
<td>5,446,066</td>
<td>1,064,224</td>
<td>36.1%</td>
<td>5,386,134</td>
<td>2,436,342</td>
<td>45%</td>
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<tr>
<td>Bond &amp; Interest - County</td>
<td>2,225,246</td>
<td>1,830,776</td>
<td>82.3%</td>
<td>2,252,001</td>
<td>303,077</td>
<td>13%</td>
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<tr>
<td>CIFI Fund - County</td>
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<td>774</td>
<td>0.0%</td>
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<td>0%</td>
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<tr>
<td><strong>Aging</strong></td>
<td>1,228,358</td>
<td>1,143,320</td>
<td>93.1%</td>
<td>1,275,595</td>
<td>536,780</td>
<td>42%</td>
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<tr>
<td><strong>Developmental Disabilities</strong></td>
<td>410,551</td>
<td>381,080</td>
<td>92.8%</td>
<td>538,842</td>
<td>178,867</td>
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<tr>
<td><strong>Elections</strong></td>
<td>1,042,846</td>
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<td>92.5%</td>
<td>1,265,056</td>
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<td><strong>Health</strong></td>
<td>2,937,994</td>
<td>2,105,411</td>
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<td>1,393,135</td>
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<tr>
<td><strong>Mental Health</strong></td>
<td>503,759</td>
<td>469,051</td>
<td>93.1%</td>
<td>533,331</td>
<td>264,165</td>
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<td><strong>Other Funds</strong></td>
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<td>Wyandotte County 911</td>
<td>770,000</td>
<td>353,830</td>
<td>46.0%</td>
<td>899,850</td>
<td>218,841</td>
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<td>Alcohol</td>
<td>552,500</td>
<td>277,009</td>
<td>50.1%</td>
<td>600,000</td>
<td>246,414</td>
<td>41%</td>
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<td>Court Trustee</td>
<td>400,000</td>
<td>205,377</td>
<td>51.3%</td>
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<td>172,728</td>
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<td>7,000,000</td>
<td>3,579,913</td>
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<td>1,587,249</td>
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<td>Emergency Medical Services</td>
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<td>89,517</td>
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<td>Jail Commissary</td>
<td>25,000</td>
<td>15,898</td>
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<td>60,000</td>
<td>8,285</td>
<td>14%</td>
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<td>Parks &amp; Recreation</td>
<td>544,000</td>
<td>273,288</td>
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<td>585,000</td>
<td>237,181</td>
<td>41%</td>
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<td>Public Levee</td>
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<td>537,245</td>
<td>44,189</td>
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<tr>
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<td>0%</td>
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<td>15,000</td>
<td>-</td>
<td>0%</td>
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<td>Sewer System</td>
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<td>Stormwater</td>
<td>3,313,700</td>
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<td>4,548,211</td>
<td>175,270</td>
<td>4%</td>
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<td>Street &amp; Highway</td>
<td>6,802,000</td>
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<td>52.0%</td>
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<td>Sunflower Hills Golf Course</td>
<td>805,100</td>
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<td>800,344</td>
<td>255,754</td>
<td>32%</td>
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<tr>
<td>Travel &amp; Tourism</td>
<td>846,000</td>
<td>511,184</td>
<td>60.9%</td>
<td>859,917</td>
<td>380,469</td>
<td>44%</td>
</tr>
<tr>
<td>Stadium</td>
<td>42,400</td>
<td>23,189</td>
<td>54.7%</td>
<td>275,000</td>
<td>209,527</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Total Other Funds</strong></td>
<td>62,199,450</td>
<td>28,793,474</td>
<td>46.3%</td>
<td>65,421,657</td>
<td>18,683,951</td>
<td>29%</td>
</tr>
<tr>
<td><strong>TOTAL UG OPERATING BUDGET</strong></td>
<td>290,336,416</td>
<td>179,898,347</td>
<td>62.0%</td>
<td>295,862,522</td>
<td>116,882,314</td>
<td>39%</td>
</tr>
<tr>
<td><strong>County Library Fund</strong></td>
<td>2,154,135</td>
<td>2,140,440</td>
<td>99.4%</td>
<td>2,519,396</td>
<td>2,131,333</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Total ALL Funds</strong></td>
<td>292,490,551</td>
<td>182,038,787</td>
<td>62.2%</td>
<td>298,381,918</td>
<td>117,713,648</td>
<td>39%</td>
</tr>
</tbody>
</table>

*The County Library Mill Levy is set by the County Library Board and not the Unified Government Board of Commissioners."
## Unified Government of Wyandotte County/Kansas City, Kansas

Budget to Actual through June 30, 2015

Second Quarter

### CONSOLIDATED GENERAL

#### Revenues

<table>
<thead>
<tr>
<th>Item</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>$158,368,030</td>
<td>$101,700,143</td>
<td>64.2%</td>
</tr>
<tr>
<td>Delinquent Tax</td>
<td>$57,949,440</td>
<td>$56,693,606</td>
<td>97.8%</td>
</tr>
<tr>
<td>Motor Vehicle Tax</td>
<td>$2,556,400</td>
<td>$1,357,481</td>
<td>53.1%</td>
</tr>
<tr>
<td>Sales &amp; Use Tax</td>
<td>$6,745,381</td>
<td>$3,918,251</td>
<td>58.1%</td>
</tr>
<tr>
<td>Speedyway Surplus</td>
<td>$34,601,000</td>
<td>$17,915,661</td>
<td>51.6%</td>
</tr>
<tr>
<td>Plaza At Speedway Surplus</td>
<td>$520,000</td>
<td>$20,369</td>
<td>3.9%</td>
</tr>
<tr>
<td>Mortgage Registration Tax</td>
<td>$330,000</td>
<td></td>
<td>0.0%</td>
</tr>
<tr>
<td>BPU PILOT</td>
<td>$1,100,000</td>
<td>$759,556</td>
<td>69.1%</td>
</tr>
<tr>
<td>Other Franchise Tax</td>
<td>$32,750,000</td>
<td>$11,974,643</td>
<td>36.6%</td>
</tr>
<tr>
<td>Casino Tax</td>
<td>$7,977,500</td>
<td>$3,896,895</td>
<td>48.9%</td>
</tr>
<tr>
<td>Additional 1% Casino Contribution</td>
<td>$3,030,000</td>
<td>$562,846</td>
<td>18.8%</td>
</tr>
<tr>
<td>Annual Appropriation Debt Revenues</td>
<td>$6,256,399</td>
<td></td>
<td>0.0%</td>
</tr>
<tr>
<td>Occupation Tax</td>
<td>$2,015,000</td>
<td>$1,469,051</td>
<td>72.9%</td>
</tr>
<tr>
<td>Other Tax Revenues</td>
<td>$2,536,910</td>
<td>$3,128,780</td>
<td>123.4%</td>
</tr>
</tbody>
</table>

| Licenses & Permits                  | $2,140,000  | $1,306,600  | 61.1%       |

| Intergovernmental Revenue           | $3,843,500  | $532,531    | 13.9%       |
| Appropriation City General Fund     | $3,100,000  |             | 0.0%        |
| Other Intergovernmental Revenues    | $743,500    | $532,531    | 71.6%       |

| Charges for Service                 | $13,123,900 | $5,773,744 | 44.0%       |
| Residential Trash Fees              | $7,822,600  | $3,254,324 | 41.6%       |
| Building Inspection Fees            | $975,000    | $446,379   | 45.8%       |
| Jail Fee                            | $1,800,000  | $627,966   | 34.9%       |
| Park Shelters                       | $200,000    | $122,490   | 61.2%       |
| Field Rentals                       | $200,000    | $138,835   | 69.4%       |
| Other Charges for Service           | $2,126,300  | $1,163,750 | 55.7%       |

| Fines Forfeits and Fees             | $5,681,000  | $4,630,821 | 81.5%       |
| Municipal Court Revenue             | $4,450,000  | $2,286,076 | 51.4%       |
| Other Fines Forfeits and Fees       | $1,231,000  | $2,344,845 | 190.5%      |

| Interest Revenue                    | $1,725,000  | $768,284    | 44.5%       |
| Interest Revenue                    | $225,000    | $35,494     | 15.8%       |
| Interest on Delinquent Taxes        | $1,500,000  | $732,790    | 48.9%       |

| Miscellaneous Revenue               | $7,857,046  | $10,471,864 | 133.3%      |
| Indirect Charges                    | $1,480,382  |             | 0.0%        |
| EMS Transfer                        | $2,256,000  |             | 0.0%        |
| Fund Transfers                      | $4,120,664  |             | 254.1%      |

| Total Revenues                      | $192,738,476| $125,184,086| 65.0%       |
## Unified Government of Wyandotte County/Kansas City, Kansas
### Budget to Actual through June 30, 2015
#### Second Quarter

<table>
<thead>
<tr>
<th>CONSOLIDATED GENERAL Expenditures</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>$140,301,827</td>
<td>$68,236,650</td>
<td>48.6%</td>
</tr>
<tr>
<td>Overtime</td>
<td>$96,129,060</td>
<td>$45,786,074</td>
<td>47.6%</td>
</tr>
<tr>
<td>KPers</td>
<td>$3,496,627</td>
<td>$2,237,627</td>
<td>64.0%</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>$19,793,389</td>
<td>$8,319,289</td>
<td>42.0%</td>
</tr>
<tr>
<td>Retiree Health Insurance</td>
<td>$17,168,513</td>
<td>$8,336,692</td>
<td>48.6%</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>$582,537</td>
<td>$283,678</td>
<td>48.7%</td>
</tr>
<tr>
<td>Other</td>
<td>$999,852</td>
<td>$702,396</td>
<td>70.2%</td>
</tr>
<tr>
<td><strong>Contractual</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>$30,686,994</td>
<td>$13,292,249</td>
<td>43.3%</td>
</tr>
<tr>
<td>Software Maintenance</td>
<td>$833,736</td>
<td>$385,308</td>
<td>46.2%</td>
</tr>
<tr>
<td>ATA/Transit Contract Fees</td>
<td>$696,604</td>
<td>$110,284</td>
<td>15.8%</td>
</tr>
<tr>
<td>Attorneys &amp; Lawyers</td>
<td>$3,050,454</td>
<td>$1,114,294</td>
<td>36.4%</td>
</tr>
<tr>
<td>Jail Expense (Internal)</td>
<td>$466,935</td>
<td>$203,915</td>
<td>43.7%</td>
</tr>
<tr>
<td>Prisoner Housing (External)</td>
<td>$372,195</td>
<td>$372,195</td>
<td>100.0%</td>
</tr>
<tr>
<td>Prisoner Medical Contracts</td>
<td>$2,266,357</td>
<td>$936,204</td>
<td>41.3%</td>
</tr>
<tr>
<td>Trash Contract</td>
<td>$3,127,013</td>
<td>$1,587,541</td>
<td>50.8%</td>
</tr>
<tr>
<td>Other</td>
<td>$6,279,157</td>
<td>$2,838,242</td>
<td>45.2%</td>
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<tr>
<td><strong>Commodity</strong></td>
<td></td>
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</tr>
<tr>
<td>Natural Gas</td>
<td>$5,839,976</td>
<td>$2,681,218</td>
<td>45.9%</td>
</tr>
<tr>
<td>Fuel</td>
<td>$340,003</td>
<td>$191,112</td>
<td>56.2%</td>
</tr>
<tr>
<td>Auto Parts</td>
<td>$1,827,935</td>
<td>$733,942</td>
<td>40.2%</td>
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<tr>
<td>Other</td>
<td>$487,828</td>
<td>$303,073</td>
<td>62.1%</td>
</tr>
<tr>
<td><strong>Capital Outlay</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Equipment - Leases</td>
<td>$3,666,274</td>
<td>$1,545,776</td>
<td>42.2%</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$2,446,199</td>
<td>$945,967</td>
<td>38.7%</td>
</tr>
<tr>
<td>Grants, Claims, Shared Revenue</td>
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<td>$1,220,075</td>
<td>$669,809</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service (Not STAR/TDD)</td>
<td>$7,417,720</td>
<td>$123,448</td>
<td>1.7%</td>
</tr>
<tr>
<td>Debt Service (STAR/TDD)</td>
<td>$1,161,321</td>
<td>$123,448</td>
<td>10.6%</td>
</tr>
<tr>
<td>Intergovernmental Transfers (Out)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous/Contingencies</td>
<td>$161,064</td>
<td>$32,728</td>
<td>20.3%</td>
</tr>
<tr>
<td>Reserves</td>
<td>$463,855</td>
<td>$-</td>
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</tr>
<tr>
<td><strong>TOTAL Expenditures</strong></td>
<td>$193,727,889</td>
<td>$86,615,640</td>
<td>44.7%</td>
</tr>
</tbody>
</table>
## Unified Government of Wyandotte County/Kansas City, Kansas
Budget to Actual through June 30, 2015
Second Quarter

<table>
<thead>
<tr>
<th>CITY GENERAL</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tax Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>$24,593,085</td>
<td>$24,052,637</td>
<td>97.6%</td>
</tr>
<tr>
<td>Delinquent Tax</td>
<td>$1,210,400</td>
<td>$630,625</td>
<td>52.1%</td>
</tr>
<tr>
<td>Motor Vehicle Tax</td>
<td>$3,008,875</td>
<td>$1,745,626</td>
<td>58.0%</td>
</tr>
<tr>
<td>Sales &amp; Use Tax</td>
<td>$30,295,000</td>
<td>$15,506,802</td>
<td>51.2%</td>
</tr>
<tr>
<td>Speedway Surplus</td>
<td>$460,000</td>
<td>$16,333</td>
<td>4.0%</td>
</tr>
<tr>
<td>Plaza At Speedway Surplus</td>
<td>$300,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>BPU PILOT</td>
<td>$32,750,000</td>
<td>$11,974,643</td>
<td>36.6%</td>
</tr>
<tr>
<td>Other Franchise Tax</td>
<td>$7,977,500</td>
<td>$3,898,895</td>
<td>48.9%</td>
</tr>
<tr>
<td>Casino Tax</td>
<td>$1,010,000</td>
<td>$562,848</td>
<td>55.7%</td>
</tr>
<tr>
<td>Additional 1% Casino Contribution</td>
<td>$-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Annual Appropriation Debt Revenues</td>
<td>$6,256,399</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Occupation Tax</td>
<td>$2,015,000</td>
<td>$1,469,051</td>
<td>72.9%</td>
</tr>
<tr>
<td>Other Tax Revenues</td>
<td>$1,982,560</td>
<td>$1,239,200</td>
<td>62.5%</td>
</tr>
<tr>
<td><strong>Licenses &amp; Permits</strong></td>
<td>$1,185,000</td>
<td>$778,626</td>
<td>65.7%</td>
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<tr>
<td><strong>Intergovernmental Revenue</strong></td>
<td>$678,000</td>
<td>$532,058</td>
<td>78.5%</td>
</tr>
<tr>
<td><strong>Charges for Service</strong></td>
<td>$10,286,400</td>
<td>$4,632,633</td>
<td>45.0%</td>
</tr>
<tr>
<td>Residential Trash Fees</td>
<td>$7,822,600</td>
<td>$3,254,324</td>
<td>41.6%</td>
</tr>
<tr>
<td>Building Inspection Fees</td>
<td>$975,000</td>
<td>$446,379</td>
<td>45.8%</td>
</tr>
<tr>
<td>Other Charges for Services</td>
<td>$1,488,800</td>
<td>$931,930</td>
<td>62.6%</td>
</tr>
<tr>
<td><strong>Fines Forfeits and Fees</strong></td>
<td>$4,620,000</td>
<td>$3,202,166</td>
<td>69.3%</td>
</tr>
<tr>
<td>Municipal Court Revenue</td>
<td>$4,450,000</td>
<td>$2,286,076</td>
<td>51.4%</td>
</tr>
<tr>
<td>Other Fines Forfeits and Fees</td>
<td>$170,000</td>
<td>$916,080</td>
<td>538.9%</td>
</tr>
<tr>
<td><strong>Interest Revenue</strong></td>
<td>$50,000</td>
<td>$10,812</td>
<td>21.6%</td>
</tr>
<tr>
<td><strong>Miscellaneous Revenue</strong></td>
<td>$6,873,850</td>
<td>$10,174,719</td>
<td>148.0%</td>
</tr>
<tr>
<td>Indirect Charges</td>
<td>$928,986</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Ded Sales Tax Transfer</td>
<td>$2,256,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Miscellaneous Revenue</td>
<td>$3,688,864</td>
<td>$10,174,719</td>
<td>275.8%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$135,551,869</td>
<td>$80,429,665</td>
<td>59.3%</td>
</tr>
</tbody>
</table>
## Unified Government of Wyandotte County/Kansas City, Kansas
### Budget to Actual through June 30, 2015
#### Second Quarter

### CITY GENERAL

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>$100,549,678</td>
<td>$48,270,129</td>
<td>48.0%</td>
</tr>
<tr>
<td>Overtime</td>
<td>$68,775,744</td>
<td>$32,770,101</td>
<td>47.6%</td>
</tr>
<tr>
<td>KPERS</td>
<td>$1,928,893</td>
<td>$1,066,369</td>
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</tr>
<tr>
<td><strong>Health Insurance</strong></td>
<td>$16,338,757</td>
<td>$6,675,341</td>
<td>40.9%</td>
</tr>
<tr>
<td><strong>Retiree Health Insurance</strong></td>
<td>$11,484,690</td>
<td>$5,702,991</td>
<td>48.7%</td>
</tr>
<tr>
<td><strong>Workers' Compensation</strong></td>
<td>$467,077</td>
<td>$234,563</td>
<td>50.2%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$723,132</td>
<td>$313,142</td>
<td>43.3%</td>
</tr>
<tr>
<td><strong>Contractual</strong></td>
<td>$831,185</td>
<td>$1,507,622</td>
<td>181.4%</td>
</tr>
<tr>
<td><strong>Telephone</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Software Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ATA/Transit Contract Fees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Attorneys &amp; Lawyers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Jail Expense (Internal)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Prisoner Housing (External)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Prisoner Medical Contracts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trash Contract</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commodity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Natural Gas</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fuel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Auto Parts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Outlay</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Projects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grants, Claims, Shared Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Debt Service (Not STAR Bond/TDD)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STAR Bond TDD Debt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous/Contingencies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL Expenditures</strong></td>
<td>$136,409,355</td>
<td>$59,779,689</td>
<td>43.8%</td>
</tr>
</tbody>
</table>
## Unified Government of Wyandotte County/Kansas City, Kansas
### Budget to Actual through June 30, 2015
#### Second Quarter

<table>
<thead>
<tr>
<th>CONSOLIDATED PARKS</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tax Revenue</strong></td>
<td>$1,647,066</td>
<td>$1,533,544</td>
<td>95.1%</td>
</tr>
<tr>
<td>Property Tax</td>
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<td><strong>Licenses &amp; Permits</strong></td>
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<tr>
<td><strong>Intergovernmental Revenue</strong></td>
<td>$3,100,000</td>
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<tr>
<td>Appropriation City General Fund</td>
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<tr>
<td><strong>Charges for Service</strong></td>
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<td>Park Shelters</td>
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<tr>
<td><strong>Interest</strong></td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td><strong>Miscellaneous Revenue</strong></td>
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<td>$100,000</td>
<td>99.0%</td>
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<tr>
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<td>Overtime</td>
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<td><strong>Capital Outlay</strong></td>
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<td>Capital Projects</td>
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<td><strong>TOTAL Expenditures</strong></td>
<td>$5,385,134</td>
<td>$2,436,342</td>
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Unified Government of Wyandotte County/Kansas City, Kansas  
Budget to Actual through June 30, 2015  
Second Quarter

<table>
<thead>
<tr>
<th>COUNTY GENERAL</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>% of Budget</th>
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<tr>
<td>Revenues</td>
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<tr>
<td>Tax Revenue</td>
<td>$44,862,146</td>
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<td>Property Tax</td>
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<td>Sales &amp; Use Tax</td>
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<td>Speedway Surplus</td>
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<td>Plaza At Speedway Surplus</td>
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<td>Mortgage Registration Tax</td>
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<td>Licenses &amp; Permits</td>
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<td>$65,500</td>
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<td>Appropriation City General Fund</td>
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<tr>
<td>Other Intergovernmental Revenues</td>
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<td>Jail Fee</td>
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<td>Interest on Delinquent Taxes</td>
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<td>Fund Transfers</td>
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<td>Other Miscellaneous Revenue</td>
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<td>Total Revenues</td>
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<td>Expenditures</td>
<td>2015 Budget</td>
<td>2015 Actuals</td>
<td>% of Budget</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------------</td>
<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Personnel</strong></td>
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<tr>
<td>Payroll</td>
<td>$36,192,149</td>
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<td>Overtime</td>
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<td>Retiree Health Insurance</td>
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<td>Attorneys &amp; Lawyers</td>
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<td>Prisoner Housing (External)</td>
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<td><strong>Commodity</strong></td>
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<tr>
<td>Natural Gas</td>
<td>$1,252,528</td>
<td>$607,813</td>
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<td>Fuel</td>
<td>$93,800</td>
<td>$63,650</td>
<td>67.9%</td>
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<tr>
<td>Auto Parts</td>
<td>$162,650</td>
<td>$52,969</td>
<td>32.6%</td>
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<tr>
<td>Other</td>
<td>$250</td>
<td>$133</td>
<td>53.2%</td>
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<tr>
<td><strong>Capital Outlay</strong></td>
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<tr>
<td>Capital Equipment</td>
<td>$995,628</td>
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<td>Capital Projects</td>
<td>$617,016</td>
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<td><strong>Grants, Claims, Shared Revenue</strong></td>
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<tr>
<td><strong>Miscellaneous/Contingencies</strong></td>
<td></td>
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<tr>
<td><strong>Reserves</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>TOTAL Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
An ordinance authorizing the Unified Government of Wyandotte County/Kansas City, Kansas to issue its Sales Tax Special Obligation Revenue Bonds (Vacation Village Projects Areas 1 and 2a), Series 2015A and 2015 B in an aggregate principal amount not to exceed $95,000,000 for the purpose of providing funds to finance certain costs relating to the Vacation Village STAR Bond Project Plan; authorizing and approving the execution of certain documents in connection with the issuance of said bonds; and authorizing certain other actions in connection with the issuance of said bonds. Bond pricing is tentatively scheduled August 27th and 28th.

