I. Call to Order / Roll Call

II. Approval of minutes from April 27, 2015.

III. Committee Agenda

Item No. 1 - RESOLUTION: 57TH & STATE REDEVELOPMENT TIF DISTRICT

Synopsis:
Request approval of a resolution setting a public hearing date of August 13, 2015, to consider the 57th & State Redevelopment TIF District, submitted by Charles Brockman, Economic Development. The district is bounded by N. 57th St. and Meadowlark Lane on the east, approximately N. 59th Pl. on the west, State Ave. on the north, south of State Ave. on the south.

*It is requested that this item be fast tracked to the July 9, 2015 full commission meeting.*

Tracking #: 150175
Item No. 2 - ORDINANCE: VACATION VILLAGE PROJECT AREA 4 BONDS

Synopsis:
An ordinance authorizing the issuance of Sales Tax Special Obligation Capital Appreciation Revenue Bonds (Vacation Village Project Area 4, major multi-sport athletic complex project), Series 2015 in an amount not to exceed $66M, submitted by Lew Levin, Chief Financial Officer.

*It is requested that this item be fast tracked to the July 9, 2015 full commission meeting for preparation of the necessary bond sale documents.*

Tracking #: 150176

IV. Adjourn
The meeting of the Economic Development and Finance Standing Committee was held on Monday, April 27, 2015, at 5:55 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 and BPU Board Member David Alvey. Commissioner Murguia was absent. The following officials were also in attendance: Doug Bach, County Administrator; Lew Levin; Chief Financial Officer; George Brajkovic, Director of Economic Development; Reginald Lindsey, Budget Director; and Marlon Goff, Economic Development.

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

Committee Agenda:

Item No. 1 – 150094…REPORT: BUDGET TO ACTUAL FIRST QUARTER REPORT


Lew Levin, Chief Financial Officer, said commissioners, and for Commissioner Walker who is new to this committee, this first item doesn’t require any action. It’s a report we started doing, I believe, mid-year last year. The report really consists of two different reports. The first page lists all governmental funds that comprise our budget and essentially we show our revenues and expenditures year-to-date through the quarter so as of the first quarter that represents three months. If the budget’s tracking proportionally, we would see 25% of the revenues were expenditures. In some cases the actual revenues or expenditures may exceed those amounts depending on the timing of the revenues.
The majority of the reports, a more detailed summary, for the General Fund there are two pages for the Consolidated General Fund that includes the City, County and Parks General Funds and then there are individual reports for each of those specific funds.

If you will turn the page, I’m just going to give you very few brief highlights; the page that is listed as Consolidated General Fund and it indicates Revenues. You see under Property Tax we’ve collected 55% of the budgeted revenues for the General Fund and that’s due to the distribution of the first half property tax payments. You see some lower numbers for BPU PILOT and residential trash fees and we actually receive the payment for the third month of the year the first week of April so the 15% you see for PILOT payments represents only two months.

If we turn the page to Expenditures, some key items to look at are Personnel, the major part of the budget; you see for the General Fund combined it’s a $140M budget and we’ve spent through the first quarter a little under 25% or in this case 23.3%.

The next broad category Contractual Services you see some numbers that are significantly above 25% and that’s really an attribute to on our contracts we will enter into those contracts or we will encumber the funds at the beginning of the year so we may not have spent them, but they are encumbered so they show as an actual expenditure to date.

I think those are the only comments I had. Reginald Lindsey, Budget Director, is here with me and we can respond to any specific questions you may have on these reports.

Commissioner Walker said I want to make sure from what you just said. I note in the jail expenses that you show it’s about $2.3M for external housing farm-outs and that you show $1.5M as an expended. Is that because it is encumbered and has not actually been spent or are we that close before mid-year of busting this budget? Reginald Lindsey, Budget Director, said at the beginning of the year the Sheriff’s Dept. does encumber some of their funds for inmate housing. They haven’t spent the $1.5M yet but they had encumbered a good amount of that. Commissioner Walker said explain to me the advantage of encumbrance rather than just showing the actual expense to date. Mr. Lindsey said when we report these budgets to actuals we report their encumbrances. There is a way we can report just the actuals without the encumbrance but when we do this report we show all the encumbrances. Commissioner Walker said that one is always a worry or has been for me and basically we’re going to have to come up with additional funding at the end. Mr. Lindsey said what that process is it just allows
the department to pay their bills more efficiently throughout the year. Commissioner Walker said correct. I understand. Mr. Lindsey said if they need to release to encumber, that is also possible. Just because we’ve encumbered the money doesn’t mean we have to spend it. Commissioner Walker said I guess I would like to know at some point where we’re at in that expense on medical and on external housing actuals as opposed to encumbered; otherwise, I have no questions.