The Series B Bonds will reimburse the government for street-related expenditures associated with the 98th Street and Dairy Farmer improvement projects. The Series B bonds have an annual appropriation backing by the UG, and are also supported by a pledge of a portion of the bases local and State sales tax revenues if required.

Action Requested:
Adopt ordinance and forward to the Full Commission. Fast track to the Full Commission meeting on 8/13/15. Action on this item should occur after the Public Hearing and subsequent vote on the proposed amendment to the Vacation Village District Plan at the 8/13/15 Commission meeting.

The debt service for the Series A and B bonds are paid from future State and local STAR Bond incremental revenues in these project areas. EMS and dedicated sales revenues are not pledged.
ORDINANCE NO. O-___-15

AN ORDINANCE AUTHORIZING THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS TO ISSUE ITS SALES TAX SPECIAL OBLIGATION REVENUE BONDS (VACATION VILLAGE PROJECT AREAS 1 AND 2A), SERIES 2015A AND SERIES 2015B IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED $95,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE CERTAIN COSTS RELATING TO THE VACATION VILLAGE STAR BOND PROJECT PLAN; AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

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 desires to promote, stimulate and develop the general and economic welfare of Kansas City, Kansas and the State of Kansas (the “State”) and to assist in the development and redevelopment of eligible areas within Kansas City, Kansas, thereby promoting the general welfare of the citizens of the State and the Unified Government, by acquiring property and providing for the development and redevelopment thereof and the financing relating thereto; and

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 et seq., as amended, as now authorized under the STAR Bonds Financing Act, K.S.A. 12-17,160, et seq., as amended (the “Act”), the Board of Commissioners of the Unified Government (the “Governing Body”) on October 20, 2005, adopted Ordinance No. O-76-05, which created a redevelopment district within Kansas City, Kansas (the “City”), the boundaries of which were defined in said Ordinance (the “Original District”) and contained one redevelopment project area; and

WHEREAS, on November 14, 2005 a Vacation Village Special Bond Project Plan (“Original Redevelopment Project Plan”) was filed with the Unified Government Clerk; and

WHEREAS, on November 14, 2005 the Planning Commission of the Unified Government made a finding that the Original Redevelopment Project Plan was consistent with the intent of the City's comprehensive plan for the development of the City; and

WHEREAS, on December 20, 2005, after proper notice in accordance with the Act, a public hearing was held on the Original Redevelopment Project Plan and the Governing Body then adopted Ordinance No. O-96-05 approving the Original Redevelopment Project Plan; and

WHEREAS, on December 23, 2005 the Secretary of Commerce of the State (the “Secretary”), determined that the Original District was an “eligible area” under the Act, designated the redevelopment
project as a “special bond project” and approved the issuance of STAR Bonds for the project; and

WHEREAS, on November 9, 2007, an Amended and Restated STAR Bond Project Plan (Vacation Village Project Plan) (“First Amended Project Plan”) was filed with the Unified Government Clerk; and

WHEREAS, a public hearing was held on November 15, 2007, after due published notice, regarding the First Amended Project Plan; and

WHEREAS, on November 29, 2007 the Governing Body adopted Ordinance No. O-100-07 approving the First Amended Project Plan; and

WHEREAS, an Amended and Restated STAR Bond District Plan dated July 8, 2014 (the “2014 STAR Bond District Plan”) was filed with the Unified Government Clerk, which 2014 STAR Bond District Plan expanded the Original District to add additional property (the “STAR Bond District”) and divided the Expanded STAR Bond District into five (5) project areas; and

WHEREAS, a Second Amended and Restated STAR Bond Project Plan (Village East Project Plan – Project Area 1) dated July 8, 2014 was filed with the Unified Government Clerk (the “Project Area 1 Plan”); and

WHEREAS, a STAR Bond Project Plan (Village East Project Plan – Project Area 2) dated July 8, 2014 was filed with the Unified Government Clerk (the “Project Area 2 Plan”); and

WHEREAS, a STAR Bond Financing Project Plan (Village East Project Plan – Project Area 4) dated July 8, 2014 was filed with the Unified Government Clerk (the “Project Area 4 Plan”); and

WHEREAS, on July 14, 2014 the Planning Commission of the Unified Government made a finding that the Project Area 1 Plan, Project Area 2 Plan and Project Area 4 Plan were each consistent with the intent of the City's comprehensive plan for the development of the City; and

WHEREAS, in accordance with the Act, on August 28, 2014, the Governing Body held a public hearing to consider approval of the Expanded STAR Bond District and adoption of the 2014 STAR Bond District Plan, Project Area 1 Plan, Project Area 2 Plan, and Project Area 4 Plan, after proper notice of such public hearing in accordance with the Act; and

WHEREAS, on August 28, 2014, the Governing Body adopted Ordinance No. O-47-14 that adopted the 2014 STAR Bond District Plan, the Project Area 1 Plan, the Project Area 2 Plan, and the Project Area 4 Plan; and

WHEREAS, on September 24, 2014 the Secretary (a) determined that the STAR Bond District constituted an “eligible area” under the Act, (b) approved the 2014 STAR Bond District Plan consisting of the five project areas described therein and (c) approved the issuance of up to $160,000,000 (exclusive of approved financing costs) of STAR Bonds to be issued pursuant to the 2014 STAR Bond District Plan, including up to $97,000,000 (exclusive of approved financing costs) with respect to Project Areas 1 and 2; and

WHEREAS, on June 30, 2015, the Secretary approved (a) the First Amendment to Amended and Restated District Plan for Village East STAR Bond District dated June 23, 2015 (the “2015 STAR Bond District Amendment”), which amended the 2014 STAR Bond District Plan and divided the STAR Bond District into six (6) project areas, including (b) the division of Project Area 2 into Project Area 2A and Project Area 2B, (c) the First Amended and Restated STAR Bond Project Plan (Village East Project
Plan– Project Area 2A) dated June 23, 2015 (the “Project Area 2A Plan”) with respect to Project Area 2A within the STAR Bond District (“Project Area 2A”), and (d) an increase in the amount of STAR Bonds to be issued with respect to Project Areas 1 and 2 (both 2A and 2B) to $100,000,000 (exclusive of approved financing costs); and

WHEREAS, on August 13, 2015, the Governing Body passed an ordinance adopting the 2015 STAR Bond District Amendment and the Project Area 2A Plan; and

WHEREAS, pursuant to the Act, the Unified Government is authorized to issue its Sales Tax Special Obligation Revenue Bonds (Vacation Village Project Areas 1 and 2A), Series 2015A (the “Series 2015A Bonds”) and its Sales Tax Special Obligation Revenue Bonds (Vacation Village Project Areas 1 and 2A), Subordinate Lien Series 2015B (the “Series 2015B Bonds”) in the aggregate original principal amount not to exceed $95,000,000 (the Series 2015A Bonds and the Series 2015B Bonds are collectively, the “Series 2015 Bonds”) under the hereinafter described Bond Indentures, for the purpose of implementing the Project Area 1 and 2A Plans by providing funds to (a) finance a portion of the Costs of the Project (as defined in the Bond Indentures), (b) fund a deposit to each Debt Service Reserve Fund, (c) fund a deposit to each Capitalized Interest Fund, and (d) pay certain costs related to the issuance of the Series 2015 Bonds; and

WHEREAS, the Governing Body hereby finds and determines that the issuance of the Series 2015 Bonds to provide funds for the purposes described herein in the manner provided in the Act and pursuant to the provisions of the Bond Indentures, will serve one or more of the public purposes set forth in the Act and will promote, stimulate and develop the general and economic welfare of the Unified Government; and

WHEREAS, the Governing Body of the Unified Government further finds and determines that it is necessary and desirable in connection with the issuance of the Series 2015 Bonds that the Unified Government enter into certain agreements, and that the Unified Government take certain other actions and approve the execution of certain other documents as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE unified government of Wyandotte County/Kansas City, Kansas, AS FOLLOWS:

Section 1. Authorization of the Series 2015 Bonds. The Unified Government is hereby authorized to issue and sell the Series 2015 Bonds in an aggregate original principal amount not to exceed $95,000,000, the proceeds of which will be used to (a) pay Costs of the Project, (b) fund deposits to debt service reserve funds with respect to the Series 2015 Bonds, (c) fund capitalized interest on the Series 2015 Bonds and (d) pay certain costs related to the issuance of the Series 2015 Bonds. The Series 2015 Bonds shall be issued and secured pursuant to the herein authorized Bond Indentures and shall bear such dates, shall be in such denominations, shall be in such forms, shall mature on the dates and in the principal amounts and maturity amounts, shall bear interest at rates not to exceed the maximum rate permitted by law and shall be subject to redemption on the dates and in the principal amounts as provided in the Bond Indentures and Purchase Contracts (as hereinafter defined), and shall have such other terms and provisions, shall be issued, executed, authenticated and delivered in such manner and shall be subject to such provisions, covenants and agreements, as are set forth in the Bond Indentures. The Series 2015 Bonds shall be sold and delivered to the order of the purchasers thereof in accordance with the terms and conditions of the Purchase Contracts, at such prices as are set forth therein.
The Series 2015 Bonds, together with interest and premium, if any, thereon are not general obligations of the Unified Government but are limited obligations payable solely from the trust estate pledged to the payment thereof under the Bond Indentures and shall be a valid claim of the respective holders thereof only against the trust estate and other moneys held by the Trustee and the revenues so pledged as aforesaid. In no event shall the Series 2015 Bonds be payable out of any funds or properties other than those pledged or acquired under the Bond Indentures, and the Series 2015 Bonds shall not be deemed to constitute a debt or liability of the State, the Unified Government or of any political subdivision thereof and the issuance of the Series 2015 Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any political subdivision thereof to levy any form of taxation therefor or to budget or make any appropriation for their payment. Nothing in the Series 2015 Bonds, the Bond Indentures, the proceedings of the Unified Government authorizing the Series 2015 Bonds or the Act shall be construed to be a debt or loan of credit of the Unified Government, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 2. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to the Unified Government at this meeting, and the Unified Government is hereby authorized to execute and deliver each of such documents (the “Unified Government Documents”) with such changes therein as shall be approved by the officer or officers of the Unified Government executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the Unified Government's approval thereof:

(a) Bond Trust Indenture dated as of the date stated therein for the Series 2015A Bonds (the “Series 2015A Bond Indenture”) and a Bond Trust Indenture dated as of the date stated therein for the Series 2015B Bonds (the “Series 2015B Bond Indenture, and with the Series 2015A Bond Indenture collectively, the “Bond Indentures”), each between the Unified Government and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the “Trustee”), authorizing the issuance of the Series 2015 Bonds.

(b) Purchase Contract dated as of the date stated therein for the Series 2015A Bonds and a Purchase Contract dated as of the date stated therein for the Series 2015B Bonds (collectively, the “Purchase Contracts”), each among the Unified Government and Stifel Nicolaus & Company, Incorporated (the “Underwriter”), relating to the purchase of the Series 2015 Bonds.

(c) Tax Compliance Agreement dated as of the date stated therein for the Series 2015A Bonds and a Tax Compliance Agreement dated as of the date stated therein for the Series 2015B Bonds, each between the Unified Government and the Trustee, relating to the Series 2015 Bonds.

(d) Issuer's Continuing Disclosure Agreement for the Series 2015A Bonds and an Issuer's Continuing Disclosure Agreement for the Series 2015B Bonds, each dated as of the date stated therein between the Unified Government and the Trustee, as dissemination agent, relating to the Series 2015 Bonds.

(e) Tax Distribution Agreement dated as of the date set forth therein (the “Tax Distribution Agreement”) among the Unified Government, the Trustee and the other parties named therein, which provides for certain distributions of tax revenues for the benefit of the Series 2015 Bonds.

The Series 2015 Official Statements and the use and distribution thereof by the Underwriter is hereby approved. For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the “Rule”), the Mayor/CEO of the Unified Government is hereby authorized and directed to deem the Series 2015 Official Statements to be “final” as of its respective dates, except for the omission of such information as is permitted by the Rule, and, if requested, to provide the Underwriter a letter or certification to such effect and to take such other actions or execute such other documents as the Mayor/CEO of the Unified Government in his reasonable judgment deems necessary to enable the Underwriter to comply with the requirements of such Rule.


(a) The Unified Government intends, on or before the last day of each fiscal year, to budget and appropriate, specifically with respect to the Series 2015B Bond Indenture, Available Issuer Funds (as defined in the Series 2015B Bond Indenture) sufficient to pay all the Debt Service Requirements (as defined in the Series 2015B Bond Indenture) on the Series 2015B Bonds for the next succeeding fiscal year. The decision to appropriate or not to appropriate Available Issuer Funds under the Series 2015B Indenture shall be made solely by the Governing Body. The Unified Government shall deliver written notice to the Trustee no later than 15 days after the commencement of its fiscal year stating whether or not the Governing Body of the Unified Government has appropriated Available Issuer Funds sufficient for the purpose of paying the Debt Service Requirements to become due on the Series 2015B Bonds during such fiscal year.

(b) The Unified Government covenants and agrees that the County Administrator of the Unified Government or any other officer at any time charged with the responsibility of formulating budget proposals is hereby directed to include in the budget proposal submitted to the Governing Body for each fiscal year that the Series 2015B Bonds are outstanding a request for an appropriation of Available Issuer Funds for transfer to the Trustee at the times and in the manner provided in the Series 2015B Bond Indenture. The Unified Government reasonably believes that legally available funds in an amount sufficient to make all Debt Service Requirements on the Series 2015B Bonds during each fiscal year can be obtained, subject to appropriation by the Governing Body.

(c) The Unified Government acknowledges and agrees that the Debt Service Requirements on the Series 2015B Bonds set forth in the Series 2015B Bond Indenture shall constitute currently budgeted expenditures of the Unified Government, and shall not in any way be construed or interpreted as creating a liability or a general obligation or debt of the Unified Government in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the Unified Government, nor shall anything contained herein or in the Series 2015B Bond Indenture constitute a pledge of the general credit, tax revenues (except the Revenues, as defined in the Series 2015B Bond Indenture), funds or moneys of the Unified Government. The Unified Government’s obligations to pay Debt Service Requirements under the Series 2015 Bond Indenture shall be from year to year only, and shall not constitute a mandatory payment obligation of the Unified Government in any
ensuing fiscal year beyond the then current fiscal year. Neither the Series 2015B Bond Indenture nor the issuance of the Series 2015B Bonds shall directly or indirectly obligate the Unified Government to levy or pledge any form of taxation (other than the Revenues) or make any appropriation or make any payments beyond those appropriated for the Unified Government’s then current fiscal year, but in each fiscal year the Debt Service Requirements on the Series 2015B Bonds shall be payable solely from the Revenues and the amounts appropriated therefor from Available Issuer Funds.

Section 5. Execution of Bonds and Documents. The Mayor/CEO of the Unified Government is hereby authorized and directed to execute the Series 2015 Bonds and to deliver the Series 2015 Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Unified Government in the manner provided in the Bond Indentures. The Mayor/CEO of the Unified Government is hereby authorized and directed to execute the Unified Government Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, with such changes as the Mayor/CEO deems necessary or appropriate, for and on behalf of and as the act and deed of the Unified Government. The Clerk of the Unified Government is hereby authorized and directed to attest to and affix the seal of the Unified Government to the Series 2015 Bonds, the Unified Government Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 6. Further Authority. The Unified Government shall, and the officers, employees and agents of the Unified Government are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments, including without limitation documents relating to the qualifications of the Bonds under the “blue sky” laws of the various states of the United States of America, documents necessary to obtain approvals of the Secretary as required by law, and any agreements with respect to the investment of funds held under the Bond Indentures, as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the Unified Government with respect to the Series 2015 Bonds and the Unified Government Documents.

Section 7. Severability. The provisions of this Ordinance shall not be severable.

Section 8. Effective Date. This Ordinance shall take effect and be in full force after its adoption by the Unified Government and publication once in the official newspaper of the Unified Government.
PASSED by the Governing Body of the Unified Government this 13th day of August, 2015.

_______________________________
Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas

(Seal)

ATTEST:

_______________________________
Unified Government Clerk

Approved as to Form:

_______________________________
Chief Counsel
At the 06/01/2015 ED&F meeting, NorthPoint Development representatives and UG staff outlined a development proposal for the currently vacant 130 acre site known as Turner Woods. The redevelopment contemplates up to 1 million square feet of new Industrial product in a Business Park like setting, with a projected Capital investment of approximately $69M. There is a requested incentive structure which includes the use of Industrial Revenue Bonds (IRBs) and a Community Improvement District (CID) special assessment. The CID petition was filed with the UG Clerk's office on 07/01/2015. Subsequently, at the 07/23/15 FC, the Commission adopted a Resolution setting 08/13/15 as the Public Hearing Date to consider the creation of a CID. This allows staff to present ED&F Committee members the Development Agreement, Resolution of Intent for IRBs, and Ordinance creating CID in advance of the required Public Hearing Date.

Action Requested:
Approve development agreement and resolution to issue approximately $69M of IRBs.

Budget Impact: (if applicable)
Amount: $
Source: [□ Included In Budget][☑ Other (explain)] CID assessment to offset the cost of an infrastructure improvement for this commercial development project to advance. The agreement contemplates 10 year 100% tax abatment.
1. **Parties.** The UG and NorthPoint Development, LLC (“Developer”), a Delaware limited liability company.

2. **The Project Site.** The Project Site consists of approximately 130 acres of real property located south of the intersection of Riverview Avenue and Turner Diagonal Highway, but north of Speaker Road, in Kansas City, Kansas. Developer does not yet own the Site, but is currently negotiating for the right to buy it pursuant to purchase and sale agreements with CCB RE Holdings, LLC (an affiliate of Country Club Bank), the current owner of the Project Site.

3. **The Project.** The Project is the design, construction, and development of an industrial park, including industrial, distribution, and light manufacturing space. The Project may include up to 1,255,000 square feet of improvements and represents a potential capital investment by the Developer of $69,000,000. The Project is to be constructed in three phases, all of which are somewhat conditional in nature (at least to some degree): Phase 1 – a minimum 390,000 square foot building, along with grading of the Project Site and access, parking, and infrastructure improvements; the potential for Phases 2 and 3 – each with at least a 432,000 square foot building per phase, including parking and infrastructure improvements. The Agreement is entirely conditional from now until January 31, 2017 -- if the Developer elects not to proceed with any phase of the Project before that time, then either party can terminate and the UG will not have the obligations to build the interchange improvements discussed below. However, if the Developer elects to give the notice to design certain interchange improvements (as described below), Developer will be contractually committed to build at least Phase 1 of the Project (but not necessarily Phases 2 and 3).

4. **Riverview Avenue Bridge Replacement.** If the Developer elects to proceed with Phase 1 of the Project, it must give the UG a formal notice to design and construct a new interchange off Turner Diagonal Highway at an estimated cost of at least $5,000,000 (for an at-grade crossing) to over $10,000,000 (to replace the existing bridge). The UG would be responsible for all of the costs of the design and construction of the new interchange improvements. Upon receipt of notice from Developer of intent to develop a phase of the Project, the UG must complete design of the new interchange within 365 days. The UG would pay all of the design and construction costs, which would be reimbursable, at least in part, by community improvement district (“CID”) special assessments as described below.

5. **Incentive Financing Provided.** The UG agrees to provide Developer with access to the following financing mechanisms:

   a. **IRBs.** Industrial revenue bond (“IRB”) financing would be available to Developer on a building-by-building basis pursuant to a master resolution of intent the UG would adopt indicating its intention to set a 100% tax abatement with a $5,000 payment in lieu of tax (“PILOT”) per building in connection with the issuance of the individual IRBs per building. The individual IRBs shall mature and be redeemed 10 years after issuance. The 100% tax abatement is a variance from the UG’s non-binding IRB Policy, which authorizes the Board of Commissioners to approve in the UG’s best interests.

   b. **CID.** The UG would also form a CID at the Project Site, which will CID will impose special assessments of $1.04 per building square foot. These special assessments shall generally be imposed for a 10 year period that corresponds to the 10 year abatements described above. The proceeds of the CID would be split 50/50 between the Developer
and the UG such that 50% would be available to Developer on a pay-as-you-go basis to reimburse Developer for eligible expenses, and 50% would be available to the UG to reimburse the UG for the costs of replacing the Riverview Avenue Bridge.

Though the UG has no guaranty that it will ever get more than the first, Phase 1 building in this Project, the Developer has agreed to a provision that somewhat mitigates that risk. If Developer does not complete at least one additional Phase of the Project beyond Phase 1, then the UG’s share of the CID special assessments for the Phase 1 building would continue beyond the 10 year period (potentially for a 22 year period). In other words, if at the end of 10 years, Developer has not completed either Phase 2 or Phase 3 and no CID special assessments have been levied against Phase 2 or 3, then the UG’s share of the CID special assessments against Phase 1 would continue until the earlier of (a) the date when the UG has been reimbursed in full for the Riverview Avenue Bridge replacement, (b) Developer has completed Phase 2 or 3 and CID special assessments have been levied for Phase 2 or 3, or (c) the end of the CID collection period (22 years from the date the first CID special assessment is imposed).

6. **MBE/WBE/LBE.** Developer has agreed to the following participation goals for construction of the Project:

<table>
<thead>
<tr>
<th>Construction</th>
<th>Professional Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>LBE</td>
<td>18%</td>
</tr>
<tr>
<td>MBE</td>
<td>15%</td>
</tr>
<tr>
<td>WBE</td>
<td>7%</td>
</tr>
</tbody>
</table>

If Developer fails to meet these goals, the percentage difference between its actual participation and the goals shall be used to reduce the amount of Developer’s costs eligible for reimbursement by CID proceeds.

7. **Assignment/Transfer.** In general, Developer cannot sell, mortgage or transfer the site or the Project without UG approval, which approval would be at the UG's reasonable discretion. However, the UG does agree that Developer may freely transfer any completed building in the Project after it has completed at least 2 of the contemplated Phases.

8. **Competition.** Developer acknowledges that the UG always has the right to grant or deny IRB abatements in its sole discretion, but Developer specifically agrees that UG’s Commission may, in its sole and absolute discretion, deny IRB abatements for any business that is relocated to the Project from elsewhere in Wyandotte County. If the UG denies IRB abatements for reasons other than Wyandotte County relocations, then the UG could lose its share of the CID assessments for that particular building.

9. **Term/Completion Dates.** The Agreement commences upon execution of the document and expires on the later of 22 years after the imposition of the first CID assessments at the Project or the last day of the last of the abatements. Developer agrees to complete Phase 1 of the Project 24 months after Developer closes on acquisition of the Project Site.

10. **CID Administrative Fee.** Developer agrees to pay a fee of 1% of the CID special assessments to the UG for the administration of this incentive.

11. **Miscellaneous.** The insurance, damage, condemnation, indemnification and utilities provisions are consistent with standard UG language in development agreements.
DEVELOPMENT AGREEMENT
FOR
TURNER WOODS INDUSTRIAL PARK
between the
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
and
UG NORTHPOINT DEVELOPMENT, LLC
DATED AS OF __________, 2015
THIS DEVELOPMENT AGREEMENT FOR TURNER WOODS INDUSTRIAL PARK (the “Agreement”) is made as of the ____ day of __________, 2015 (the “Effective Date”) between the Unified Government of Wyandotte County/Kansas City, Kansas (the “UG”), and NorthPoint Development, LLC, a Delaware limited liability company (“Developer”).

RECITALS:

A. The Developer wishes to design, develop, and construct an industrial park, including industrial, distribution and manufacturing space (the “Project,” as further defined in Section 2.2 below), on certain real property generally located south of the intersection of Riverview Avenue and the Turner Diagonal Highway, but north of Speaker Road, all located in Kansas City, Kansas (the “Project Site”), as legally described on Exhibit A-1 and generally depicted on Exhibit A-2, as attached hereto.

B. The Developer does not yet own the Project Site, but has a Purchase Agreement (the “Purchase Agreement”) providing Developer with the rights to acquire the Project Site from CCB RE Holdings, LLC, (the “Seller”), the current owner of the Project Site, and pursuant to which Seller shall, upon closing, sell and convey all rights, titles and interests to use, occupy and develop the Project Site to Developer as set forth herein.

C. The UG has the authority to create a community improvement district (“CID”) pursuant to K.S.A. 12-6a26 et seq., as amended from time to time (the “CID Act”) for the purpose of financing certain economic development-related projects. Under the CID Act, the owners of the land within the boundaries of a proposed CID may petition the UG to request the creation of a CID and to impose special assessments and/or CID sales taxes to pay for or reimburse the costs of a portion of a CID project.

D. On or about July 1, 2015, the Developer submitted a petition (the “CID Petition”) to the UG requesting the formation of a CID encompassing all of the Project Site and including other rights of way outside of the Project Site (the “CID District”). A copy of the CID Petition is attached hereto as Exhibit B. A legal description of the boundaries of the CID District is hereby set forth on Exhibit C-1 attached hereto, and a map generally depicting the boundaries of the CID District is attached hereto as Exhibit C-2.

E. On ____________, 2015, the UG approved the creation of the CID District through the passage of Ordinance No. _______ (the “CID Ordinance”) pursuant to the CID Act. As contemplated in the CID Petition, the CID Ordinance calls for the imposition of CID special assessments (“CID Assessments”) to be used to pay for and/or reimburse certain Eligible Expenses (as defined and set forth more particularly in Section 4.3 below) and the UG Infrastructure Improvements (as defined and set forth in Section 5.1 below).

F. Development of the Project should attract new industrial and manufacturing facilities to the community, stimulate the economy of Wyandotte County through employment,
additional taxes and other indirect spending in the community, all of which would promote the public good, health, and welfare within Wyandotte County.

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

AGREEMENT

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

ARTICLE 1
DEFINITIONS AND INTERPRETATION

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

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

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

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

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

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

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

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

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

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

1.2 Accounting Terms. Unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determination and computations shall be made, in accordance with GAAP.
1.3 Legal Representation of the Parties. This Agreement was negotiated by the parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

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

ARTICLE 2
THE PROJECT

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

2.2 Development of the Project Site. Prior to the issuance of a Notice of Design by Developer as set forth in Section 5.1(a) below, the UG and Developer hereby agree that the Developer shall have the right but not the obligation to develop the Project as described below. If the Developer issues the Notice to Design, Developer shall then be contractually obligated in this Agreement to construct and complete certain aspects of the Project as more particularly set forth below in Section 2.4. Developer hereby contemplates that all of the buildings, parking structures and other improvements constituting the Project, as specifically described in this Section 2.2 and as generally depicted on Exhibit D attached hereto (the “Improvements”), shall be developed, constructed, completed, and operated on the site in substantial accordance and compliance with the terms and conditions of this Section 2.2 and the final site plan approvals as may be granted or amended from time to time by the UG’s Planning Commission or other relevant bodies if any (the “Development Plan”). On and subject to the terms and provisions set forth in this Agreement, Developer shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Improvements, and shall operate and use the Improvements in the manner described herein, all in accordance with the terms of this Section 2.2 and all other Applicable Laws and Requirements. The parties further agree as follows:

(a) Developer recognizes, stipulates and agrees that its signage shall be subject to all Applicable Laws and Regulations, and any special use permits granted by the UG’s Planning and Zoning Board. Developer shall also develop sign criteria for the entire Redevelopment District.

(b) The Improvements in the Project shall include parking improvements (the “Parking Improvements”) containing the number of spaces required by the Applicable Laws and Requirements for all of the Improvements.

(c) Developer’s development, design and construction of the Improvements shall in all respects comply with the Plans and Specifications (as defined in Section 6.2).
(d) The Project described in this Section 2.2 and Section 2.3 below shall not be amended or modified without (i) the prior written consent of the UG, which consent shall not be unreasonably withheld, and (ii) full compliance with all Applicable Laws and Regulations.

2.3 Phasing of the Project. The parties agree that the Project is contemplated to be constructed in three (3) phases (each a “Phase” or collectively “Phases”), as described below. The parties hereby agree that the Phases shall generally be as follows:

(a) Phase 1: The design, construction and development of a “spec” building consisting of at least 390,000 square feet as generally shown as “Building 1” on Exhibit E attached hereto shall constitute a Phase of the Project (“Phase 1”) and shall consist of the design, construction and development of Building 1, along with the grading of the Project Site and certain access improvements to the Project Site and any Parking Improvements and infrastructure required by Building 1;

(b) Phase 2: The design, construction and development of an approximate 432,000 square foot building as generally shown as “Building 2” on Exhibit E attached hereto shall constitute a Phase of the Project (“Phase 2”) and shall consist of the design, construction and development of Building 2, along with any Parking Improvements and infrastructure required by Building 2; and

(c) Phase 3: The design, construction and development of an approximate 432,000 square foot building as generally shown as “Building 3” on Exhibit E attached hereto shall constitute a Phase of the Project (“Phase 3”) and shall consist of the design, construction and development of Building 3, along with any Parking Improvements and infrastructure required by Building 3.

Notwithstanding anything set forth which is seemingly to the contrary, Developer may, in its sole discretion, construct any of the Phases in any order it deems fit. However, if Developer elects to construct and complete Phase 2 or Phase 3 first, it shall complete the grading and access improvements described in Section 2.3(a) above in connection with its construction and completion of Phase 2 or Phase 3, respectively.

2.4 Developer’s Obligations to Construct and Complete the Phases. Upon delivery of the Notice to Design pursuant to Section 5.1(a) below, Developer hereby covenants and contractually agrees to fully construct and complete at least one of the three (3) Phases described in Section 2.3 above, and it shall do so on or before the Completion Date set forth in Section 6.11 below. If Developer shall either (a) fail to deliver the Notice to Design on or before the date set forth in Section 3.2 below, or (b) fail to complete the first Phase of the Project by the Completion Date set forth in Section 6.11 below, then the UG may terminate this Agreement and exercise any other applicable remedies under Section 9.2(a) below. Notwithstanding the foregoing, if Developer shall complete one Phase of the Project, but not complete at least one (1) additional Phase, then Developer shall not be deemed to be in default for failure to complete such additional Phase (and the UG shall not have the termination or other rights described in the prior sentence), but Developer understands and agrees that the UG’s Share of the CID Assessments shall not terminate concurrently with the Abatements at the end of ten (10) years as more particularly described in Section 5.3 below.
Developer shall not be in default and the UG's termination right described above shall not apply if Developer does not complete the third (3) Phase of the Project.

2.5 General Agreements. Developer agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents. The UG agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents.

ARTICLE 3
CONDITIONS

3.1 Conditions. The issuance and delivery to Developer of any Public Financing contemplated under the terms of this Agreement shall be subject to the following conditions precedent (the “Public Financing Conditions”):

(a) Developer shall close on its acquisition of the Project Site pursuant to the Purchase Agreement;

(b) Developer shall issue the Notice to Design as set forth in Section 5.1(a) below; and

(c) The governing body of City shall have approved a Resolution of Intent for the IRB Financing described in Section 4.1 below.

3.2 Termination. In the event that Developer fails to meet condition (a) set forth in Section 3.1 above on or prior to January 31st, 2017, then either party hereto shall have the right to terminate this Agreement, but such failure shall not be an event of default hereunder. Upon any such termination of this Agreement, (i) this Agreement shall terminate, and (ii) except as specifically set forth herein, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all of its costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to that certain Funding Agreement dated as of_________, 2015 as amended, and the provisions of this Agreement, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

3.3 Satisfaction of Conditions. Upon satisfaction of the Public Financing Conditions set forth in Section 3.1 above, the UG shall, at the request of Developer, issue a certificate or a letter confirming and agreeing the Public Financing Conditions have been fully satisfied for purposes of this Agreement, and the parties agree that such Public Financing Conditions shall be deemed to be fully satisfied for all purposes of this Agreement thereafter.

ARTICLE 4
FINANCING — SOURCE OF FUNDS

4.1 Public Financing; Source of Funds. Reference is hereby made to the Total Project Budget attached hereto as Exhibit F, and by this reference made a part hereof. However, it is
understood and agreed by the parties that the Total Project Budget is for illustrative purposes only, and is intended only to describe and identify the general scope of the Project; the parties hereby agree that this Total Project Budget will in the Developer’s sole discretion necessarily evolve and be modified as the Project progresses and specific tenants come to the Project. Developer shall not be deemed to be in default of this Agreement if the actual costs and investments in particular elements of the Project are less or more than those sums reflected on the attached Total Project Budget. Except for the UG’s Infrastructure Improvements (as described in Section 5.1 below), the costs of the Project (the “Project Costs”) will generally be funded by private equity and debt. Developer, using private equity and debt, will initially advance all of the costs for the design, development and construction of the Project, including the CID Improvements. Developer, subject to the terms and conditions of this Agreement, shall be reimbursed for certain Eligible Expenses from and to the extent of the Developer’s Share of the CID Assessments collected during the Term.

4.2 Industrial Revenue Bonds. Developer has requested industrial revenue bond (“IRB”) financing in order to pay certain Project Costs pursuant to K.S.A. 12-1741 et. seq. For any Phase of the Project to be constructed on the Project Site during the Term, which is consistent with this Agreement and subject to compliance with Applicable Laws and Requirements, the parties hereby agree that Developer may use IRB financing to obtain certain property tax abatements as set forth below and to obtain an exemption on sales taxes for construction materials for the Project.

(a) The parties hereby recognize and agree that Developer will request abatements of ad valorem property taxes for each of the Phases that it intends to develop in the Project. Therefore, the UG shall adopt a master resolution of intent indicating its intention to set a 100% Tax Abatement with a $5,000 PILOT payment per building in connection with the issuance of individual IRBs (the “Abatements”) for each Phase of the Project developed on the Project Site during the Term according to the procedures set forth herein. A copy of this master resolution of intent is hereby attached hereto as Exhibit G.

(b) The parties hereby understand and agree that the individual IRBs shall be approved prior to construction but issued on or after the date of Substantial Completion of each such Phase of the Project for which Abatements are sought by Developer and shall mature and be redeemed ten (10) years after such issuance so that each Phase will receive a ten (10) year tax abatement from the date of its initial occupancy.

(c) Additionally, the parties hereby understand and agree that the Abatements herein represent a variance from the UG’s non-binding IRB Policy dated as of October 21, 2010.

(d) Notwithstanding anything set forth herein to the contrary, Developer understands and agrees that the Abatements and the IRB financing described in this Section 4.2 are always subject to approval of the UG’s Commission, which may grant or deny any such approvals in its sole discretion. Without limiting the generality of the foregoing, the parties hereby understand and agree that the UG’s policy is to reduce or deny Abatements for relocations of businesses otherwise already operating in Wyandotte
County ("Relocations"). The parties agree that in making its Abatement decision regarding Relocations, the UG will consider factors such as whether or not the business has outgrown its current facility, occupies a facility with certain functional obsolescence, or seeks a new facility in order to accommodate a merger or acquisition. However, the parties hereby agree that if the Abatements described above are reduced or denied by the UG’s Commission (except in the case of Relocations), then the Developer shall be entitled to a portion of the UG Share of the CID Assessments which is equal to the lesser of (i) the difference between the Abatements described above and any reduced Abatements actually granted by the UG’s Commission for the portion of the Project Site which is subject to such a reduction, or (ii) all of the UG Share of the CID Assessments for the portion of the Project Site which is subject to such a denial or reduction.

4.3 **Community Improvement District.** The parties hereby agree as follows:

(a) **Imposition of CID Special Assessments.** Subject to the terms and conditions of this Agreement and the CID Ordinance, the UG shall cause the imposition of a CID special assessment on the CID District of $1.04 per square foot of buildings for each of the various parcels or projects within the CID District (the “CID Assessments”). Each of the CID Assessments shall be levied by the UG at the time of completion of that particular Phase of the Project, and each of the CID Assessments shall run for a period of ten (10) years concurrently with the Abatements described herein, except that the UG’s Share of the CID Assessments shall continue beyond the ten (10) years if and to the extent that Developer has not completed at least one additional Phase of the Project as more particularly set forth in Section 5.3 below. The resulting revenue from the imposition of the CID Assessments shall be collected and deposited into a CID Fund (as described below) and then fifty percent (50%) of such CID Assessments (the “Developer’s Share”) shall be used to pay or reimburse Developer for a portion of the Project Costs which are eligible expenses under the CID Act and located within the CID District as described herein (“Eligible Expenses”), subject to the limitations in the CID Act and provided that none of the CID Assessments shall be used to pay developer fees, brokerage fees, legal fees or travel expenses. The remaining fifty percent (50%) of such CID Assessments (the “UG’s Share”) shall be used to pay or reimburse the UG for the UG’s Infrastructure Improvements described more particularly in Section 5.1(a) below. The UG shall, simultaneously with the approval and execution of this Agreement, authorize the levy of the CID Assessments in the CID Ordinance, and direct the UG’s staff to take all actions necessary to impose such CID Assessments commencing as set forth above.

(b) **CID Fund.** During the existence of the CID, all CID Assessments generated within the CID District shall be deposited into a separate fund (the “CID Fund”), which shall be established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements.

(c) **Pay-As-You-Go CID Financing.** The parties hereby agree that the proceeds from the Developer’s Share of the CID Assessments shall be disbursed by the City to Developer bi-annually upon the later of (i) February 28th and July 31st, respectively, or (ii) within sixty (60) days of receipt of the payments from land owners.
from the CID Fund, all on a pay-as-you-go basis ("Pay-As-You-Go CID Financing"). Such payments shall be made to reimburse Developer for Eligible Expenses, if and to the extent that (i) there are funds representing Developer’s Share of CID Assessment revenues in the CID Fund, (ii) the Term has not yet expired, and (iii) Developer is not in default under the terms and conditions of this Agreement. The parties further agree as follows:

(d) **CID Collection Period.** The CID Assessments shall be collected within the CID District for a period that commences on the date that the first CID Assessment is imposed within the CID District up to and concluding upon that date which is the earlier of the following: (i) the date that Developer has been reimbursed for all Eligible Expenses by Pay-As-You-Go CID Financing and the UG has been reimbursed for all of the UG Infrastructure Improvements, or (ii) regardless of whether the Developer has been fully reimbursed for all Eligible Expenses and/or the UG has been fully reimbursed for all of the costs of the UG Infrastructure Improvements, that date which is twenty two (22) years from the date that the first CID Assessment is imposed (the “CID Collection Period”). For purposes of illustrative example only, if Developer does not complete Phase 3 of the Project until a date which is fifteen (15) years after the first CID Assessment is imposed, then the CID Assessments for Phase 3 shall only run for seven (7) years – terminating at the end of the CID Collection Period. Notwithstanding anything set forth in Section 4.3(a) or the balance of this Agreement which is seemingly to the contrary, at the end of the CID Collection Period, the parties understand and agree that the CID shall thereafter terminate, and the CID Assessments shall terminate and no longer be levied or collected within the District. Notwithstanding anything herein seemingly to the contrary, no parcel or building on the Project Site shall be subject to more than ten (10) years of CID Assessments except for as contemplated by Sections 2.4 and 5.3 hereof.

4.4 **CID Reimbursements.** Subject to the CID Administrative Fee (as set forth in Section 4.7 below), the parties hereby agree that Developer’s Share of the proceeds of the CID Assessments shall be used to reimburse the Developer for the Eligible Expenses, as described in Exhibit F, by Pay-As-You-Go CID Financing, and in all events in accordance with the terms of this Agreement. The parties further agree as follows:

(a) **Certificate of Expenditures.** In connection with the Eligible Expenses for the CID Improvements, Developer shall certify all costs and expenditures in accordance with the following:

(i) The Developer shall submit to the UG a Certificate of Expenditure in the form attached hereto as Exhibit H setting forth the amount for which reimbursement is sought and an itemized listing of the related Eligible Expenses. Prior to or concurrently with the first Certificate of Expenditure submitted by Developer to the UG, the Developer shall submit plan documentation to assist the UG in reviewing the Certificate of Expenditures.
(ii) Each Certificate of Expenditure shall be accompanied by such bills, contracts, invoices, lien waivers and other evidence as the UG shall reasonably require to document appropriate payment.

(b) The UG reserves the right to have its engineer, UG staff or other agents or employees inspect all work in respect of which a Certificate of Expenditure is submitted, to examine the Developer’s and other’s records (subject to Section 4.4(a)(ii) above) relating to all costs of CID Improvements to be paid, and to obtain from such parties such other information as is reasonably necessary for the UG to evaluate compliance with the terms hereof. The UG hereby agrees to pay all its own expenses incurred by the UG pursuant to this subsection (b).

(c) The UG shall have sixty (60) calendar days after receipt of any Certificate of Expenditure to review and respond by written notice to the Developer. If the UG disapproves of the Certificate of Expenditure, the UG shall notify the Developer in writing of the reason for such disapproval within such sixty (60) day period.

(d) Within one-hundred twenty (120) days of execution of this Agreement, the Developer shall submit Certificates of Expenditure for those expenditures made prior to the execution of this Agreement in connection with the CID Improvements, if any. During the Term, the Developer shall endeavor to submit Certifications of Expenditures for those expenditures made in connection with the CID Improvements on a quarterly basis, and shall submit a Certificate of Expenditures for any expenditure made in connection with a CID Improvement within one-hundred twenty (120) days of incurring such expenditure.

4.5 Reimbursements Subject to Eligibility. Developer understands and agrees that any of Developer’s Share of the CID Assessments which are applied to reimburse Developer must be for eligible costs pursuant to the Act.

4.6 Conditions Precedent to Reimbursements. Developer hereby understands and agrees that it shall not receive any reimbursements for Eligible Expenses from Pay-As-You-Go CID Financing unless and until the conditions precedent set forth below have been fully satisfied as determined by UG in its sole reasonable discretion:

(a) The UG has approved Certificates of Expenditure for such CID Improvements;

(b) Developer shall have fully completed the Phase of the Project for which reimbursement is sought by Developer; and

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

4.7 No CID Bonds. Developer hereby understands and agrees that all reimbursements to the Developer hereunder shall be made only from Pay-As-You-Go CID
Financing, and nothing in this Agreement shall in any way obligate the City to issue bonds or other obligations to reimburse Developer for the Eligible Expenses or any other costs of the Project.

4.8 Payment of CID Administrative Fee. On a bi-annual basis, a portion of CID Assessments from the CID District shall be used to pay an administrative fee in an amount equal to one percent (1%) of the CID Assessments collected in that same period (the “CID Administrative Fee”), and Developer hereby understands and agrees that such CID Administrative Fee shall first be paid to the UG prior to the payment of any Eligible Expenses from the CID Fund from pay-as-you-go CID financing.

ARTICLE 5
THE UG’S INFRASTRUCTURE IMPROVEMENTS

5.1 UG’s Infrastructure Improvements. The UG shall design and construct certain off-site infrastructure improvements to improve access to the Project Site, including without limitation a new interchange off of Turner Diagonal Highway (collectively, the “UG’s Infrastructure Improvements”).

(a) Design and Engineering Plans. The UG shall cause the design and engineering plans to be prepared and completed for the construction of the UG’s Infrastructure Improvements within three hundred sixty five (365) days of notice from the Developer that it intends to develop a phase of the Project, hereinafter (the “Notice to Design”). The UG and Developer shall mutually agree to the grading, road profile and location of access to the Project Site in connection with the UG’s Infrastructure Improvements. The UG shall follow its normal procurement and purchasing procedures in its selection of parties to provide both design and construction of the improvements described in this Section 5.1. The design and construction costs for the UG’s Infrastructure Improvements shall be paid by the UG and may be reimbursed by the UG’s Share of the CID Assessments.