Chairman McKiernan said as I’ve said before I appreciate you putting this report together. It is very good to see and to have questions like that and have them answered in a timely fashion. Thank you, again, for this report.

**Action:** For information only.

Chairman McKiernan said before we move to the next item I apologize, I forgot about the colored coding of our meeting tonight. I want to make sure that everyone has the two addendums to our original agenda. We had a blue sheet which contained some of the details on Item No. 4 and we have a pink sheet which adds an Item No. 5.

**Item No. 2 – 970146…REPORT: QUARTERLY INVESTMENT & BUDGET REVISION**

**Synopsis:** Quarterly Investment and Budget Revision Report, March 2015, submitted by Lew Levin, Chief Financial Officer.

Lew Levin, Chief Financial Officer, said this report is for information only. It’s a report we prepare on a quarterly basis that provides detail on our current investments. I’ll just turn to the first page of that report and hit a few highlights.

As of the first quarter we had $151M in investments and traditionally it is higher during the first quarter for a couple of reasons. We received the tax revenue distribution in January and so I will say we’re in a stronger financial position and we will spend that money during the course of the year. Also, our major bond and interest financing closed the first week of March this year and so that revenue that we will spend for Capital Projects during the remainder of the year is available for investment. What we try to do is make certain that we have sufficient funds
available and we time the maturity of our investments to make certain we can cover our ongoing expenses so the report lists each institution where we have investments, what our rate of return is we’re allowed under our investment position with the state. We have expanded investment powers and we can invest for up to four years. The longer the investment we have a little higher rate of returns. However, yields have continued to remain low of our current investment portfolio our average yield is 0.77%. To date we’ve earned, through the first quarter, $110,000 in interest earnings.

The next two pages of the report provide a comparison with the prior years. We’ve been in a cycle really since 2008 of earning less money from our interest on investments and it’s just tied to what really the federal reserves constrained the amount of interest paid on investments.

I think that’s essentially it. The last page of the Investment Report shows cash position by fund.

The final page of the report I will turn it over to Reginald to discuss his budget revisions in the first quarter.

Mr. Lindsey said this report is also for information purposes. What we do here with the $10K budget revisions is we allow departments to make revisions throughout the year and if they are over $10,000 the Administrator has to sign off on them and if they are over $50,000 and they are discretionary, the budget revision has to go in front of the commissioners to be approved. If they are over $50,000 and they’re an emergency, the Administrator and the Mayor signs off on them. This quarter we had six budget revisions that were done. Three were in the City General Fund and four of them were within the Police Department. We had one that went in front of the commissioners that was for $250,000 for the stadium and that was for the scoreboard. That went in front of the Commission on January 22nd.

Chairman McKiernan said I do have one request and I hate to bring this up here but I’m looking at it and I’m reminded of it. When this goes to PDF, the gray bar, the Revision Report; either gray bar or green bar, however that’s printed; I get black bars so I can’t actually read so then I have to go find a piece of paper. If we could when we scan to PDF, create it so that it’s in gray scales so it is readable. Mr. Levin said we noticed that this time and going forward we will just have it so it’s all readable.
Action: For information only.

Item No. 3 – 150093…RESOLUTION: INTENT TO ISSUE IRBS FOR NPIF2 KANSAS AVENUE, LLC

Synopsis: Request to conduct a public hearing to consider the UG’s intent to issue $18M of Industrial Revenue Bonds for the NPIF2 Kansas Avenue, LLC project located at 5100 Kansas Avenue, submitted by Marlon Goff, Economic Development Dept. The project consists of two new commercial buildings totaling 369,000 square feet and will result in 50 new jobs. It is requested that this item be fast tracked to the April 30, 2015 commission meeting.