(b) Timing of Design and Construction. The UG shall commence and complete its design and construction obligations with respect to the UG’s Infrastructure Improvements following execution of this Agreement, so that design of the UG’s Infrastructure Improvements shall be complete prior to the date that Developer shall commence construction of Phase 1 of the Project. However, the UG shall not be obligated to commence construction of the UG’s Infrastructure Improvements until after Developer provides the UG with notice that has delivered a notice to proceed to its contract for Phase 1 of the Project.

5.2 Reimbursement of Costs for the UG’s Infrastructure Improvements. The UG may, on a pay-as-you-go basis, pay or reimburse itself for the costs of the UG’s Infrastructure Improvements from the UG’s Share of the CID Assessments available in the CID Fund from time to time.

5.3 Continuance of UG’s Share of CID Assessments Until an Additional Phase is Completed and Assessed. Notwithstanding anything set forth in Section 4.3(a) above to the contrary, the UG’s Share of the CID Assessments shall not terminate with the Abatements at the
end of ten (10) years if and to the extent that Developer has not completed either Phase 2 or Phase 3 of the Project and CID Assessments have not been levied on such new Phase at the time the Abatements for Phase 1 shall terminate. Rather, the parties hereby understand and agree that, if at the end of ten (10) years the Developer has not completed either Phase 2 or Phase 3 of the Project and CID Assessments have not been levied on such new Phase, then after the ten (10) years, the UG’s Share of the CID Assessments shall continue to be assessed against Phase 1 of the Project until the earlier of (a) that date when the UG’s Infrastructure Improvements have been paid for or reimbursed in full, (b) Developer has completed Phase 2 or Phase 3 of the Project and CID Assessments have been levied for such subsequent Phase, or (c) the end of the CID Collection Period. Developer hereby understands and agrees that if and to the extent that the UG’s Share of the CID Assessments shall continue and remain in place for Phase 1 beyond the initial ten (10) year period, Developer shall have no claim or rights whatsoever to the proceeds of such CID Assessments in the CID Fund, which proceeds shall be solely used for the payment or reimbursement of the costs of the UG’s Infrastructure Improvements.

ARTICLE 6
CONSTRUCTION OF IMPROVEMENTS AND INFRASTRUCTURE IMPROVEMENTS

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

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

6.3 General Contractor and Construction Documents. Developer shall select a general contractor (the “General Contractor”) for the Improvements. Developer represents that its construction documents relative to the Improvements (the “Construction Documents”) will require and provide for (a) the design, development, construction, equipping and completion of the Improvements in accordance with the Development Plan, the Plans and Specifications and all Applicable Laws and Requirements, (b) a guaranteed maximum price, (c) guaranteed Substantial Completion not later than the Completion Date (with liquidated damages for failure), and (d) surety of performance and labor and material payment bonds in the full amount of the Construction Documents. Developer shall, as soon as practicable, provide the UG with a copy of the Construction Documents.
6.4 Changes or Amendments. Developer shall promptly deliver to the UG copies of all change orders or other changes or amendments to the Construction Documents. Developer agrees with the UG that (a) it will perform its duties and obligations under the Construction Documents and (b) enforce the obligations of all other parties thereunder.

6.5 Intentionally omitted.

6.6 Terms and Requirements for Improvements. The contracts for all Improvements in the Project shall comply with all Applicable Laws and Requirements. Any Material Changes to the Improvements require the prior written consent of the UG. The UG, or its designee, shall have the right to inspect, observe, and oversee the construction of the Improvements in order to ascertain and determine that the standards of the UG have been met. Developer shall obtain the UG’s approval of all change orders relating to the Improvements.

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

6.8 Payment and Performance Bonds. If required by Applicable Law and Requirements for Public Improvements, the General Contractor shall be required under the Construction Documents to furnish and maintain in full force and effect performance and labor and material payment bonds in the full amount of the project cost, as set forth in the Construction Documents. Said bonds shall be in form and substance and issued by a corporate surety satisfactory to Developer and the UG.

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

6.10 Periodic Meetings with Developer. From the Effective Date until Substantial Completion of the Project, Developer hereby agrees to meet with the UG at such intervals as Developer, the UG and any such designee of the UG shall mutually agree or reasonably request, and not more frequently than monthly, to review and discuss the design, development and construction of the Improvements and the Project.

6.11 Completion Date. Developer hereby agrees that, subject only to Force Majeure and to any delay of completion of the UG’s Infrastructure Improvements by the UG, Developer shall complete construction of Phase 1 of the Project (or an alternative Phase) as described in Section 2.3 on or before that date which is twenty four (24) months after the date that Developer closes on the acquisition of the Project Site.
ARTICLE 7
USE AND OPERATION

7.1 Term. The Term of this Agreement shall commence on the Effective Date and shall expire on that date which is the later of (a) the last day of the CID Collection Period, or (b) the last day of the last of the Abatements described herein (the “Term”).

7.2 Use and Operation.

(a) Developer covenants that at all times during the Term, it will, at its expense:

(i) Use the Project only for the Permitted Uses.

(ii) Conduct its business at all times in a dignified quality manner and in conformity with the first-class industry standards and in such manner as to help establish and maintain a high reputation for the Project.

7.3 Development Plan. During the Term, Developer agrees that it shall perform and comply with each and all of the terms and provisions of the Development Plan and not suffer or permit any default or breach of any such terms or provisions of the Development Plan.

7.4 Maintenance and Use. During the Term, Developer shall cause the Project, and all parts thereof, the Project Site and all other of its property used or useful in the conduct of its business and operations on the Project Site, to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other first-class industrial space in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Developer may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with all Applicable Laws and Requirements and the Development Plan, and as long as the same do not materially adversely affect Developer’s ability to perform its obligations under this Agreement. Developer agrees to set aside on its books such reasonable reserves for future maintenance and capital expenditures.

7.5 Compliance. Developer shall conduct its affairs and carry on its business and operations in such a manner as to comply with all Applicable Laws and Requirements, and to observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Government Authorities applicable to the conduct of its business and operations and the ownership of the Project; provided, however, that nothing contained in this Agreement shall require Developer to comply with, observe and conform to any such law, order, regulation or requirement of any Government Authorities so long as the validity thereof shall be contested by Developer in good faith by appropriate proceedings, and provided that Developer shall have set aside on its books adequate reserves in accordance with GAAP or secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of Developer to meet its obligations under this Agreement. Developer agrees to promptly pay any and all fees and expenses associated with any safety, health or other
inspections required under this Agreement or imposed by Applicable Law and Requirements, unless contested in good faith with the assurances provided in the preceding sentence.

7.6 Payment of Taxes and Other Charges. During the Term, Developer and each successor owner within the Project shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon parcels owned by the Developer or upon any income therefrom, including, but not limited to, any taxes, assessments (including CID Assessments), PILOTS or other governmental charges levied, assessed or imposed on the Project, the Project Site, and/or the Improvements. Ad valorem property taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Law and Requirements. The obligation to make said ad valorem property tax payments shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer or each relevant successor parcel owner. Additionally, Developer hereby understands and agrees that if Developer shall fail to timely pay its ad valorem property taxes for a parcel, then Developer’s access to the IRB financing and disbursements from the CID Fund for the Project shall be suspended until such taxes are paid in full.

7.7 Payment of Obligations. During the Term, Developer shall promptly pay or otherwise satisfy and discharge all of its obligations and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to perform its obligations under this Agreement nor subject any material part of the Project to loss or forfeiture.

7.8 Liens and Encumbrances. During the Term, except for a Permitted Mortgage, Developer shall not create or incur or permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Project, or any part thereof, and shall promptly cause to be discharged, challenged or terminated all mortgages, liens, security interests, charges and encumbrances that are not Permitted Encumbrances or a Permitted Mortgage. Notwithstanding the foregoing, any Permitted Mortgage shall be subject to the terms and conditions of this Agreement, including without limitation, Section 7.2 of this Agreement.

7.9 Licenses and Permits. During the Term, Developer shall procure and maintain all licenses and permits, and allow all inspections and/or investigations required by Applicable Laws and Requirements or otherwise necessary in the operation of its business and affairs in, on or about the Project.

7.10 Insurance. During the Term, Developer shall maintain or cause to be maintained insurance with respect to the portions of the Project which it owns and operations covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker’s compensation, general liability and employee dishonesty) and in such amounts as, in the reasonable judgment of the UG, are adequate to protect Developer, the UG and the Project, but in no event in an amount less than that required
by the Insurance Specifications attached hereto as Exhibit I, and made a part hereof, or as otherwise required by the terms of the Transaction Documents. Each policy or other contract for such insurance shall (i) name the UG as an additional insured (with respect to liability insurance), and (ii) contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least thirty (30) days after written notice of cancellation to Developer and each other insured, additional insured, loss payee and mortgage payee named therein. The rights of the UG to any insurance proceeds shall be subject and subordinate to the rights of any Permitted Mortgagee.

7.11 Condemnation. If at any time during the Term, title to the whole or substantially all of the Improvements shall be taken in condemnation proceedings or by right of eminent domain, Developer, at its sole discretion, may terminate this Agreement as of the date of such taking. For purposes of this Section 7.11(c), “substantially all of the Improvements” shall be deemed to have been taken if the UG and Developer, each acting reasonably and in good faith, determine that the untaken portion of the Project, including the Parking Improvements, cannot be practically and economically used by Developer for the purposes and at the times contemplated by this Agreement.

7.12 Indemnity. Developer shall pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense arising out of (a) the acquisition of the Project Site, (b) the design, construction and completion of the Project by Developer, (c) the use or occupation of the Project by Developer or anyone acting by, through or under it, (d) damage or injury, actual or claimed, of whatsoever kind or character occurring after Closing, to persons or property occurring or allegedly occurring in, on or about the Project, (e) any breach, default or failure to perform by Developer under this Agreement, (f) any act by an employee of the UG at the Project Site which are within or under the control of Developer or pursued for the benefit of or on behalf of Developer, and (g) any claims or challenges related to the legality of the approval of, or terms contained in the planning, zoning, platting or other governmental approvals necessary for this Project, this Agreement, the Development Plan, the District, the formation of the CID and imposition of the CID Assessments and the terms thereof, and of the public financing structure contemplated by this Agreement. Developer shall also pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Developer in any action or proceeding brought by reason of any such claim, demand, expense, penalty or fine. If any action or proceeding is brought against the UG or its governing board members, directors, officers, employees or agents by reason of any such claim or demand, Developer, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the UG or its governing body members, directors, officers, employees or agents. Notwithstanding the foregoing, no party benefited by this indemnity shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by the said party’s own respective willful and malicious acts or omissions or gross negligence. The foregoing covenants contained in this Section shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument.
7.13 **Prohibition on Sales, Etc.** Except for Permitted Encumbrances and a Permitted Mortgage and as otherwise provided herein, during the Term, Developer will not, without the prior written consent of the UG, (a) assign, sell, lease, mortgage or otherwise transfer the Site, the Improvements or equipment that comprise the Project or any part thereof or any interest therein, (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets, or (c) assign this Agreement. Any such assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG shall be an "Approved Assignment" and the assignee, purchaser, lessee, mortgagee or transferee shall be an "Assignee." The UG shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the UG as to whether the proposed Assignee has sufficient financial wherewithal and experience to successfully complete and operate the Project according to the terms hereof. If there is an Approved Assignment, the Assignee shall assume and agree to pay and perform each and all of terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree as follows:

(a) that Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without the prior written approval of the UG, make leases of portions of the Project to reputable tenants; and

(b) that upon completion of the second of any two (2) Phases of the Project, then Developer may freely assign, sell, lease, mortgage or otherwise transfer the Site, the Improvements, or any equipment that comprise any completed Phase of the Project or any part thereof or any interest therein without the consent of the UG; provided however that Developer shall provide the UG with written notice of any such transfer.

7.14 **Access.** During the Term, Developer hereby recognizes, acknowledges and agrees that the UG, and its duly authorized representatives and agents, shall have the right to enter the Project at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or, to the extent Developer has failed to cure any breach within applicable notice and cure periods, to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the operation of the Project. Except as otherwise provided in this Agreement, the UG shall pay all costs it incurs under this provision. Nothing contained in this Section 7.14 shall restrict or impede the right of the UG to enter the Project pursuant to any Applicable Laws and Requirements.

7.15 **Environmental Matters.** Developer hereby agrees that by Closing on the transactions contemplated by this Agreement, Developer shall assume responsibility for the costs of any remediation of any environmental conditions upon the Project Site. Further, Developer shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Project in violation of any Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulations; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; shall not install or permit to be installed any underground storage
tank therein or thereunder in violation of any Environmental Regulation; and shall comply with all other Environmental Regulations which are applicable to the Project. Developer shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys’ fees incurred by the UG (prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Project, whether or not Developer is responsible therefor, it being the intent of Developer and the UG that the UG shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances, which arises subsequent to Closing. The foregoing covenants contained in this Section shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate plus 2%, or, if less, the maximum rate permitted by law, and shall be payable on demand.

7.16 Power of the UG. Notwithstanding anything set forth herein to the contrary, no provision contained herein shall in any manner diminish or usurp the inherent rights and powers of the UG to act in its capacity as a public body. Further, nothing herein shall relieve Developer from complying with all Applicable Laws and Requirements.

ARTICLE 8
SPECIAL PROVISIONS

8.1 Special Agreements of Developer.

(a) Developer recognizes, stipulates and agrees that it will actively market and advertise the Project in the Kansas City Metropolitan area and regionally.

(b) During the Term, Developer agrees to actively participate in the civic, charitable, educational, philanthropic and economic development of the Kansas City, Kansas/Wyandotte County community in activities of its choice. Without limiting the generality of the foregoing, Developer specifically agrees that during the Term, Developer shall be an active, dues-paying member in good standing with the KCK Area Chamber of Commerce and the Wyandotte Economic Development Corporation. Developer further agrees to encourage its tenants and transferees to join and become dues-paying members of the UG Industrial Association and the Wyandotte Economic Development Corporation.

(c) With regard to businesses that are located in the UG community, Developer hereby agrees that it and NorthPoint Development and its Affiliates shall use best efforts to cause their agents, representatives and brokers not to solicit, call upon or otherwise directly market the other properties of the Developer, NorthPoint Development and its Affiliates without first offering and marketing the Project to such businesses. Notwithstanding the foregoing, Developer and NorthPoint Development shall be
permitted to respond to direct inquiries from UG businesses who are actively in the market or who have issued requests for proposals.

8.2 LBE/MBE/WBE Employment Opportunity Goals. Developer agrees to comply with the goals set forth on Exhibit J, attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses. The parties further agree as follows:

(a) Developer shall use best efforts to comply with such LBE/MBE/WBE goals for construction of the Project, with limited exceptions "Specialty Scope" portion so of the Project which, due to the nature of the Project, have limited or no qualified bidders for the type and size of building to be completed herein. Except for the Specificity Scope described herein (and in Exhibit J), failure to comply with goals that it performs at the Project (including the Phase 1 Infrastructure), then such failure shall be a default under the terms of this Agreement and the remedy shall be as set forth herein. If, upon completion of the first building in the Project, Developer shall have failed to meet the LBE/MBE/WBE goals for the construction of the infrastructure work at the Project, then the amount of Developer's Eligible Costs for reimbursement through Developer's Share of CID Assessments for such construction shall be reduced by a percentage equal to the difference between the LBE/MBE/WBE percentage goals and the percentages for which Developer is found to have satisfied these goals based on Developer's actual participation for such work pursuant to Exhibit J. For example, if the particular goal or combined goal is 10% participation but the Developer is found to have only satisfied those goals at the 5% level, then the difference would be 5% and the Developer's Eligible Costs would be reduced by 5%.

(b) If Developer shall fail to comply with such LBE/MBE/WBE goals for professional services with respect to the infrastructure work that it performs at the Project, then such failure shall be a default under the terms of this Agreement and the remedy shall be as set forth herein. If, upon completion of the first building in the Project, Developer shall have failed to meet the LBE/MBE/WBE goals for professional services with respect to the infrastructure work that it performs at the Project (and at any point thereafter), then the amount of Developer’s Eligible Costs for reimbursement through Developer’s Share CID Assessments for such professional services shall be reduced by a percentage equal to the difference between the LBE/MBE/WBE percentage goals and the percentages for which Developer is found to have satisfied these goals based on Developer’s actual participation for such work pursuant to Exhibit J. For example, if the particular goal or combined goal is 10% participation but the Developer is found to have only satisfied those goals at the 5% level, then the difference would be 5% and the Developer’s Eligible Costs would be reduced by 5%.

ARTICLE 9
DEFAULT AND REMEDIES

9.1 Default Provisions. Developer shall be in default under this Agreement if:

(a) Developer fails to make any of the payments of money required by the terms of this Agreement or any of the Transaction Documents, and Developer fails to
cure or remedy the same within twenty (20) days after the UG has given Developer written notice specifying such default; or

(b) Developer fails to keep or perform any covenant or obligation herein contained on Developer’s part to be kept or performed, and Developer fails to remedy the same within sixty (60) days after the UG has given Developer written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by Developer within such period and diligently pursued until the default is corrected; or

(c) Developer or any Affiliates of Developer shall file a voluntary petition under any bankruptcy law or an involuntary petition under any bankruptcy law is filed against any such party in a court having jurisdiction and said petition is not dismissed within sixty (60) days; or Developer or any Affiliates of Developer generally is not paying its debts as such debts become due; or Developer or any Affiliate of Developer makes an assignment for the benefit of its creditors; or a custodian, trustee or receiver is appointed or retained to take charge of and manage any substantial part of the assets of Developer, or any Affiliates of Developer and such appointment is not dismissed within sixty (60) days; or any execution or attachment shall issue against Developer whereupon the Project, or any part thereof, or any interest therein of Developer under this Agreement shall be taken and the same is not released prior to judicial sale thereunder (each of the events described in this subparagraph being deemed a default under the provisions of this Agreement); or

(d) Developer breaches the representations and warranties set forth in this Agreement and fails to cure or correct same within 15 days of notice from the UG.

In the event of such default, the UG may take such actions, or pursue such remedies, as exist hereunder, or at law or in equity, and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys’ fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies.

9.2 Rights and Remedies. Upon the occurrence and continuance of a Developer default, the UG shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(a) Whenever any default by Developer shall have occurred and be continuing, subject to applicable cure periods as set forth above, the UG may (i) refuse to approve any further Certificate of Expenditures or make any further reimbursements of Eligible Expenses unless and until such default is cured by the Developer, and/or (ii) refuse to approve any further IRB financing or Abatements and/or terminate existing Abatements, and/or (iii) terminate the CID, the CID Assessments and/or Developer's Share of the CID; (iv) terminate this Agreement, and/or (v) any remedies provided to the UG under the Transaction Documents. The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing
rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions.

(b) The UG may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the specific performance of the duties and obligations of the Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the UG under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the UG resulting from such Developer default.

(c) In the event of such default by Developer, the UG may take such actions, or pursue such remedies, as exist hereunder or at law or in equity and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys’ fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies.

(d) The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions. If a default by Developer occurs under this Agreement and is continuing, the UG may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by Developer of any provision of this Agreement. The UG shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Failure by the UG to enforce any such rights shall not be deemed a waiver thereof.

9.3 Default by the UG. The UG shall be in default under this Agreement if the UG fails to keep or perform any covenant or obligation herein contained on the UG’s part to be kept or performed, and the UG fails to remedy the same within thirty (30) days after Developer has given the UG written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by the UG within such period and diligently pursued until the default is corrected. If a default by the UG occurs under this Agreement and is continuing, Developer may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by the UG of any provision of this Agreement, however, the UG’s liability for monetary amounts shall be limited to the actual amount, if any, in question, and under no circumstances shall the UG be liable for any remote or consequential damages. Developer shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceedings in equity. Under no circumstances shall the UG be liable for remote or consequential damages.

In the event of such default, Developer may take such actions, or pursue such remedies, as exist hereunder or at law or in equity; and if Developer is the prevailing party in an action to enforce
its remedies hereunder, Developer shall be entitled, subject to Applicable Laws and Requirements, to reasonable costs and charges, including attorneys’ fees, lawfully and reasonably incurred by or on behalf of Developer in connection with the enforcement of such actions or remedies.

ARTICLE 10
MISCELLANEOUS

10.1 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

10.2 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, strikes, lockouts, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate Government Authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the UG to timely approve the Plans and Specifications, the Construction Documents, war terrorism or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement (“Force Majeure”), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

10.3 Covenants of Parties.

(a) Representations and Warranties of Developer. Developer represents and warrants to the UG as follows:

(i) Organization. Developer is a Delaware limited liability company duly formed and validly existing under the laws of the State. Developer is duly authorized to conduct business in each other jurisdiction in which the nature of its properties or its activities requires such authorization. Developer shall (1) preserve and keep in full force and effect it’s corporate or other separate legal existence and (2) remain qualified to do business and conduct its affairs in the State and each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification.

(ii) Authority. The execution, delivery and performance by Developer of this Agreement are within Developer’s powers and have been duly authorized by all necessary action of Developer.
(iii) **No Conflicts.** Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the organizational documents of Developer or any provision of law, statute, rule or regulation to which Developer is subject, or to any judgment, decree, license, order or permit applicable to Developer, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which Developer is a party, by which Developer is bound, or to which Developer is subject.

(iv) **No Consents.** No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the due execution and delivery by Developer of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the performance by Developer of this Agreement or the consummation of the transactions contemplated hereby except for zoning, building and other customary permits to be obtained from the UG or other governmental units.

(v) **Valid and Binding Obligation.** This Agreement is the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with the terms hereof.

(b) **Representations and Warranties of the UG.**

(i) **Authority.** The execution, delivery and performance by the UG of this Agreement are within its powers and have been duly authorized by all necessary action.

(ii) **No Conflicts.** Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the ordinances, rules, regulations of the UG or the laws of the State nor result in a breach, conflict with or be inconsistent with any terms, covenants, conditions or provisions of any indenture, agreement or other instrument by which the UG is bound or to which the UG is subject.

(iii) **No Consents.** Except as set forth in Section 3.1(d) hereof, no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the due execution and delivery by the UG of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the performance by the UG of this Agreement or the consummation of the transactions contemplated hereby.
(iv) **Valid and Binding Obligation.** This Agreement is the legal, valid and binding obligation of the UG enforceable against the UG in accordance with its terms.

10.4 **Amendments.** This Agreement may be amended, changed or modified only by a written agreement duly executed by the UG and Developer.

10.5 **Construction and Enforcement.** This Agreement shall be construed and enforced in accordance with the laws of the State.

10.6 **Invalidity of Any Provisions.** If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

10.7 **Headings.** The Article and Section headings shall not be treated as a part of this Agreement or as affecting the true meaning of the provisions hereof.

10.8 **Execution of Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

10.9 **Time.** Time is of the essence in this Agreement.

10.10 **Consents and Approvals.** Wherever in this Agreement it is provided that the UG or Developer shall, may or must give its approval or consent, the UG or Developer shall not, unless specifically herein provided otherwise, unreasonably withhold, condition, delay or refuse to give such approvals or consents. It is agreed, however, that the sole right and remedy for Developer or the UG in any action concerning the other’s reasonableness will be action for declaratory judgment and/or specific performance, and in no event shall either such party be entitled to claim damages of any type or nature in any such action.

10.11 **Notices.** All notices required or desired to be given hereunder shall be in writing and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered for all purposes if (i) delivered by nationally recognized overnight delivery service; (ii) facsimile (with follow up within one (1) business day by United States Mail); or (iii) delivered in person, in each case if addressed to the parties set forth below:

The Unified Government Clerk  
The Unified Government of Wyandotte County/Kansas City, Kansas  
701 N. 7th Street, Room 323  
Kansas City, Kansas 66101  
Telephone:  916-573-5010  
Facsimile:  913-5735020

with a copy to:

Chief Counsel for the Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street
Kansas City, Kansas 66101
Telephone: 913-573-5060
Facsimile: 913-573-5243

And a copy to:

Douglas G. Bach
Deputy County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street
Kansas City, Kansas 66101
Telephone: 913-573-5030
Facsimile: 913-573-5540

And a copy to:

Todd A. LaSala, Esq.
Stinson Morrison Hecker LLP
1201 Walnut, Suite 2600
Kansas City, Missouri 64106
Telephone: 816-842-8600
Facsimile: 816-691-3495

and to Developer at:

UG NorthPoint Development, LLC
c/o NorthPoint Development
6300 N. Revere, Suite 225
Kansas City, Missouri 64151
Attn: Nathaniel Hagedorn
Telephone: 816-888-7381
e-mail: nathaniel@NorthPointkc.com
Facsimile:

with a copy to:

Polsinelli Shughart PC
700 W. 47th Street, Suite 1000
Kansas City, Missouri 64112
Attn: F. Chase Simmons, Esq.
Telephone: 816 360 4207
Email csimmons@polsinelli.com:
All notices given by fax or personal delivery, followed up by regular United States mail, shall be deemed duly given one business day after they are so delivered.

10.12 **Entire Agreement.** Together with the Exhibits hereto, this Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces all prior oral or written agreements concerning the subject matter hereof.

10.13 **Run with the Land.** This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, successors and assigns and shall run with the land. However, Developer shall remain liable in the event of a violation of any of the terms or restrictions set forth in Section 7.8 and 7.13 hereof. At Closing, the parties shall record a memorandum describing this Agreement in the land records of Wyandotte County, Kansas.

[Remainder of page intentionally left blank. Signature pages follow.]
IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

UG:

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:________________________________________
    Mayor/CEO

STATE OF KANSAS   )
    ) SS.
COUNTY OF WYANDOTTE   )

This instrument was acknowledged before me on ____________, 2015, by Mark Holland as Mayor/CEO of the Unified Government of Wyandotte County/ Kansas City, Kansas.

    Printed Name: ____________________________

    Notary Public in and for said State
    Commissioned in ____________ County

My commission expires

__________________________
DEVELOPER:
NORTHPOINT DEVELOPMENT, LLC

By: ____________________________
Printed Name: ____________________________
Title: ____________________________

STATE OF _______________ )
COUNTY OF _______________ ) SS.

This instrument was acknowledged before me on ____________________, 2015 by NorthPoint Development, LLC, a Delaware limited liability company.

Printed Name: ____________________________

Notary Public in and for said State
Commissioned in ____________ County

My commission expires

____________________
ANNEX 1
DEFINITIONS

“Abatements” means those certain abatements of ad valorem property taxes for manufacturing buildings constructed within the Project as set forth in Section 4.2 hereof.

“Act” means K.S.A. 12-6a26 through 12-6a36 and all additions and amendments thereto.

“Affiliate” means any person, entity or group of persons or entities which controls Developer, which Developer controls or which is under common control with Developer. As used herein, the term “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise. However, the parties understand and agree that the term “Affiliate” shall not include passive investors or capital partners without day to day operational control of the Project.

“Agreement” means this Development Agreement by and between the UG and Developer.

“Applicable Laws and Requirements” shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by government authorities, and all requirements of any insurers. Applicable Law and Requirements shall include, without limitation, the Development Plan, the Kansas Cash Basis Law (K.S.A. § 10-1100, et. seq.) and Budget Law (K.S.A. § 75-2935 et. seq.).

“Approved Assignment” means any assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG pursuant to Section 7.13 hereof.

“Assignee” means the assignee, purchaser, lessee, mortgagee, or transferee of an Approved Assignment pursuant to Section 7.13 hereof.

“Capital Investments” shall mean all of the Developer’s costs in the project as set forth in Section 4.3(d) hereof.

“Casualty Escrow” means that certain escrow agreement for the net proceeds of any insurance relating to damage or destruction of the Project, the net proceeds of condemnation or taking or the net proceeds of any realization on title insurance for the Project as set forth in Section 7.11(a) hereof.

“Certificate of Expenditure” means those certain certificates submitted by Developer in accordance with Section 4.4(a) and on the form set forth in Exhibit H hereof.
“CID Administrative Fee” means

“CID Assessments” shall mean those certain CID special assessments of $.52 per square foot of buildings for each of the various parcels or projects within the District as set forth in Section 4.3(a) hereof.

“CID Collection Period” shall mean that certain period in which CID Assessments are imposed and collected within the District as set forth in Section 4.3(e) hereof.

“CID District” means the community improvement district generally described in Recital C and the legal description of which is more particularly set out in Exhibit C-1 attached hereto.

“CID Fund” shall mean a separate fund established and administered by the UG wherein all CID Assessments generated within the District are deposited.

“CID Ordinance” means the ordinance described in Recital D hereof and approved by the UG to create the CID District.

“CID Petition” means that certain petition submitted by the Developer on or about July 1, 2015, a copy of which is attached hereto as Exhibit B.

“Developer” means NorthPoint Development, LLC, a Delaware limited liability company.

“Developer’s Share” of the CID Assessments means fifty percent (50%) of such CID Assessments as set forth in Section 4.3(a) hereof.

“Development Plan” means the plan agreed to by Developer and the UG as more fully described in Section 2.2 of this Agreement.

“Eligible Expenses” means that portion of the Project Costs which are eligible expenses under the Act and located within the District as described in Section 4.3(a) hereof.

“Effective Date” means the date of this Agreement first above written.

“Environmental Regulation” means any and all present and future laws, statutes, ordinances, rules, regulations and orders of any governmental authority having jurisdiction over the parties hereto or any portion of the Site or the Site and pertaining to the protection of human health, hazardous substances, pollution, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and as the same may be further amended from time to time (hereinafter collectively called “CERCLA”).

“UG Improvements” off-site improvements to infrastructure within the UG community as described in Section 5.1 hereof.

“Force Majeure” is defined in Section 10.2 hereof.
“GAAP” means generally accepted accounting principles.

“General Contractor” means that general contractor selected by Developer pursuant to Section 6.3.

“Government Authority” or “Government Authorities” shall mean any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise), whether now or hereafter in existence.

“Hazardous Substance” means any substance that is defined or listed as a hazardous or toxic substance and which is regulated as such or may form the basis of liability under any present or future Environmental Regulation, or that is otherwise prohibited or subject to investigation or remediation under any present or future Environmental Regulation because of its hazardous, toxic, or dangerous properties, including, without limitation, (i) any substance that is a “hazardous substance” under CERCLA, and (ii) petroleum, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), only to the extent that the constituents of such synthetic gas are released or threatened to be released into the environment.

“Improvements” means those certain improvements to be constructed in the Project as more particularly described in Section 2.2 hereof.

“Insurance Specifications” means the insurance requirements on Developer in connection with the Project as generally described in Section 7.10 and more fully set forth in Exhibit I hereof.

“IRB” means industrial revenue bond financing pursuant to K.S.A. 12-1741 et. seq.

“Material Changes” means any substantial change to any agreement, plan or other document referred to herein, which change would require changes to Developer’s permits or approval of the appropriate government authorities or is required by Applicable Laws and Regulations.

"Notice to Design" means that certain notice from the Developer that it intends to develop a phase of the Project as described in Section 5.1(a) hereof.

“Parking Improvements” means any parking improvements provided for in Section 2.2(e) hereof.

“Pay-as-You-Go CID Financing” means a method of financing pursuant to which certain Eligible Expenses are paid and/or reimbursed without notes or bonds, and the costs are reimbursed as CID Assessments are deposited in the CID Fund as set forth in Section 4.3(c) hereof.

“Permitted Mortgage” means any mortgage placed on the Project Site or any part thereof in connection with any construction or permanent financing of the Project.
“Permitted Mortgagee” means the holder of the Permitted Mortgage.

“Permitted Uses” means a first-class industrial park, including industrial, distribution and manufacturing space.

“Person” shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government or other entity.

“PILOT” means payment-in-lieu-of-taxes (“PILOT”) as set forth in Section 4.2(b).

“Plans and Specifications” means those plans and specifications generally described in Section 6.2 hereof.

“Project” means the design, development, and construction of certain improvements on the Project Site for a first-class industrial park as more particularly set forth in Section 2.2 hereof.

“Project Costs” means the costs of designing, developing, constructing and completing the Project as more particularly set forth in Section 4.1 and Exhibit F hereof.

“Project Site” means that property legally described on Exhibit A-1 and as depicted on Exhibit A-2 hereof.

“Prime Rate” means the rate of interest announced from time to time by Security Bank of Kansas City, or any successor to it, as its prime rate as referenced in Section 7.16 hereof. If such bank, or any successor to it, ceases to announce a prime rate, the UG shall designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

“Purchase Agreement” means Developer’s purchase agreement to acquire the Project Site as described in Recital B hereof.

"Relocations" means the relocation of businesses which were otherwise already operating in Wyandotte County into the Project as described in Section 4.2(d) hereof.

“Resolution of Intent” means that certain master resolution of intent indicating the UG’s intention to grant to Developer the Abatements for each manufacturing building or project developed on the Project Site during the Term as described in Section 4.2(a) and Exhibit G.

"Seller" means CCB RE Holdings, LLC, the current owner of the Project Site, as referenced in Recital B hereof.

“State” means the State of Kansas.

“Substantial Completion” means the stage in the progress of the construction of the Project, or as to any particular portion thereof, when said construction is sufficiently complete so that the Project or such particular portion can be occupied or utilized for its intended use.

“Term” means the term of this Agreement as set forth in Section 7.1 hereof.
“Transaction Documents” means the lease, along with any bond trust indentures, bond purchase agreements, tax compliance agreements, financing agreements, and other similar documents executed and delivered by the parties in connection with the IRB financing.

“Total Project Budget” means the budget attached hereto as Exhibit F.

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

“UG’s Infrastructure Improvements” means those certain off-site infrastructure improvements to improve access to the Project Site, including without limitation a new interchange off of Turner Diagonal Highway, as described in Section 5.1 hereof.

“UG’s Share” of the CID Assessments shall mean fifty percent (50%) of the CID Assessments as more particularly set forth in Section 4.3(a) hereof.
INDEX OF EXHIBITS

Exhibit A-1  The Project Site - Legal Description
Exhibit A-2  The Project Site – Map
Exhibit B    CID Petition
Exhibit C-1  CID District – Legal Description
Exhibit C-2  CID District – Map
Exhibit D    Project Improvements
Exhibit E    Development Plan
Exhibit F    Total Project Budget
Exhibit G    Master Resolution of Intent
Exhibit H    Certificate of Expenditure
Exhibit I    Insurance Specifications
Exhibit J    LBE/MBE/WBE Goals and Requirements
EXHIBIT A-1

The Project Site – Legal Description

TRACT I

Parcel A:
A tract of land in the Northeast Quarter of Section 15, and the Northeast Quarter of Section 16, all in Township 11, Range 24, in Kansas City, Wyandotte County, Kansas described as follows:

Beginning at a point which is 112.0 feet North of the Southwest corner of the Northwest Quarter of said Section 15, thence North 87 degrees 13 minutes 30 seconds West, parallel with the South line of the Northeast Quarter of said Section 16, 748.43 feet to a point on the Wyandotte Delaware Reserve Line; thence South 0 degrees 04 minutes 30 seconds East and along said Wyandotte Delaware Reserve Line, 20.0 feet to its intersection with the South line of the Northeast Quarter of said Section 16, thence South 87 degrees 13 minutes 30 seconds 30 seconds East and along the South line of said Northeast Quarter of Section 16, 860.43 feet to the southeast corner thereof; thence North 89 degrees 34 minutes 30 seconds East and along the South line of the Northeast Quarter of said Section 15, 2358.24 feet to a point which is 207.0 feet West of the Southeast corner of said Northwest Quarter of Section 16; thence North 0 degrees 21 minutes West parallel with the East line of the Northwest Quarter of said Section 15, 1815.0 feet, thence North 89 degrees 34 minutes 30 seconds East parallel with the South line of said Northeast Quarter of Section 15, 158.38 feet to a point on the Southwesterly right of way line of the Turner Diagonal Right of Way Line, thence Northeasterly and along the Turner Diagonal Right of Way Line on a curve to the right, having a radius of 2418.46 feet, an arc distance of 1194.22 feet to a point, which is 165.40 feet South of and 138.30 feet East of the Northwest corner of the Northeast Quarter of the Northwest Quarter of said Section 15, thence North 77 degrees 10 minutes 30 seconds West and along the Southwesterly right of way line of said Turner Diagonal Right of Way Line, 141.42 feet to a point which is 132.4 feet South of the Northwest corner thereof, thence South 0 degrees 36 minutes 30 seconds East 987.60 feet, thence South 89 degrees 20 minutes West, parallel with the North line of the Northwest Quarter of said Section 16, 1284.75 feet to a point on the center of Mill Creek, aid point being also, on the South line of Strickland Subdivision, according to the recorded plat thereof; thence Southwesterly along the meanderings of said Mill Creek to a point which is South 37 degrees 29 minutes 50 seconds West, a distance of 250.65 feet from the last described point, thence due South, parallel with the East line of the Northeast Quarter of said Section 16, 1340.0 feet to the point of beginning, less that part taken or used for road purposes.

Parcel B:
The East 60 feet of the following described tract of land:

Beginning at a point on the North line of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of said Section; thence East
870 feet to the Northeast corner of the Northwest Quarter of the Northwest Quarter of said Section 15; thence South 1120 feet; thence West 870 feet; thence North 1120 feet to the point of beginning, except the East 438.72 feet thereof, also except that part taken for road purposes.

**TRACT 2:**
The East 439.72 feet of the following described real property:

Beginning at a point on the North line of Section 15, Township 11, Range 24; in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of said Section, thence East 870 feet to the Northwest Quarter of the Northwest Quarter of Section 15, thence East 1120 feet; thence West 870 feet, thence North 1120 feet to the Point of Beginning, all in Wyandotte County, Kansas, EXCEPT that part in road, if any.

**TRACT 3:**
Beginning at a point on the North line of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of the Northwest Quarter of said Section 15, thence East 870 feet, thence South 1120 feet, thence West 870 feet, thence North 1120 feet to Point of Beginning except the East 499.72 feet thereof, less that part taken or used for road purposes.

**TRACT 4:**
** Parcel A:**
The East 297 feet of the South Half of the North Half of the following described tract of land:

Beginning at a point 19 and 29/49 poles North at the southwest corner of the Northeast Quarter of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, thence East 80 poles; thence North 41 and 24-49 poles; then ce West 98 poles; thence South 41 and 24/49 poles; thence East 18 poles to the point of beginning.

** Parcel B: **
The South Half of the North Half of the following described tract of land:

Beginning at a point 19 and 29/49 poles North of the Southwest corner of the Northeast Quarter of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas; thence East 80 poles, thence North 41 and 24-49 poles, thence West 98 poles; thence South 41 and 24/49 poles; thence East 18 poles to the point of beginning, except that part taken or used for public road purposes, except the East 297 feet thereof.
EXHIBIT A-2

The Project Site – Map
EXHIBIT B

CID Petition

PETITION FOR THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT

TO: Board of Commissioners,
Unified Government of Wyandotte County/Kansas City, Kansas

The undersigned, being the owners of record, whether resident or not, of the following:

1. One hundred percent (100%) of the land area contained within the hereinafter described community improvement district; and
2. One hundred percent (100%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petitions the Unified Government of Wyandotte County/Kansas City, Kansas (the “UG”) to create a community improvement district (“CID”) and authorize the proposed CID project (the “CID Project”) hereinafter set forth, all in the manner provided by K.S.A § 12-6a26 et seq. (the “Act”). In furtherance of this request, the Petitioner states as follows:

1. GENERAL NATURE

The general nature of the CID Project is as follows:

The development and construction of approximately 1,250,000 square feet of light industrial and manufacturing space on real property as set forth on EXHIBIT “A,” generally located south of the intersection of Riverview Avenue and the Turner Diagonal Highway, but north of Speaker Road, all located in the Kansas City, Kansas (“Private Project”). The redevelopment shall include the construction of an industrial park, including, but not limited to, light industrial, distribution and manufacturing space, parking lots, internal access roads, site work, signage, streetscapes, and other related infrastructure and improvements, all as may be reimbursable pursuant to the Act.

The CID Project shall also include the replacement of the Riverview Avenue bridge over Turner Diagonal, which replacement may include an at-grade crossing at Turner Diagonal (as opposed to a replacement of the bridge), and a new interchange off of Turner Diagonal (the “Road Project”).

2. ESTIMATED COST

The estimated total CID Project costs are $69,000,000, plus an additional $10,000,000 for the Road Project and any financing costs which are eligible pursuant to the Act, and any fees or expenses of the UG in connection with the CID Project. Additionally, ongoing costs associated with the operations, maintenance, and upkeep of property located within the boundaries of the CID
Project shall be eligible for reimbursement. Notwithstanding anything in this Petition to the contrary, only eligible CID costs as set forth in the Act shall be reimbursable under the CID Project. A specific budget related to the estimated cost of the CID Project will be set forth in the Development Agreement to be negotiated and executed by and between the UG and the undersigned Petitioner or successors in title.

3. PROPOSED METHOD OF FINANCING

The costs of the CID Project will be financed with special assessments levied pursuant to the provisions of the Act and reimbursed on a pay-as-you-go basis, as defined in the Act (the “Assessments”).

The Petitioner is seeking financing only by Assessments, and not any CID sales tax. The Petitioner is not seeking the issuance of bonds, including full faith and credit bonds pursuant to the Act for the Private Project. The Road Project may be financed with the issuance of bonds, including full faith and credit bonds issued pursuant to the Act.

4. PROPOSED METHOD AND AMOUNT OF ASSESSMENT

It is proposed that a single CID be created that will impose Assessments on a $1.04 per building square foot basis. Accordingly, within the 22 year CID lifespan, CID Assessments will be imposed on individual buildings and Assessments will begin on the date each building is issued a certificate of occupancy and will continue for a period of 10 years thereafter. Each building’s 10 year period will be specific to that building and may cover different years than buildings built at different times. Each building’s Assessments will last 10 years from the date of issuance of the certificate of occupancy and no Assessments shall be imposed or extended beyond the 22 year life of the CID. Notwithstanding the foregoing, if only one building is completed in the CID Project on which Assessments at the end of the 10 year period of Assessments for that building, and at such time, there are no additional buildings on which to impose Assessments, then Assessments will continue on that one building at a $0.52 per square foot basis until the earlier of (a) that date when the Road Project costs have been paid for or reimbursed in full, (b) an additional building is completed and issued a certificate of occupancy and Assessments have been imposed on the additional building, or (c) the end of the 22 year CID lifespan.

5. MAP AND LEGAL DESCRIPTION OF THE PROPOSED CID

A map of the proposed CID is attached hereto as EXHIBIT “B”.

The legal description of the CID is attached hereto as EXHIBIT “C”.

6. NOTICE TO PETITION SIGNERS

NAMES MAY NOT BE WITHDRAWN FROM THIS PETITION BY THE SIGNERS HEREOF AFTER THE UG COMMENCES CONSIDERATION OF
THIS PETITION, OR LATER THAN 7 DAYS AFTER THE FILING HEREOF WITH THE UG CLERK, WHICHEVER OCCURS FIRST.

7. CONSENT OF PETITION SIGNERS

The signers of this Petition hereby consent to the Assessments described herein without regard to the benefits conferred on such signers’ property by the CID Project.

8. PETITION CONTINGENCIES

The CID ordinance shall not published, and therefore have no force or effect, until that date NorthPoint Development, LLC has executed and closed on the land purchase documents under which the present owners transfer all their right, interest and title in the property (as described in EXHIBIT B) to NorthPoint Development, LLC. All statements regarding the size, scale and scope including but not limited to the estimated costs as identified in item #2 of the CID Project are provided by the U.G. and NorthPoint Development, LLC, not the owners of record.

[remainder of page intentionally blank]
IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

CCB RE Holdings, LLC

By: __________________________  
Signature of Authorized Agent for Entity

Title: __________________________  
(Type or print)

Date: 6-29-15

ACKNOWLEDGMENT

STATE OF Missouri  )
COUNTY OF Jackson  ) ss.