Marlon Goff, Economic Development Dept., said also joining me is Brent Miles with NorthPoint. Before we get started on this item, and this is something that came up actually this morning in our agenda team. We will call your attention to the synopsis on the agenda. It says the project consists of two new commercial buildings. It’s actually an acquisition of two existing commercials so we just wanted to make that point of clarification. Chairman McKiernan said so not new construction, but acquisition of two. Mr. Goff said correct.
Mr. Goff said I will call to your attention this aerial image for the proposed site. Looking south from this vantage point you will see the intersection of Kansas Ave. & South 51st Street illustrated. This corridor along this proposed site you see Burlington Northern Railroad to the south leading into the residential Turner neighborhood section of the city.

This is an additional image kind of zoomed in where you can actually see the current site conditions and in particular the three parcels that will make up this proposed project and the two commercial buildings totaling 369,000 sq. ft. Just for further reference, to the west is the Fleming Company property.
We referenced earlier this is a resolution to use IRB’s to finance the acquisition of this project. The bullet points below kind of gives you a quick snapshot of the project scope. A significant portion of this project is acquisition of both the real property but also some commercial equipment. Brent and his company is still negotiating or at least getting close to finalizing the terms with the new tenant for one of the vacant structures and it’s proposed to deliver approximately 50 new jobs with an average annual salary of around $36K.

The objective that we approached in addition to issuing IRB’s is we negotiated a fixed PILOT structure so in part the previous slide where you saw the three separate parcels they’re acquiring this site from one single owner. We hope to accomplish one fixed payment for the three
combined parcels. A real important note in this structure is that PILOT payment actually represents 100% of the tax payment that we anticipate will result from this new improvement project.

In addition to that it will also feature 1.5% annual escalator which again we feel represents the gradual increase in value over time for a project of this nature. From the municipality and the other taxing entities we feel like this is a good reliable forecast of future revenues. For the developers standpoint it helps them on the pro forma and budget side where they hopefully are not making any payments under protest.

As part of the Kansas law and statute requirements for us to consider the PILOT component we are required to get a third party cost benefit analysis. Typically for taxing entities they’re going to consider an incentive structure. You try to achieve a ratio of 1.3 or greater so as you can see in this illustration all of the taxing entities certainly achieved that benchmark and some relatively healthy return on investments.

Year one of the PILOT is essentially a $42,000 plus increase in what the current valuation is for that combined site.
The action items that we’re seeking to advance is obviously outside of tonight’s presentation. We are required to conduct a public hearing. We’ve already noticed the other taxing entities and met our publication requirements. We’re seeking to fast track this item for public hearing for the April 30th full commission meeting. At that time we will consider adopting a Resolution of Intent to issue the bonds and also the PILOT structure that we’ve outlined.

Brent is here to answer any questions or add anything additional about what you guys are proposing or why you like the site and then we can certainly stand for any questions.

BPU Board Member Alvey said this is just for my education. What is the advantage of shifting from the property tax payment to a collated PILOT? Brent Miles, NorthPoint, said there are a couple of benefits as we see it to us. To give you a little bit of historical before I answer that question, many of the people in this room would know, this is the old Fleming Foods Warehouse. That was a key interest to us. It’s not a coincidence that it’s the old Fleming Foods, there’s existing what I would call freezer cooler infrastructure that has been poured over with concrete so it still exists underneath the floor slates. There is a Glycol System that’s still there and that’s an important factor for us in why we’re buying this building because of the prospect that we have that’s looking at it. We can’t disclose who that is until after closing but all this is contingent.

Why would we increase our taxes, why would we want to fix PILOT as opposed to what we have today? It gives us an amount of certainty so it gives us that ten-year fixed PILOT so we
know what our payments on taxes are for ten years. There’s some, I would somewhat of an erratic nature to the appraisal process and so when we look at an investment we could go to that prospect and say we know your rent for the next ten years so that is already pre-negotiated in their lease, so we know what the taxes are, we know what the annual bumps are in the taxes and we know what we obviously have in a lease rate to them.

You’ll notice the name of the applicant is NPIF2. That’s NorthPoint Industrial Fund so we have a large fund that goes and buys buildings. We own, I don’t know, 5M sq. ft. in that fund and so we’re literally looking at that simply as what is the cost to buy, what is the cost to renovate it, what is the tenant paying in lease and what are we paying in taxes so it’s a fixed amount. We know what it is. We wouldn’t do that without knowing because we’re guaranteeing to that tenant what their taxes and what their rate is for the next ten years.