BE IT REMEMBERED, that on this 30 day of June, 2015 before me, the undersigned, a Notary Public in and for said County and State, came Brian E. Cuddy, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) __________________________

Notary Public in and for said County and State

My Commission Expires: 11-19-17

KIMBERLY BEVERLIN
Notary Public - Notary Seal
STATE OF MISSOURI - Jackson County
Commission # 19899116
EXHIBIT “B”

MAP OF DISTRICT
EXHIBIT “C”

LEGAL DESCRIPTION OF DISTRICT

TRACT I

Parcel A:
A tract of land in the Northeast Quarter of Section 15, and the Northeast Quarter of Section 16, all in Township 11, Range 24, in Kansas City, Wyandotte County, Kansas described as follows:

Beginning at a point which is 112.0 feet North of the Southwest corner of the Northwest Quarter of said Section 15, thence North 87 degrees 13 minutes 30 seconds West, parallel with the South line of the Northeast Quarter of said Section 16, 748.43 feet to a point on the Wyandotte Delaware Reserve Line; thence South 0 degrees 04 minutes 30 seconds East and along said Wyandotte Delaware Reserve Line, 20.0 feet to its intersection with the South line of the Northeast Quarter of said Section 16, thence South 87 degrees 13 minutes 30 seconds East and along the South line of said Northeast Quarter of Section 16, 860.43 feet to the southeast corner thereof, thence North 89 degrees 34 minutes 30 seconds East and along the South line of said Northeast Quarter of Section 15, 2358.24 feet to a point which is 207.0 feet West of the Southeast corner of said Northwest Quarter of Section 15; thence North 0 degrees 21 minutes East parallel with the East line of the Northwest Quarter of said Section 15, 1815.0 feet, thence North 89 degrees 34 minutes 30 seconds East parallel with the South line of said Northeast Quarter of Section 15, 158.38 feet to a point on the Southwesterly right of way line of the Turner Diagonal Right of Way Line, thence Northeasterly and along the Turner Diagonal Right of Way Line on a curve to the right, having a radius of 2418.46 feet, an arc distance of 1194.22 feet to a point, which is 165.40 feet South of and 138.30 feet East of the Northwest corner of the Northeast Quarter of the Northwest Quarter of said Section 15, 1815.0 feet, thence North 0 degrees 21 minutes West parallel with the East line of the Northeast Quarter of said Section 15, 1815.0 feet, thence North 89 degrees 34 minutes 30 seconds East parallel with the South line of said Northeast Quarter of Section 15, 158.38 feet to a point on the Southwesterly right of way line of the Turner Diagonal Right of Way Line, thence Northeasterly and along the Turner Diagonal Right of Way Line on a curve to the right, having a radius of 2418.46 feet, an arc distance of 1194.22 feet to a point, which is 165.40 feet South of and 138.30 feet East of the Northwest corner of the Northeast Quarter of the Northwest Quarter of said Section 15, 1815.0 feet, thence North 0 degrees 21 minutes West parallel with the North line of the Northwest Quarter of said Section 15, 1284.75 feet to a point on the center of Mill Creek, aid point being also, on the South line of Strickland Subdivision, according to the recorded plat thereof; thence Southwesterly along the meanderings of said Mill Creek to a point which is South 37 degrees 29 minutes 50 seconds West, a distance of 250.65 feet from the last described point, thence due South, parallel with the East line of the Northeast Quarter of said Section 16, 1340.0 feet to the point of beginning, less that part taken or used for road purposes.

Parcel B:
The East 60 feet of the following described tract of land:

Beginning at a point on the North line of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of said Section; thence East 870 feet to the Northeast corner of the Northwest Quarter of the Northwest Quarter of said Section 15; thence South 1120 feet; thence West 870 feet; thence North 1120 feet to the point of beginning, except the East 438.72 feet thereof, also except that part taken for road purposes.

TRACT 2:
The East 439.72 feet of the following described real property:
Beginning at a point on the North line of Section 15, Township 11, Range 24; in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of said Section, thence East 870 feet to the Northwest Quarter of the Northwest Quarter of Section 15, thence East 1120 feet; thence West 870 feet, thence North 1120 feet to the Point of Beginning, all in Wyandotte County, Kansas, EXCEPT that part in road, if any.

TRACT 3:
Beginning at a point on the North line of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of the Northwest Quarter of said Section 15, thence East 870 feet, thence South 1120 feet, thence West 870 feet, thence North 1120 feet to Point of Beginning except the East 499.72 feet thereof, less that part taken or used for road purposes.

TRACT 4:
Parcel A:
The East 297 feet of the South Half of the North Half of the following described tract of land:

Beginning at a point 19 and 29/49 poles North at the southwest corner of the Northeast Quarter of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, thence East 80 poles; thence North 41 and 24-49 poles; thence West 98 poles; thence South 41 and 24/49 poles; thence East 18 poles to the point of beginning.

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The South Half of the North Half of the following described tract of land:

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EXHIBIT C-1

CID DISTRICT – LEGAL DESCRIPTION

TRACT I
Parcel A:
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Parcel B:
The East 60 feet of the following described tract of land:

Beginning at a point on the North line of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of said Section; thence East 870 feet to the Northeast corner of the Northwest Quarter of the Northwest Quarter of said Section 15; thence South 1120 feet; thence West 870 feet; thence North 1120 feet to the point of beginning, except the East 438.72 feet thereof, also except that part taken for road purposes.

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TRACT 4:
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The Project Site consists of approximately 130 acres of real property located south of the intersection of Riverview Avenue and Turner Diagonal Highway, but north of Speaker Road, in Kansas City, Kansas.

The Project is the design, construction, and development of an industrial park, including industrial, distribution, and light manufacturing space. The Project may include up to approximately 1,255,000 square feet of improvements and represents a potential capital investment by the Developer of $69,000,000.
EXHIBIT E

Development Plan
## EXHIBIT F

### Total Project Budget

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<td>Land Cost</td>
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<td>Infrastructure Phase 1</td>
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<td>Infrastructure Phase 2</td>
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<td>Total Development Costs</td>
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<table>
<thead>
<tr>
<th>Building A</th>
<th>Building B</th>
<th>Building C</th>
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<tbody>
<tr>
<td>$18,000,000</td>
<td>$22,500,000</td>
<td>$20,500,000</td>
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</tbody>
</table>

**Total Capital Investment** $69,796,810.61
Exhibit G

Master Resolution of Intent
CERTIFICATE OF EXPENDITURES

TO: Unified Government of Wyandotte County/Kansas City, Kansas
Attention: County Administrator

Re: TURNER WOODS INDUSTRIAL PARK

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement for TURNER WOODS INDUSTRIAL PARK dated as of June ____, 2013 (the “Agreement”) between the Unified Government and the Developer.

In connection with the Agreement, the undersigned hereby states and certifies that:

1. Each item listed on Schedule 1 hereto is a Project Cost and was incurred in connection with the construction of the Project after

2. These Project Costs have been paid by the Developer and are reimbursable under the Project plan and the Agreement.

3. Each item listed on Schedule 1 has not previously been paid or reimbursed from money derived from the Community Improvement District Fund and no part thereof has been included in any other certificate previously filed with the Unified Government.

4. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.

5. All necessary permits and approvals required for the work for which this certificate relates were issued and were in full force and effect at the time such work was being performed.

6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.

7. The Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a default under the Agreement.
8. All of the Developer’s representations set forth in the Agreement remain true and correct as of the date hereof.

Dated this ___ day of ________________, 20____.

UG NORTHPOINT DEVELOPMENT, LLC

By: _____________________________________
Name: ____________________________________
Title: ____________________________________

Approved for Payment this ___ day of __________, 20____:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ________________________________
Title: ________________________________
SCHEDULE I
TO
CERTIFICATE OF EXPENDITURES

<table>
<thead>
<tr>
<th>Description of Project Costs</th>
<th>Cost</th>
<th>Payee</th>
<th>Designate as Redevelopment Project Costs</th>
</tr>
</thead>
</table>

Total Costs:
EXHIBIT I

Insurance Specifications

1. **Worker’s Compensation.** Developer may self-insure, to the extent allowed by applicable law. The self-insured retention shall be that which is standard in the industry. Developer will then purchase excess Worker’s Compensation Insurance with statutory limits over the self-insured retention. If self-insurance is not available under applicable state law, coverage will be purchased in accordance with the statutory requirements.

2. **Comprehensive General Liability.** Developer will purchase and maintain with primary limits of $3,000,000.

3. **Automobile Liability.** Developer will purchase and maintain with primary limits of $1,000,000.

4. **Excess Liability.** Developer will purchase and maintain excess liability insurance in an amount not less than $5,000,000.

5. **Special Perils Form Property Insurance.** Developer will purchase on a replacement cost basis. Deductibles and limits will be standard to those in the industry, and the policy shall include an “Agreed Amount” endorsement. Earthquake and flood insurance, will be included if required and if available at a reasonable cost, fired vessel, boiler and machinery, and underground collapse may be required by the UG as additional perils.
EXHIBIT J

LBE/MBE/WBE GOALS AND REQUIREMENTS

This Exhibit sets forth the guidelines for the utilization of local business, minority, and women enterprises and local resident, minority, and women participation and equal employment opportunity referenced in Section 8.2 of the Development Agreement for Turner Woods Industrial Park (the “Agreement”) between the Unified Government of Wyandotte County/Kansas City, Kansas (“UG”) and NorthPoint Development, LLC (“Developer”). The parties agree as follows:

I. SCOPE

These procedures are applicable to the construction of the Project, including but not limited to all aspects of the construction of the Improvements and all related facilities, including labor, materials and supplies, and construction-related services, but not including Specialized Services.

II. DEFINITIONS

All capitalized terms used in this Exhibit shall have the meaning ascribed to them in the Agreement and made a part thereof, or as otherwise set forth herein.

A. "Best Efforts" has the meaning set forth in Section III.C.3.b. herein.

B. "Construction" means all aspects of the construction of the Improvements, all related facilities, and the Project, including labor, materials and supplies, and construction-related services, whether performed or contracted for by or on behalf of Developer.

C. "Contractor" means the Proposer selected by Developer for the design, development, or construction of the Project.

D. "Local Business Enterprises or LBE" means a business headquarterd or which maintains a major branch that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation. It is determined and assigned based on the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

E. "Local Resident" means an individual that, during his or her employment with the Project, maintains his or her place of domicile in Wyandotte County.

F. "Minority Business Enterprise or MBE" means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic
minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

G. "Professional Services" means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development, and construction of the Project but specifically excluding professional services that have historically been sourced and performed at the holding company level by Developer (i.e., legal and accounting services).

H. "Proposer" means a person who submits a proposal in response to a solicitation for proposals issued by Developer or one of its Contractors with respect to the design, development, or construction of the Project.

I. "Specialized Services" means expertise, services, or products, the application of which are unique to the construction of the Project and which are only available through sole or limited source providers or national vendors. Specialized Services shall also include the services provided by the Contractors and designers who have been involved with and have previous experience on similar projects with Developer and which Developer has engaged or intends to engage to perform similar services for the Project.

J. "Substantial Local Office" means an office operated and financially supported by a firm that has sufficient space, staff, and equipment to carry on the local business of the firm and that is engaged in significant, on-going local involvement with the business community in Wyandotte County, Kansas.

K. "Women Business Enterprise or WBE" means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. DESIGN, DEVELOPMENT, AND CONSTRUCTION OF THE PROJECT

A. GOALS FOR LBE/MBE/WBE PARTICIPATION.


Developer will use its Best Efforts to meet the following goals based upon the total cost of the Project and all related facilities undertaken by Developer, but not including Specialized Services. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. In the event Developer obtains bids for any aspect of the Project for which a bid by a Proposer qualifying as an LBE, MBE, or WBE is not the lowest or best bid, Developer shall not be required to meet the LBE/MBE/WBE participation percentage goals for that aspect of the Project. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not to act as quotas or set asides.
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
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<td>18%</td>
</tr>
<tr>
<td>MBE</td>
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<tr>
<td>WBE</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs. The Developer shall strive to meet each individual goal listed.

2. **Contract Specific Goals.**

The parties agree that the goals are set forth for the Project as a whole, excluding Specialized Services, and the UG will reasonably agree to different specific goals for specific contracts or portions of contracts to be awarded by Developer for Specialized Services, when proposed by the Developer, relating to the construction of the Project, based upon the availability of qualified LBEs and certified MBEs and WBEs to perform the specific scopes of work delineated in Developer's Construction Utilization Plan (as defined herein).

3. **Eligibility for Credit.**

   a. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification at the time of submittal of the subject bid or proposal and ultimately certified as MBEs or WBEs by the Kansas Department of Commerce, State of Missouri, Missouri Department of Transportation, City of Kansas City, Missouri, MidAmerica Minority Business Development Council, Women’s Business Enterprise National Council, or any other public or private entity reasonably acceptable to the UG and the Developer (each an "approved" business), may be counted towards the participation goals in Section III.A.1. above.

   b. In the event that a contract has been awarded on the Project to an approved LBE/MBE/WBE business, and such LBE/MBE/WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall receive credit towards the goal for only that portion of work performed or services provided up to the point such business becomes unapproved.

4. **Construction Workforce.**

   a. **Recruitment and outreach.** Developer will use its Best Efforts to employ and to ensure its Contractors employ Local Residents, minorities, and women in
all aspects of the design, development, and construction of the Project except for Specialized Services. These efforts shall include but not be limited to:

i. advertising in appropriate publications describing the work available, pay scales, and application procedures and maintaining a log or copies of these ads showing the date of publication and identifying the publication;

ii. working with local community organizations, minority and women's community organizations, and other appropriate organizations to seek qualified Local Residents, minorities, and women (a list of these organizations may be provided by the UG upon request); and

iii. working with the UG to promote diversity and inclusion in all aspects of the Project.

Documentation of these and any other steps taken shall be submitted to the UG prior to the beginning of the bidding process.

b. Employment Procedures. Developer and its Contractors shall implement equal employment opportunity hiring and job action procedures as those terms are commonly understood.

B. DEVELOPMENT AND CONSTRUCTION UTILIZATION PLANS.

1. Submissions, Content, and Fulfillment of Project Utilization Plan.

a. Fourteen (14) calendar days before the solicitation of the first proposal for the construction of part of the Project, which is issued by Developer after the execution of the Agreement, Developer will submit a Project Utilization Plan to the UG for review and approval. The Project Utilization Plan shall be on the form attached to this Exhibit as Attachment A or on another form provided or approved by the UG. This Project Utilization Plan shall set forth, to the best of Developer's knowledge: all categories of work that will be covered within solicitations that Developer or its Contractors intend to issue for all construction and Professional Services providers necessary for the construction of the Project; an estimate of the dollar value of all work covered by these solicitations; an estimate of the dollar value of work within each identified work category; the dollar value of the work for each identified work category that is projected to be performed by LBEs, MBEs and WBEs; any known potential joint ventures with LBEs, MBEs, and WBEs within each identified work category; an overall schedule of all work projected to be performed related to the design, development, and construction of the Project, laid out sequentially over time; and the actions Developer intends to take, with respect to each of these solicitations, to make its Best Efforts to meet the goals set forth in Section III.A.1. of this Exhibit.

b. Developer, in the Project Utilization Plan, shall designate one person as the Project Manager to serve as the point of contact with the UG on all matters
related to the Project Utilization Plan. Developer shall provide the Project Manager’s name, physical office address, e-mail address, and phone number to the UG. The Project Manager shall be an individual with administrative authority with regard to enforcement of the stipulations located within this Exhibit.

c. The goals of Section III.A.1 may be met by the expenditure of dollars with approved LBE/MBE/WBE prime Contractors, material suppliers (either by Developer or a prime Contractor), subcontractors (either by Developer or a prime Contractor), or through joint ventures with approved LBEs, MBEs or WBEs.

i. Certified MBE and WBE prime Contractor Proposers may count their own participation toward a goal for which they qualify, but may not divide their own participation between two goals. These prime Contractor Proposers shall receive credit towards the goals for the dollar value of the contract.

ii. Approved or certified LBE/MBE/WBE material suppliers, regular dealers, and manufacturers shall be credited towards the goals for the dollar value of the contract.

iii. A joint venture involving an approved LBE/MBE/WBE as a partner may be counted towards the applicable goal only to the extent of the dollar amount that the approved LBE/MBE/WBE is responsible for and at risk, except, however, if the LBE/MBE/WBE is the majority partner in the joint venture, the entire joint venture contract amount shall be counted, less any work subcontracted to the non-LBE/MBE/WBE joint venture partner. To receive credit, the approved LBE/MBE/WBE must be responsible for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

iv. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be double-counted. A certified MBE or WBE may also be counted towards the LBE goal, if qualified as LBE. The amount of participation by these businesses may be divided between the MBE or the WBE goals. A qualified LBE that is certified as MBE and WBE shall be counted toward the LBE and the MBE or WBE goals, but shall not be counted toward both the MBE and WBE goals.

v. Only the participation of LBEs, MBEs, and WBEs that provide a commercially useful function required for the work of the specific solicitation shall be counted toward achievement of the goals. The LBE/MBE/WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the solicitation. Brokering is not credited. Purchases from LBEs, MBEs, and WBEs that constitute indirect or general overhead costs to a projected Proposers's business may not be counted toward the goals. Costs directly incurred
solely to perform the work with respect to a Project contract may be counted toward the goals.

2. Evaluation of Project Utilization Plans.

a. The UG will review Developer's Project Utilization Plan respecting each category of work identified by Developer. In conducting its review, the UG shall evaluate the extent to which the actions Developer proposes to take to meet the goals constitute Best Efforts, as set forth is Section III.C.3.b. below. In no event shall Developer or any of its Contractors be required to engage any LBE/MBE/WBE that is not the low bidder or is not qualified or capable of performing the work to acceptable standards in the reasonable discretion of Developer.

b. No changes to the Project Utilization Plan are permitted after its submission to the UG without the prior submission of the proposed change to the UG and receipt of the UG's written approval, which shall not be unreasonably withheld or delayed.

C. CONTRACT AWARD COMPLIANCE PROCEDURES.

1. Solicitation Documents.

The solicitation documents for each contract for which goals are established shall contain a description of the requirements set forth in this Exhibit; the LBE/MBE/WBE goals; and the areas of projected subcontracting. Five (5) calendar days before the issuance of each solicitation, Developer shall submit the solicitation documents and the bid list to the UG. This submittal is mandatory for each bid subject to LBE/MBE/WBE goals.


Within seven (7) working days after the date set for receipt of proposals by each solicitation issued for Developer for the construction of the Project, the Project Manager shall submit to the UG, on a form provided or approved by the UG, a Report of Solicitation Results (the "Report") fully describing all proposals received in response to the solicitation. The Report shall: (1) state the estimated total dollar value of the work covered by the solicitation; (2) state the names of all Proposers; (3) state the total dollar value of work covered by proposals submitted by approved LBEs, MBEs, and/or WBEs (for both Construction and Professional Services); (4) provide all relevant information concerning each joint venture Proposer; and (5) state the name of all subcontractors to Proposers (to the extent then available) that are approved LBEs, MBEs, and/or WBEs, and the dollar value of work covered by proposed subcontracts between Proposers and LBEs, MBEs and/or WBEs. The Report shall also indicate to which of the Proposers, including joint venture Proposers, the Developer or any of its Contractors is intending to award contacts resulting from the solicitation. In addition, with respect to any LBE/MBE/WBE goal established in the Project Utilization Plan that it appears from the
proposals received will not be met, Developer shall include in the Report a precise
description of all Best Efforts it has undertaken or caused to be undertaken to meet the
established goals. These submittals are mandatory for all solicitations subject to
LBE/MBE/WBE goals.

3. **UG Review of Developer's Report of Solicitation Results.**

   a. Within seven (7) calendar days of receiving a Report for review, the UG, based on its review of the Report, shall advise Developer whether it appears that, in light of Developer's indication of the Proposers to whom it intends to award contracts, Developer will meet the goals set forth in the Project Utilization Plan or if not, whether Developer has established Best Efforts to meet these goals, and shall state the reasons for this conclusion, referring to the specific Best Efforts criteria contained in Section III.C.3.b. below. As a part of its review, the UG may ascertain whether LBE/MBE/WBE subcontractors agree with the dollar value of the work and the scope of the work, as identified in the proposal.

   b. For each Project Utilization Plan goal that is not achieved, Developer shall be deemed to have used Best Efforts to meet the Project Utilization Plan goals for construction and Professional Services set forth in Section III.A.1. of this Exhibit if Developer shall have taken substantially all the following actions:

      i. Developer is seeking or has sought timely assistance of the UG to identify qualified LBEs, MBEs, and WBEs;

      ii. Developer is advertising or has advertised contract opportunities in local, minority, and women media;

      iii. Developer is providing or has provided reasonable written notice of opportunities and informational meetings to approved LBEs, MBEs, and WBEs;

      iv. Developer is following up or has followed up initial solicitations of interest by contacting LBEs, MBEs, and WBEs;

      v. Developer is segmenting or has segmented portions of the work to increase the likelihood of LBE/MBE/WBE participation, where feasible;

      vi. Developer is providing or has provided interested LBEs, MBEs, and WBEs with timely and accurate information about the plans, specifications, requirements, deadlines, and bidding procedures of the contracts;

      vii. Developer is negotiating or has negotiated in good faith with interested LBEs, MBEs, and WBEs, not rejecting them as unqualified without sound reasons, based on a thorough review of their capabilities and prior work histories;

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viii. Developer is seeking or has sought to educate and assist LBEs, MBEs, and WBEs in obtaining bonding, lines of credit, or insurance required to perform the contract; and

ix. Developer is working or has worked with local, minority, and women contracting, professional, civic, and community organizations, government officers, and any other organization or persons, as identified by the UG, that provide assistance in the recruitment of LBEs, MBEs and WBEs.

Failure by the Developer to take all of the foregoing actions shall not be determinative that Developer has not used its Best Efforts.

4. Signed Contracts.

Within twenty-one (21) working days of provision of the UG's evaluation of the Report to Developer, the Project Manager shall submit signed contracts with successful Proposers to the UG. This submittal must be made before any contracts are awarded.

D. SUBCONTRACTOR RELATIONS.

1. Documentation of Subcontracting Agreements.

   All subcontracting services shall be evidenced by a written agreement stating, at a minimum, the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

2. Documentation of Schedules.

   a. For construction contracts, the Contractor must present a work schedule that includes when the LBE/MBE/WBE subcontractors will be utilized at the job site. This schedule is due on or before the submission of signed contracts to the UG.

   b. For Professional Services contracts, Developer must present a written schedule of when the LBE/MBE/WBE consultants will be working on the Project. This written schedule shall be provided to the UG on the day of execution of the contract for services.

3. Substitutions, Additions, or Deletions.

   Where a substitution for a LBE/MBE/WBE subcontractor must occur after submission of proposals by the Project Manager to the UG, the Project Manager must submit the proposed change or substitution to the UG for review. The UG shall have no authority to approve or reject any change or substitution. The sole purpose of the review
by the UG shall be to determine whether the LBE/MBE/WBE should be counted toward achievement of the goals of Section III.A.1.

IV. UG'S ASSISTANCE TO DEVELOPER

The UG shall use its best efforts to provide assistance to Developer in fulfilling its obligations as set forth in this Exhibit. Developer assumes all responsibility for its Best Efforts in meeting the goals and complying with the procedures and processes set forth herein. The UG assumes no duty or responsibility to the Developer with respect to Developer's fulfillment of the goals set forth in this Exhibit by reason of the provision of assistance to Developer. Examples of assistance the UG may provide include but are not limited to:

A. providing information and technical assistance regarding the Project to Developer and its agents, including Contractors, subcontractors, LBEs, MBEs, WBEs, officials, and other interested persons;

B. developing and maintaining a registry of approved LBE/MBE/WBE businesses;

C. assisting with identifying potential LBEs, MBEs, and WBEs and reviewing their qualifications to participate in the Project;

D. updating Developer and its agents on current or proposed affirmative action legislation that may affect the Project;

E. recommending contract specific goals, as appropriate;

F. providing assistance in pre-award activities, such as provision of model or example Project Utilization Plans and work segmentation;

G. reviewing Developer, Contractor, and subcontractor performance and LBE/MBE/WBE participation on the Project;

H. providing advice relative to utilization and compliance matters;

I. conducting compliance reviews and audits of LBE/MBE/WBE participation;

J. evaluating requests for substitutions, additions, and deletions;

K. assisting Developer and its agents in addressing issues related to the goals and procedures set forth in this Exhibit;

L. reviewing payments to subcontractors, as documented by monthly reports submitted by Developer;

M. reviewing complaints from LBEs, MBEs WBEs, Contractors, subcontractors, and any other interested persons regarding these goals and procedures;
N. assisting in Developer's development of forms to document compliance with these procedures; and

O. reviewing and approving utilization plans and contract award submittals.

V. DEVELOPER COMPLIANCE RECORDS AND REPORTS.

A. Records. Developer shall maintain those records as may reasonably be required to demonstrate compliance with the goals and procedures set forth in this Exhibit. These records shall be available to the UG upon reasonable notice.

B. Development and Construction Utilization Plan Reports. Developer shall update the Project Utilization Plan quarterly on the form attached hereto as Attachment B or another form provided or approved by the UG and shall include information requested thereon. In addition, each quarterly report shall include the following for each LBE, MBE or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE and WBE and a brief description of the work to be performed by each. Developer also shall document the change orders to contracts awarded in each quarterly report.

VII. DEVELOPER COMPLIANCE RECORDS AND REPORTS.

A. RECORDS.

Developer shall maintain those records as may reasonably be required to demonstrate compliance with the goals and procedures set forth in this Exhibit. These records shall be available to the UG upon reasonable notice.

B. PROJECT UTILIZATION PLAN REPORTS.

Developer shall provide UG with information sufficient to document the participation under this Exhibit, including monthly compliance reports on the forms attached hereto as Attachments B and C or another form provided or approved by the UG. In addition, each monthly report shall include the following for each LBE/MBE/WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE/MBE/WBE; and a brief description of the work to be performed by each. Developer also shall document the change orders to contracts awarded in each monthly report.

C. REMEDIES.

Subject to the provisions of Section 9.1 of the Agreement, if Developer should fail to provide a Report required by this Exhibit, and fail to cure such failure within fourteen (14) days after receipt of written notice from the UG, then such failure to cure shall constitute an event of default and the UG shall have those remedies set forth in the Agreement. In addition, the UG
shall have the right to stop processing draw requests until Developer complies with reporting requirements.

If, after reviewing Developer’s Reports, UG believes that the participation goals contained in this Exhibit have not been met, and that the Best Efforts described herein have not been met, then the UG shall inform Developer of this determination in writing. Remedies shall be available as set forth in the Agreement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: Douglas G. Bach
County Administrator
Date: ______________________, 2015

NORTHPOINT DEVELOPMENT, LLC

By: ______________________
Name: ______________________
Title: ______________________
Date: ______________________, 2015
## Attachment A
Unified Government
Project Utilization Plan

**Project Name:**

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<tr>
<th>Bid Package</th>
<th>Estimated Contract Value</th>
<th>Estimated LBE Value</th>
<th>Estimated LBE %</th>
<th>Estimated MBE Value</th>
<th>Estimated MBE %</th>
<th>Estimated WBE Value</th>
<th>Estimated WBE %</th>
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**DIVERSITY TOTAL**

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**Date:** ____________
## LBE/MBE/WBE Utilization Report

### Construction

**Applicable Trades**

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<th>Discipline</th>
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<th>Change in Contract Value</th>
<th>Total Contract Value (Excluding CCIP)</th>
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<th>MBE</th>
<th>WBE</th>
<th>Certifying Agency or Local Zip Code</th>
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### Total Applicable Contract Volume Awarded To Date

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<th>LBE</th>
<th>MBE</th>
<th>WBE</th>
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**TOTAL - LBE**

**TOTAL - MBE**

**TOTAL - WBE**
## LBE/MBE/WBE COMPLIANCE
### SUMMARY REPORT
#### EXPENDITURES FOR REPORTING PERIOD

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<th>Total $ Awarded</th>
<th>Total $ Expended</th>
<th>Total $ MBE</th>
<th>% MBE</th>
<th>Total $ WBE</th>
<th>% WBE</th>
<th>Total $ M/WBE</th>
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I - 1
MINORITY AND WOMEN EMPLOYEES

List the name, address, trade, classification, date hired, sex and ethnic origin for each minority/women employed by your company.

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1-2
RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT OF APPROXIMATELY $69,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING COMMERCIAL FACILITIES FOR THE BENEFIT OF UG NORTHPOINT DEVELOPMENT, LLC

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”), desires to promote, stimulate and develop the general welfare and economic prosperity of Wyandotte County/Kansas City, Kansas and their inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the Unified Government is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the “Act”), to issue revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act and to lease such facilities to private persons, firms or corporations; and

WHEREAS, UG Northpoint Development, LLC, a Kansas limited liability company or its subsidiary (the “Company”), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the “Application”) requesting that the Unified Government finance the cost of acquiring, constructing, improving and equipping certain industrial facilities consisting of approximately 1,250,000 total square feet in one or more buildings as more fully described in the Application generally located south of the intersection of Riverview Avenue and the Turner Diagonal Highway, but north of Speaker Road, consisting of certain industrial facilities (collectively, the “Project”) through the issuance of the Unified Government’s revenue bonds in one or more series in the amount of approximately $69,000,000, and to lease the Project to the Company or its successors and assigns in accordance with the Act;

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of Wyandotte County/Kansas City, Kansas and their inhabitants that the Unified Government finance the costs of the Project by the issuance of revenue bonds under the Act in a principal amount of approximately $69,000,000, said bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company;

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

Section 1. Approval of Project. The Governing Body of the Unified Government hereby finds and determines that the acquiring, constructing, improving and equipping of the Project will promote the general welfare and economic prosperity of Wyandotte County/Kansas City, Kansas, and the issuance of the Unified Government's revenue bonds to pay such costs will be in furtherance of the public purposes set forth in the Act.

Section 2. Intent to Issue Bonds. The Governing Body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct, improve and equip the Project out of the proceeds of revenue bonds of the Unified Government in a principal amount of approximately $69,000,000 to be issued pursuant to the Act.
Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the Unified Government will (i) issue its revenue bonds to pay the costs of acquiring, constructing, improving and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the Unified Government; (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of said bonds by the Unified Government and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. Conditions to Issuance. The issuance of said bonds and the execution and delivery of any documents related to the Bonds are subject to (i) obtaining any necessary governmental approvals; (ii) agreement by the Unified Government, the Company and the purchaser of the bonds upon (a) mutually acceptable terms for the bonds and for the sale and delivery thereof and (b) mutually acceptable terms and conditions of any documents related to the issuance of the bonds and the Project; and (iii) the Company's compliance with the Unified Government's policies relating to the issuance of revenue bonds.

Section 5. Sale of the Bonds. The sale of the bonds shall be the responsibility of the Company.

Section 6. Limited Obligations of the Unified Government. The bonds and the interest thereon shall be special, limited obligations of the Unified Government payable solely out of the amounts derived by the Unified Government under the Lease Agreement and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the bonds, as provided in the Indenture. The Bonds shall not constitute a general obligation of the Unified Government, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Unified Government, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Indenture. The issuance of the bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 7. Required Disclosure. Any disclosure document prepared in connection with the offering of the bonds shall contain the following disclaimer:

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE UNIFIED GOVERNMENT CONTAINED UNDER THE CAPTIONS "THE UNIFIED GOVERNMENT" AND "LITIGATION -- THE UNIFIED GOVERNMENT" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE UNIFIED GOVERNMENT, AND THE UNIFIED GOVERNMENT MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 8. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of the bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the bonds and other actions contemplated hereunder.

Section 9. Development Agreement. The Unified Government hereby approves the Development Agreement for the development to be entered into with the Company in substantially the form presented to and reviewed by the governing body of the Unified Government (a copy of which document, upon execution thereof, shall be filed in the office of the Unified Government Clerk), with such changes therein
as shall be approved by the officers of the Unified Government executing such documents, such officers’ signatures thereon being conclusive evidence of their approval thereof. The Mayor/CEO and the Clerk are hereby authorized to execute and deliver the Development Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 10. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the Unified Government.


By: ____________________________
   Mayor/CEO of the Unified
   Government of Wyandotte County/
   Kansas City, Kansas

(Seal)

Attest:

By: ____________________________
   Unified Government Clerk
ORDINANCE NO. O-____-15

AN ORDINANCE AUTHORIZING THE CREATION OF THE TURNER WOODS COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF KANSAS CITY, KANSAS; AUTHORIZING THE MAKING OF CERTAIN PROJECT IMPROVEMENTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH PROJECT IMPROVEMENTS; LEVYING SPECIAL ASSESSMENTS WITHIN SUCH DISTRICT AND PROVIDING FOR THE METHOD OF FINANCING THE SAME.

WHEREAS, K.S.A. 12-6a26 et. seq. (the “Act”) authorizes the governing body of any city or county to create community improvement districts to finance projects within such defined area of the city or county and to levy a community improvement district sales tax and/or levy special assessments upon property within the district to finance projects; and

WHEREAS, a petition (the “Petition”) was filed with the Unified Government Clerk on July 1, 2015, proposing the creation of the Turner Woods Community Improvement District (“CID”) under the Act with the imposition of a special assessments in order to pay the costs of projects as described in the Petition (the “Project”); and

WHEREAS, the Petition was signed by the required number of owners of record, whether resident or not, as required by the Act; and

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”) intends to create the CID and to levy community improvement district special assessments as requested in the Petition (the “CID Special Assessments”); and

WHEREAS, the Act provides that prior to creating any community improvement district that may include the issuance of full and credit bonds, the governing body shall, by resolution, direct and order a public hearing on the advisability of creating such community improvement district and the construction of such community improvement district projects therein, and to give notice of the hearing by publication at least once each week for two (2) consecutive weeks in the official newspaper and by certified mail to all property owners within the proposed community improvement district, the second publication to be at least seven (7) days prior to the hearing and such certified mail sent at least ten (10) days prior to such hearing; and

WHEREAS, the Board of Commissioners of the Unified Government (the “Governing Body”) adopted Resolution No. R-43-15 on July 23, 2015 (the “Resolution”) directing that a public hearing on the proposed CID within the Unified Government be held on August 13, 2015, declaring its intent to impose a community improvement district sales tax, and requiring that the Unified Government Clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, the Resolution was mailed (by certified mail) to all property owners within the proposed CID on July 28, 2015, and published once each week for two (2) consecutive weeks in The Wyandotte Echo, the official Unified Government newspaper, on July 30 and August 6, 2015; and
WHEREAS, on August 13, 2015, the Governing Body conducted a public hearing on the advisability of the proposed CID; and

WHEREAS, the Governing Body hereby finds and determines it to be advisable to create the CID and set forth the boundaries thereof, authorize the Project relating thereto, approve the estimated costs of the Project and approve the method of financing the same, all in accordance with the provisions of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY:

SECTION 1. Creation of Community Improvement District; Boundaries. That the Governing Body hereby finds and determines that it is advisable to create, in accordance with the provisions of the Act, the CID within the Unified Government to be referred to as the Turner Woods Community Improvement District. A legal description of the boundaries of the proposed CID is set forth on Exhibit A, attached hereto and incorporated by reference herein. A map generally outlining the boundaries of the proposed CID is attached as Exhibit B, attached hereto and incorporated by reference herein.


(a) The general nature of the CID Project is approved as follows:

The development and construction of approximately 1,250,000 square feet of light industrial and manufacturing space on 130 acres of real property generally located south of the intersection of Riverview Avenue and the Turner Diagonal Highway, but north of Speaker Road, all located in Kansas City, Kansas (“Private Project”). The redevelopment shall include the construction of an industrial park, including, but not limited to, light industrial, distribution and manufacturing space, parking lots, internal access roads, site work, signage, streetscapes, and other related infrastructure and improvements, all as may be reimbursable pursuant to the Act.

The CID Project shall also include the replacement of the Riverview Avenue bridge over Turner Diagonal, which replacement may include an at-grade crossing at Turner Diagonal (as opposed to a replacement of the bridge), and a new interchange off of Turner Diagonal (the “Road Project”) in accordance with the Act.

(b) The total estimated total CID Project costs are $69,000,000 plus an additional $10,000,000 for the Road Project and any financing costs which are eligible pursuant to the Act, and any fees or expenses of the Unified Government in connection with the CID Project. Additionally, ongoing costs associated with the operations, maintenance, and upkeep of property located within the boundaries of the CID Project shall be eligible for reimbursement.


(a) The costs of the CID Project will be financed with CID Special Assessments levied pursuant to the provisions of the Act and reimbursed on a pay-as-you-go basis, as defined in the Act.

(b) There will be no CID sales tax.
(c) There will be no issuance of bonds, including full faith and credit bonds pursuant to the Act for the Private Project. The Road Project may be financed with the issuance of bonds, including full faith and credit bonds issued pursuant to the Act.

(d) CID Special Assessments are hereby imposed in the CID on a $1.04 per building square foot basis in accordance with the provisions hereof and the Development Agreement (as hereinafter defined). Accordingly, within the twenty-two (22) year CID lifespan, CID Special Assessments will be imposed on individual buildings and CID Special Assessments will begin on the date each building is issued a certificate of occupancy and will continue for a period of ten (10) years thereafter. Each building’s ten (10) year period will be specific to that building and may cover different years than buildings built at different times. Each building’s CID Special Assessments will last ten (10) years from the date of issuance of the certificate of occupancy and no CID Special Assessments shall be imposed or extended beyond the twenty-two (22) year life of the CID. Notwithstanding the foregoing, if only one building is completed in the CID on which CID Special Assessments have been imposed, then at the end of the ten (10) year period of CID Special Assessments for that building, and at such time, there are no additional buildings on which to impose CID Special Assessments, then CID Special Assessments will continue on that one building at a $0.52 per square foot basis until the earlier of (a) that date when the Road Project costs have been paid for or reimbursed in full, (b) an additional building is completed and issued a certificate of occupancy and CID Special Assessments, or (c) the end of the twenty-two (22) year CID lifespan. The CID Special Assessments for each building will become effective when included in a budget adopted by the Governing Body.

SECTION 5. Approval of Development Agreement. The Development Agreement for Turner Woods Industrial Park between the Unified Government and Northpoint Development, LLC (the “Development Agreement”), in substantially the form presented to and reviewed by the Unified Government at this meeting (a copy of which shall be filed in the official records of the Unified Government) is hereby approved and the officers of the Unified Government are hereby authorized to execute and deliver the Development Agreement such officials’ signatures thereon being conclusive evidence of their approval and the Unified Government’s approval thereof, and to execute and deliver all necessary documents.

SECTION 6. Effective Date. This Ordinance shall take effect and be in force from and after its passage, approval, and publication in the official Unified Government newspaper.

PASSED by the Governing Body of the Unified Government on August 13, 2015 and APPROVED AND SIGNED by the Mayor/CEO.

________________________________________
Mayor/CEO

[SEAL]

ATTEST:

________________________________________
Unified Government Clerk
EXHIBIT A

LEGAL DESCRIPTION OF THE TURNER WOODS
COMMUNITY IMPROVEMENT DISTRICT

The following property located in Wyandotte County, Kansas City, Kansas:

TRACT I
Parcel A:
A tract of land in the Northeast Quarter of Section 15, and the Northeast Quarter of Section 16, all in Township 11, Range 24, in Kansas City, Wyandotte County, Kansas described as follows:

Beginning at a point which is 112.0 feet North of the Southwest corner of the Northwest Quarter of said Section 15, thence North 87 degrees 13 minutes 30 seconds West, parallel with the South line of the Northeast Quarter of said Section 16, 748.43 feet to a point on the Wyandotte Delaware Reserve Line; thence South 0 degrees 04 minutes 30 seconds East and along said Wyandotte Delaware Reserve Line, 20.0 feet to its intersection with the South line of the Northeast Quarter of said Section 16, thence South 87 degrees 13 minutes 30 seconds East and along the South line of said Northeast Quarter of Section 16, 860.43 feet to the southeast corner thereof, thence North 89 degrees 34 minutes 30 seconds East and along the South line of the Northeast Quarter of said Section 15, 2358.24 feet to a point which is 207.0 feet West of the Southeast corner of said Northwest Quarter of Section 16; thence North 0 degrees 21 minutes West parallel with the East line of the Northeast Quarter of said Section 15, 1815.0 feet, thence North 89 degrees 34 minutes 30 seconds East parallel with the South line of said Northeast Quarter of Section 15, 158.38 feet to a point on the Southwesterly right of way line of the Turner Diagonal Right of Way Line; thence Northeasterly and along the Turner Diagonal Right of Way Line on a curve to the right, having a radius of 2418.46 feet, an arc distance of 1194.22 feet to a point, which is 165.40 feet South of and 138.30 feet East of the Northwest corner of the Northeast Quarter of the Northwest Quarter of said Section 15, thence North 77 degrees 10 minutes 30 seconds West and along the Southwesterly right of way line of said Turner Diagonal Right of Way Line, 141.42 feet to a point which is 132.4 feet South of the Northwest corner thereof, thence South 0 degrees 36 minutes 30 seconds East 987.60 feet, thence South 89 degrees 20 minutes West, parallel with the North line of the Northwest Quarter of said Section 16, 1284.75 feet to a point on the center of Mill Creek, point being also, on the South line of Strickland Subdivision, according to the recorded plat thereof; thence Southwesterly along the meanderings of said Mill Creek to a point which is South 37 degrees 29 minutes 50 seconds West, a distance of 250.65 feet from the last described point, thence due South, parallel with the East line of the Northeast Quarter of said Section 16, 1340.0 feet to the point of beginning, less that part taken or used for road purposes.

Parcel B:
The East 60 feet of the following described tract of land:

Beginning at a point on the North line of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of said Section; thence East 870 feet to the Northeast corner of the Northwest Quarter of the Northwest Quarter of said Section 15; thence South 1120 feet; thence West 870 feet; thence North 1120 feet to the point of beginning, except the East 438.72 feet thereof, also except that part taken for road purposes.
TRACT 2:
The East 439.72 feet of the following described real property:

Beginning at a point on the North line of Section 15, Township 11, Range 24; in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of said Section, thence East 870 feet to the Northwest Quarter of the Northwest Quarter of Section 15, thence East 1120 feet; thence West 870 feet, thence North 1120 feet to the Point of Beginning, all in Wyandotte County, Kansas, EXCEPT that part in road, if any.

TRACT 3:
Beginning at a point on the North line of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, 450 feet East of the Northwest corner of the Northwest Quarter of said Section 15, thence East 870 feet, thence South 1120 feet, thence West 870 feet, thence North 1120 feet to Point of Beginning except the East 499.72 feet thereof, less that part taken or used for road purposes.

TRACT 4:
Parcel A:
The East 297 feet of the South Half of the North Half of the following described tract of land:

Beginning at a point 19 and 29/49 poles North at the southwest corner of the Northeast Quarter of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas, thence East 80 poles; thence North 41 and 24-49 poles; thence West 98 poles; thence South 41 and 24/49 poles; thence East 18 poles to the point of beginning.

Parcel B:
The South Half of the North Half of the following described tract of land:

Beginning at a point 19 and 29/49 poles North of the Southwest corner of the Northeast Quarter of Section 15, Township 11, Range 24, in Kansas City, Wyandotte County, Kansas; thence East 80 poles, thence North 41 and 24-49 poles, thence West 98 poles; thence South 41 and 24/49 poles; thence East 18 poles to the point of beginning, except that part taken or used for public road purposes, except the East 297 feet thereof.
Type: Standard
Committee: Economic Development and Finance Committee

Date of Standing Committee Action: 8/10/2015
(If none, please explain):

Proposed for the following Full Commission Meeting Date: 8/27/2015

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>
</thead>
<tbody>
<tr>
<td>7/29/2015</td>
<td>Joe Connor</td>
<td>5030</td>
<td><a href="mailto:jleverich@wycokck.org">jleverich@wycokck.org</a></td>
<td>jl</td>
<td>CAO</td>
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</table>

Item Description:
The County-owned amphitheater, currently titled Cricket Wireless Amphitheater, has been in operation since 1984. New West Presentations has operated the facility since 2008. The facility is in need of major capital improvements to address basic safety issues as well as to enhance the appearance of the grounds and buildings. The renovation project outlines a budget of $865,000 to address the needs of the facility. The Unified Government and the City of Bonner Springs will provide $115,000 in cash to begin the project and the remaining $750,000 is being requested through 10-year PBC financing. The annual financing cost will be paid by New West Presentations and these terms will be included in their agreement. The resolution authorizes the improvements and requests that the Public Building Commission issue revenue bonds for the purpose of paying a portion of the costs.