**BPU Board Member Alvey** asked, Doug, is this a new method for us to encourage development or redevelopment. **Doug Bach, County Administrator**, said actually no it’s not. It’s really consistent with the directives that have been put forth by this board that whenever it’s possible for us to lock in and secure what the taxes will be for a development going forward we should do so. Now we’re not able to so in many cases and a lot of times we are offering an IRB where there is some type of tax break associated with it and probably the ones where you’ve seen more recently on this is like—well another project that NorthPoint did with the apartment complex which was 100%. That enables us to come in, estimate what we think the taxes will be and then we lock that in over a time period so just as it offers them the certainty, it offers us the same certainty and you all aren’t dealing with me coming back telling you well we’re trying to negotiate this with COTA or working taking their attorney’s up to COTA to hire our attorney’s and see who can do the best job convincing them the taxes should be higher or the value should be higher or lower. This allows us to set it up when they are going through their evaluation. We look at out at the property and adjust it to what we think the real world market is. We know what the value of the property is today and then building in some type of a COLA with it I think makes it for a good formula for us to deal with as a community because we know what we’re getting and as a developer they know as well.

**Mr. Miles** said for example, the floor is falling here so we’re going to diamond cut the floor so how would the appraiser view that? We would say it’s a repair. Without this fixed PILOT we would be, like Doug said, we would be at COTA probably saying that’s a repair, a
roof replacement, that’s a repair; that shouldn’t count, it shouldn’t increase the value. In this case we both know this is what our taxes are going to be, you know what we’re getting, we can’t protest, our tenant knows exactly what they’re getting for the next ten years and it’s safe and secure for them and they are a Fortune 100 Company so that is a big commitment from them to say we know what we’re getting because we know what we’re getting.

Mr. Bach said I guess your question was is it new. It’s not new in the sense we’re trying to stay in this directive all the time and we’ve been working that way. It’s tough to get all these done this way.

Commissioner Townsend said you said, Mr. Miles, a Fortune 500 Company is going to move in and occupy both buildings. Mr. Miles said as you can see there’s three parcels. There’s actually two existing tenants there. The Fortune 500, it’s probably 100, and it may even be Fortune 50 would occupy, if you can see on the screen where it says 237319, they are going to be occupying that space. It’s basically the south end facing Kansas Ave. The north end of that building is occupied by Comprehensive Logistics. They are a GM sequencer and then the two parcels over on the, it’s upside down; it’s actually the east; that’s SCI Services. They’re a stone countertop manufacturing so we will absorb those as tenants. They won’t move or anything. The space that the Fortune 50 Company will go in is empty now. There is nobody there.

Commissioner Townsend said without disclosing anything that is confidential, the summary mentions 50 new jobs. Can you say what types of jobs generally speaking? Is it manufacturing, what type jobs? Mr. Miles said its food production. That’s why this building is important to us because it has a Glycol ring and the freezer cooler. What that means is that it has the infrastructure to hook an ammonia system up to, that we can turn it back into a freezer cooler building like Fleming used and those are rare and then our expertise is in freezer cooler space. We actually have two staff members who do freezer cooler space. We’ve done McDonald’s facilities, things like that and so we unearth it and said it’s there, we can use it; we just have to fix it up. The previous tenant that was there didn’t use it at all and so with that this company said they are already in the Kansas City metro area, they’re growing and so we’re going to leave their other facility and grow into this facility. If you had to build that ammonia system from day one, we could not get it in by the holiday rush and that’s an important aspect for them. They have large holiday sales.

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Mr. Bach said just to your point, commissioner, as you were asking about the tenant. Typically we come forward; we talk about who’s coming in filling those locations. In this case we’re not offering an incentive. We’re not throwing anything out there as far as dollars so honoring their need to keep it confidential seems important. As much as the PILOT is good for them, it’s good for us so this is really us working together to put this program together like that and that’s why we didn’t insist that they come forward in a public sitting and say who was going to be out here.

Mr. Miles said another point as to why it’s so quick and why Doug has agreed is we will literally close next week and we will start the work. Our goal is to start work Monday.

Chairman McKiernan said our Request for Action is to approve the setting of the public hearing for the April 30th Commission meeting and forward this to the full commission for consideration for approval at the same April 30th meeting.