Action Requested:
Adopt resolution approving the project and request Public Building Commission financing.

Publication Required

Budget Impact: (if applicable)

Amount: $0
Source:
- Included In Budget
- Other (explain) The initial $80,000 cash contribution by the Unified Government will require a budget revision.
EXEMPLARY MINUTES OF A MEETING
OF THE UNITED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS
HELD ON AUGUST __, 2015

The Commission (the “Commission”) of the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”), met in regular session at the Commission Meeting Room at 7:00 P.M. The Mayor/CEO presided and the following members of the Commission were present:

_______________________________________________________________.

The following members were absent: ____________________________________.

* * * * * * * * *

(other matters)

* * * * * * * * *

Thereupon, Commissioner _____________ moved, seconded by Commissioner _____________, that the Commission adopt the following resolution:

A RESOLUTION AUTHORIZING THE IMPROVEMENTS TO CRICKET WIRELESS AMPHITHEATRE INCLUDING REPLACEMENT OF SEATS; ASPHALT REPAIR; PARKING LOT IMPROVEMENTS; CONCRETE REPAIR AND REPLACEMENT; REPAIR AND IMPROVEMENT OF RESTROOMS, CONCESSION AREAS, VIP CLUB, AND BACKSTAGE AREA; INSTALLATION OF IRRIGATION; CONSTRUCTION OF BACKSTAGE PAVILION; FENCING AND GATE IMPROVEMENTS; ELECTRICAL, PLUMBING, LIGHTING, INSULATION AND OTHER IMPROVEMENTS TO THE STAGE; AND OTHER RELATED AND NECESSARY IMPROVEMENTS TO THE AMPHITHEATRE FOR WYANDOTTE COUNTY, KANSAS; AND REQUESTING THE PUBLIC BUILDING COMMISSION OF THE UNITED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS TO ISSUE REVENUE BONDS FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS THEREOF.

The motion was approved and the Resolution was adopted by the following roll call vote:

Aye: ________________________________________________________________.

Nay: ________________________________________________________________.

Thereupon, the Resolution having been adopted by a majority vote of the members of the Commission, was given No. _____________, was directed to be signed by the Mayor/CEO and attested by the Unified Government Clerk; and the Unified Government Clerk was further directed to cause a copy of the Resolution to be delivered to the Secretary of the Public Building Commission of the Unified Government of Wyandotte County/Kansas City, Kansas.
CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Unified Government of Wyandotte County/Kansas City, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(Seal)____________________________________

Unified Government Clerk

County Request Resolution Minutes
RESOLUTION NO. R-___-15

A RESOLUTION AUTHORIZING CERTAIN IMPROVEMENTS TO CRICKET WIRELESS AMPHITHEATRE FOR WYANDOTTE COUNTY, KANSAS; AND REQUESTING THE PUBLIC BUILDING COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS TO ISSUE REVENUE BONDS FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS THEREOF.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas, acting as a county (the “Unified Government” or the “County”) hereby deems it advisable to make improvements to Cricket Wireless Amphitheatre including replacement of seats; asphalt repair; parking lot improvements; concrete repair and replacement; repair and improvement of restrooms, concession areas, VIP Club, and backstage area; installation of irrigation; construction of a backstage pavilion; fencing and gate improvements; electrical, plumbing, lighting, insulation and other improvements to the stage; and other related and necessary improvements to the amphitheatre (the “Project”); and

WHEREAS, the Unified Government under the authority of K.S.A. 12-1757 et seq., as amended by Charter Ordinance No. CO-1-98 and Charter Resolution No. CO-1-98 of the County (jointly the “Act”), has previously created the Public Building Commission of the Unified Government of Wyandotte County/Kansas City, Kansas, a municipal corporation of the State of Kansas (the “PBC”); and

WHEREAS, the PBC has the power and authority under the Act to issue revenue bonds to provide funds for the purpose of paying all or a portion of the costs of the Project; and

WHEREAS, the Unified Government deems it advisable to request that the PBC provide for the financing of the Project.

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

SECTION 1. Authorization of Project. It is hereby deemed and declared to be necessary to authorize the various components of the Project at the estimated design, construction and equipping costs of $865,000.

SECTION 2. Financing of Project. In order to pay the costs of the Project, it is necessary and desirable for the PBC to issue revenue bonds in one or more series in an aggregate principal amount not to exceed $750,000 plus the cost of any related reserves and financing costs (the “PBC Bonds”). It is hereby requested that the PBC issue the PBC Bonds, in accordance with the provisions of the Act and all other laws of the State of Kansas supplemental thereto or amendatory thereof.

SECTION 3. Leases. The Unified Government hereby declares an intent to enter into a lease or lease-purchase agreement with the PBC pursuant to the Act to provide for the source of repayments of the PBC Bonds and other related expenses of the PBC.

SECTION 4. Reimbursement. The Unified Government hereby declares an intent to be reimbursed for expenditures for the Project made on or after the date which is 60 days before the date of this Resolution, from the proceeds of the PBC Bonds described herein, pursuant to Treasury Regulation 1.150-2.

SECTION 5. Effective Date. This resolution shall be effective from and after its adoption.
ADOPTED AND APPROVED by the Commissioners of the Unified Government of Wyandotte County/Kansas City, Kansas, on August __, 2015.

UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY,
KANSAS

(Seal)

Mayor/CEO

ATTEST:

______________________________
Unified Government Clerk

APPROVED AS TO FORM:

______________________________
Chief Counsel
CITY COUNCIL AGENDA
Monday, July 27, 2015

Workshop – 6:30 p.m.

WS-1 Property Maintenance Code Amendments and Governing Body Policy
WS-2 Cricket Wireless Amphitheater Renovation and Financing Proposal
WS-3 Budget Workshop - Final Review

Council Meeting – 7:30 p.m.

1. Citizen Concerns About Items Not on Today’s Agenda. (Copies of written material presented to the City Council also needs to be provided to the City Clerk.)
   CONSENT AGENDA - If a Councilmember has a simple question about an item, it can be asked before the Mayor calls for the vote on the Consent Agenda. An item only needs to be removed from the Consent Agenda if it warrants discussion.

2. Minutes of the July 13, 2015 City Council Meeting

3. Special Budget Workshops Meeting Minutes


REGULAR MEETING AGENDA


7. 2015 Concrete Repair Program Bids

8. 2015 Pavement Preservation Repair Program Bids

9. 2015 Street Program Bids

10. Acceptance of the Westlink Phase II Water and Sanitary Sewer Improvements

11. Ordinance to Establish City Manager Salary & Contract Amendment

12. City Manager’s Report

13. City Council Items

14. Mayor’s Report
AGENDA ITEM: Cricket Wireless Amphitheater Renovation and Financing Proposal

NARRATIVE: The enclosed memorandum discusses the background and financial impact of Cricket Wireless Amphitheater's Renovation and Financing Proposal.
City of Bonner Springs, Kansas
Memorandum

DATE:    July 23, 2015
TO:      Mayor and City Council
THRU:    Jack Helin, City Manager
FROM:    Marcia Harrington, Community and Economic Development Director/Tourism

SUBJECT: Cricket Wireless Amphitheater Renovation and Financing Proposal

Recommendation: The Economic Development Task Force recommends consensus to support the New West Presentations, Inc. proposal and agree to participate in the $15,000 annual fee in lieu of Amusement Tax revenue and that the City participate with a one-time, up-front fee of $30,000, which would be paid from the 2015 Budget with $15,000 from the General Fund budget using unused IT/PIO position funds and $15,000 from the Tourism Budget so long as the UG is willing to participate as well.

Background: Cricket Wireless Amphitheater, formerly known as Sandstone, has been an entertainment attraction in Bonner Springs since the early 1980s. Like any business, it has had its ups and downs with the economy and competition being two major factors. One other major factor is that the facility has not kept pace with necessary upgrades and maintenance to hold onto its competitive edge with other Kansas City metro entertainment venues. Jack Helin attended a meeting of the Unified Government (UG) Development and Finance Committee meeting in December 2014 where they discussed the current condition of the amphitheater and needed renovation work to maintain it as a viable entertainment venue. Renovation work is necessary to attract large touring shows and to compete for top talent and for the basic safety, amenities and ambiance for the audience, which ultimately sells more tickets.

The UG owns the facility and grounds. UG Parks and Recreation provides some maintenance items, such as first $5,000 of repairs, winterizing restrooms, parking lot maintenance and pole lights. Chris Fritz, President of New West Presentations, Inc. (New West) has been the facility operator since 2008 and they are the exclusive manager with respect to the presentation, production, promotion and financing of all events. Their current agreement ends in December 2015. New West pays an annual user fee to the UG, which in 2014 was $85,000.

In October 2014, County Administrator Doug Bach and Assistant County Administrator, Joe Connor, met with Jack and me to discuss needed improvements to the amphitheater. In April 2015, Joe Connor and Chris Fritz met with us to discuss proposed renovation work, cost plan and financing option. Jack and I then met with the Economic Development Task Force (EDTF) to discuss the proposal. Since that time, Chris submitted a new proposal based upon projected and estimated concerts and revenue. Both Joe and Chris will be at the meeting to make a presentation and to discuss the proposal.

Discussion: The latest proposal from New West is attached to this memo. It reflects renovation expenses in the amount of $865,000. New West Presentations (New West) requests an up-front contribution of $115,000 from the UG and City of Bonner Springs (City) with New West borrowing the balance of $750,000 with bonds. The bond payments and interest will be an estimated $92,500 per year as part of a 10-year agreement. New West proposes to make an annual management fee payment to the UG of $50,000 and an annual user fee to Bonner Springs of $15,000. Therefore, their total annual payments would be $157,500. New West proposed payments are based on revenue from 52,500 tickets sold at
$3.00 per ticket. Also, after 52,500 tickets are sold, New West will pay an additional .75 per ticket to the UG and .25 per ticket to the City.

Recap of Cost, Financing and Payment Plan

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<thead>
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<th>Financing Method</th>
<th>Annual Payment Plan</th>
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<tr>
<td>Cricket Wireless Amplitheater Renovation Costs</td>
<td>New West annual bond &amp; interest pmts paid to UG</td>
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<td>New West Annual Mgt Fee paid to UG</td>
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<td>New West Request for UG &amp; City up-front participation</td>
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<td>New West Annual User Fee Paid to City</td>
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<td>Total New West annual pmts to UG &amp; City</td>
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<td>New West bond amount</td>
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<td>After 52,500 tickets, New West pays .75 to UG for every ticket sold</td>
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<td>After 52,500 tickets, New West pays .25 to City for every ticket sold</td>
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The UG anticipates issuing temporary financing this fall and issuing permanent financing in March 2016. The first interest payment would be due February 2017 and a principal and interest payment due in August 2017. The UG is planning on the reduced payments starting with the 2016 season, with both the UG and City on the reduced payment schedule at the same time. Financing for the project is included in the UG’s 2015 Amended and 2016 Budget Proposal, which is scheduled to be finalized on July 30, 2015. Specific project approval by the commission is necessary and will be presented in August 2015. Assuming commission approval, New West plans to begin work after the 2015 season is completed. The UG has not taken any action on this item yet. They are waiting for a decision from us regarding the proposed split contribution of $115,000 and our agreement to the annual $15,000 payment in lieu of the Amusement Tax revenue.

As a side note, we have conveyed that it is important to the City that “Bonner Springs” is listed as the location of the venue on all media, material, etc. New West Presentations is planning on using “Bonner Springs” as the location of their venue on all media, materials, etc.

Financial Impact: The City of Bonner Springs receives sales tax, liquor tax and a .50 per ticket Amusement Tax from the amphitheater. The last five years of revenue from 2010-2014 have totaled $465,430. However, in 2012, the Amusement Tax was not paid to the City, so this is being paid over a 36-month period ending May 2016. We related to the UG that there are still back payments owed the City from a 2013 Memorandum of Agreement (MOA) that we would expect those payments to be completed in accordance with the MOA. The UG has stated that New West is aware of this issue and will address its completion.

The Sales and Amusement Tax revenues are dedicated to the General Fund and three special ¼ cent sales taxes: Emergency Services, Library and Capital Improvement. The Liquor Tax is split evenly between the Special Parks and Recreation Fund, Drug and Alcohol Fund and General Fund. During the last five
years, the annual Amusement Tax payments have averaged $23,450. Therefore, if the City agrees to the annual payment of $15,000 in lieu of the Amusement Tax, we could realize a reduction of approximately $8,450 annually. The distribution of the $15,000 from New West would go directly to us as is the current arrangement for the Amusement Tax. The timing of distribution of the base user fee will be in two installments, on or before August 31st and by December 31st.

The UG states that the current agreement between the UG and New West, which includes Bonner Springs’ conditions, has been sufficient to satisfy both entities. The UG would continue to include the City’s conditions in their new agreement and we would need to concur with the agreement.

If both entities don’t agree to participate in this proposal, New West may make the decision to not renew their contract at the end of this year. Unless the UG can find a new operator quickly, we may be faced with a closed facility with the City receiving $0 in revenue. Or, if New West does decide to renew their contract without the needed renovation work, they may not be able to attract bands that attract larger crowds, thus resulting in a decline in City revenues. In light of this proposal from New West for $865,000 of needed repairs and upgrades, two decisions are necessary:

1. Is the City willing to forego the annual Amusement Tax payments for the life of the bond (10 years) to receive a $15,000 annual fee paid to the City, and

2. Of the $115,000 that New West is asking up front from the UG and City, is the City willing to participate in that amount and how much?

The Economic Development Task Force recommendation is to agree to participate in the $15,000 annual fee in lieu of Amusement Tax revenue and that the City participate with a one-time, up-front fee of $30,000, which would be paid from the 2015 Budget with $15,000 from the General Fund budget using unused IT/PIO position funds and $15,000 from the Tourism Budget so long as the UG is willing to participate as well.
Friday, June 12, 2015

Unified Government of Wyandotte County
Joe Connor
701 N. 7th Street
Suite 945
Kansas City, KS 66101

Dear Joe,

Please see enclosed revised budget for the proposed 2015/2016 Amphitheater Renovation Project. The total we are requesting to borrow has been reduced to $865,000. New West is requesting a contribution of $115,000 from the Unified Government and the City of Bonner Springs, with New West borrowing the balance of $750,000 through the issuance of a bond. Below are our thoughts regarding repayment of this bond:

- The bond payment will be $75,000 per year as part of a 10-year renewed management agreement with an estimated annual interest rate of $17,500.
- New West will pay a management fee of $50,000 per year to the Unified Government and a $15,000 user fee to the City of Bonner Springs, making New West’s total annual liability to the Unified Government and City of Bonner Springs $157,500.
- New West will remit their $3 facility fee for every paid ticket to the Unified Government. At 52,500 paid tickets annually, the bond payment, all management fees, user fees and interest will be paid in full. After 52,500 paid, the deal reverts to $1 for every paid ticket, with .75 per paid ticket going to the Unified Government and .25 per paid ticket going to the City of Bonner Springs.

Thank you,

Chris Fritz
<table>
<thead>
<tr>
<th>Expense</th>
<th>Project</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200,000</td>
<td>Seats</td>
<td>Replace lower seating and VIP boxes, refurbish upper seating. 1,200 regular seats - $130,000; 224 VIP seats - $30,000; refurbishment of 3,156 upper seats - $40,000</td>
</tr>
<tr>
<td>$100,000</td>
<td>Asphalt Repair</td>
<td>Repair entrances, walkways, plazas, employee lot and backstage lot</td>
</tr>
<tr>
<td>$30,000</td>
<td>Sealing</td>
<td>Seal and stripe over all asphalt, Brenner Drive, reserved parking lot, employee lot, backstage</td>
</tr>
<tr>
<td>$120,000</td>
<td>Concrete Work</td>
<td>Repair issues in seating areas and steps, lawn walkways and mixing booth</td>
</tr>
<tr>
<td>$120,000</td>
<td>Concession Stands/Restrooms (exterior)</td>
<td>Replace awnings, counters and windows, paint, add stone and trim</td>
</tr>
<tr>
<td>$35,000</td>
<td>Awnings</td>
<td>Replace all concession and merchandise stand awnings</td>
</tr>
<tr>
<td>$5,000</td>
<td>Landscaping/Irrigation</td>
<td>Install irrigation system near VIP Club and in back corners of lawn</td>
</tr>
<tr>
<td>$30,000</td>
<td>Backstage Pavilion</td>
<td>Create backstage party space for sponsors and artists</td>
</tr>
<tr>
<td>$10,000</td>
<td>Signage &amp; Lighting</td>
<td>Update signage and replace lighting</td>
</tr>
<tr>
<td>$20,000</td>
<td>Fencing/Gates</td>
<td>Repair and stain fencing, repair and replace gates</td>
</tr>
<tr>
<td>$35,000</td>
<td>VIP Club</td>
<td>Reseal floor, paint, replace furniture and update bathrooms</td>
</tr>
<tr>
<td>$30,000</td>
<td>Public Restrooms (interior)</td>
<td>Repair and paint stalls and floors, replace walls and mirrors</td>
</tr>
<tr>
<td>$10,000</td>
<td>Backstage</td>
<td>Replace catering and kitchen floor, paint</td>
</tr>
<tr>
<td>$20,000</td>
<td>GA Pit/Walkway</td>
<td>Repair and epoxy finish in GA Pit; stain walkways near seating areas</td>
</tr>
<tr>
<td>$45,000</td>
<td>Stage</td>
<td>Electrical, plumbing and lighting work, repair insulation and interior walls, paint</td>
</tr>
<tr>
<td>$55,000</td>
<td>Concessions Coolers</td>
<td>Replacement of concessions compressors and eliminate R-22 coolant</td>
</tr>
<tr>
<td><strong>Total: $865,000</strong></td>
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<td></td>
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</table>
**Staff Request for Commission Action**

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

**Date of Standing Committee Action:** 8/10/2015  
(If none, please explain):

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

**Proposed for the following Full Commission Meeting Date:** 8/27/2015  
**Confirmed Date:** 8/27/2015

**Contact Name:** Dave Clark  
**Contact Phone:** 5721  
**Contact Email:** kjmoore@wycokck.org  
**Department / Division:** Public Works

<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>
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<tbody>
<tr>
<td>7/23/2015</td>
<td></td>
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**Item Description:**
The Commission previously passed Resolution R-107-13 authorizing $510,000 in GO debt for the Kaw Point Park Connector Trail CMIP 971-7865. This Project is administered by KDOT and requires a 20% local match. Construction bids exceeded initial estimates requiring an increase in the match. The attached resolution increases the authorized funds to $760,000. This project is included in the proposed 2015 amended CMIP budget.

**Action Requested:**
Adopt resolution.

**Publication Required**

**Budget Impact:** (if applicable)

<table>
<thead>
<tr>
<th>Amount: $</th>
<th>Source:</th>
<th>Consistent with proposed amended 2015 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓</td>
<td>Consistent with proposed amended 2015 budget</td>
</tr>
</tbody>
</table>

☐ Other (explain)

File Attachments:

- File Attachment
- File Attachment
- File Attachment
RESOLUTION NO. ______________

A RESOLUTION AMENDING RESOLUTION NO. R-107-13
AUTHORIZING CERTAIN STREET, SIDEWALK AND
RECREATIONAL FACILITY IMPROVEMENTS, AND PROVIDING
FOR THE MANNER OF PAYING FOR THE SAME.

WHEREAS, the Unified Government is authorized and empowered pursuant to Charter
Ordinance No. CO-03-09 and Article 12, Section 5(a) of the Constitution of the State of Kansas,
to issue general obligation bonds for the purpose of paying for street improvements; and

WHEREAS, on November 21, 2013, the Unified Government adopted Resolution
R-107-13 authorizing the KAW POINT PARK CONNECTOR TRAIL 2013, CMIP 971-7865
improvements, as more fully described therein; and

WHEREAS, it is necessary to amend Resolution No. R-107-13 to increase the estimated
cost of the improvements and the amount of general obligation bonds and/or temporary notes to
be issued for the improvements, as provided herein.

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

Section 1. That Section 2 of Resolution No. R-107-13 is hereby amended to read as
follows:

Section 2. For the purpose of providing funds for the Improvements, all as approved by
the governing body, the Unified Government hereby authorizes the issuance of its general
obligation bonds pursuant to Article 12, Section 5(a) of the Constitution of the State of
Kansas and Charter Ordinance No. CO-03-09, in an amount not in excess of $760,000,
plus capitalized interest and costs of issuance. Temporary Notes of the Unified
Government are hereby authorized to be issued from time to time by resolution in an
amount not to exceed the amount of general obligation bonds herein authorized.

Section 2. The Unified Government expects to make capital expenditures in connection
with the Improvements and intends to reimburse itself for such expenditures with the proceeds of
general obligation bonds and/or temporary notes in an amount not to exceed $760,000, plus
capitalized interest and costs of issuance. Any general obligation bonds and/or temporary notes
issued under the authority of this Resolution may be used to reimburse expenditures made on or
after the date that is 60 days before the date of adoption of this Resolution pursuant to U.S.
Treasury Regulation §1.150-2.
Section 3. Resolution No. R-107-13, as amended by this Resolution, is hereby ratified and confirmed, and shall remain in full force and effect.

Section 4. This Resolution shall take effect and be in full force immediately after its adoption by the governing body.

THIS RESOLUTION WAS PASSED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS _____ DAY OF _________________, 2015, AND APPROVED BY THE MAYOR.

(SEAL)

______________________________
Mayor/CEO

ATTEST:

______________________________
Unified Government Clerk