Action: Commissioner Alvey made a motion, seconded by Commissioner Walker, to approve setting the public hearing for April 30th and to fast track to the April 30, 2015 Commission meeting. Roll call was taken and there were five “Ayes,” Alvey, Walters, Townsend, Walker, McKiernan.

Item No. 4 – 150095…RESOLUTION: LEGENDS 14 THEATRE

Synopsis: A resolution authorizing the County Administrator to offer the Legends 14 Theatre for sale under the terms of the Theatre Management Agreement, submitted by Marlon Goff, Economic Development Dept. Additional documentation forthcoming. It is requested that this item be fast tracked to the April 30, 2015 commission meeting.

Doug Bach, County Administrator, said today at this meeting it actually marks somewhat of an historic occasion I guess as I would look at this because it probably marks a step toward the end game that we first targeted back in 2001 which in that year is when we made our first announcement of our major projects coming into the Village West area and that being Nebraska Furniture Mart, Cabela’s, RED Development which turned into the Legends Development, Applebee’s and a theatre. Of all those developments that we announced that day the theatre

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changed. We were dealing with a different developer at that time. That didn’t work out and we moved in a direction where the Unified Government became the owner of the theatre and we hired a management company in the name of Phoenix. Of course our governing body at the time didn’t look at this project as being one that we wanted to be the owner of a theatre because that’s something the private sector could do, however; it was one of the highest requests of our community that we come together and find a way to put a movie theatre in a community of 160,000 that did not have one. We were successful in doing so. We have put together a movie theatre that we’ve been proud of, our community has been proud of and our residents have used for a number of years. After it being out there and opened, and Marlon will give a presentation and more details on it, but it opened in 2005 and we’ve operated it now for ten years. Being the owner we have not had to put any General Fund dollars into that theatre. The theatre has operated on its own, it’s covered all its expenses over the years so we’re proud to say it’s not something we put out there where we had to put the funding in place to make it happen, we did not have to fund it from any taxpayer dollars over all the years it’s been out there.

Now we’re in a position where we believe the market exists where we can sell this movie theatre to the private sector which the directive for administration on this has always been to look at this, evaluate any properties we own, and if we could turn it over to the private sector, we do so but there is no motivation for us to ever do so at a loss. We believe we’re at a point now where we can do that.

I would like to turn this over to Marlon Goff who is going to go through and give a presentation on where we’re at with the theatre in a little more detail as we look for a recommendation to move forward with this deal. I will say what we are seeking from you is approval that would essentially give me the authority to go forward and execute the deal that we would have on the table tonight.

Marlon Goff, Economic Development Dept., said I also want to recognize Lew Levin from our Finance staff and Todd LaSala who has been acting as our counsel on our behalf on the negotiating terms of this agreement.

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It is a 129 sq. ft. building, 14 screens, just under 3,000 seats. We also have the VIP lounge in the balcony area and two party rooms that are available for use for birthday parties and such. This is an 8.6 acre site and as you can see in the outline it kind of represents the shared parking concept that we have out at the Legends Theatre. I know myself whenever my family and I go we will probably just park in the garage or depending if we have dinner first, we may be in front of the site but for purposes of analysis this is essentially the parcel that encompasses the Legends Theatre property.
I thought it would make sense, I know Doug kind of illustrated the history of our ownership position so I just want to piggyback off that and highlight some noteworthy milestones and events that has happened over the course of the ten years we’ve been involved.

The Theatre Management Agreement, and this represents the parties involved in the ownership of this theatre, Doug referenced Phoenix acting as our management lessee and then Zimmer and RED Development you know who are involved with the development of the actual mall site.

We opened for business in November 2005. 2012 is a big part of the industries shift in movie theatres. We completed digital upgrades to all the screens and I believe seven of them actually are 3D component. In this past year, actually the fall of last year, as we’re progressing toward this outcome we had a commercial real estate appraisal completed.
This kind of gives us a snapshot of some of the theatre operations. Out of 33 movie houses evaluated on any given month the Legends Theatre’s between six and eight place position. It’s a pretty good performing theatre. For example, last year at this time the position was sixth place compared to seventh place this past one. Looking forward to the summer months which have traditionally been some of the stronger performing periods with the Blockbuster releases we’re hopeful that we will continue along that trend.

Finally, in your packet is included the executive summary and we will make reference to it between Lew, myself and Todd as we finish out the remaining slides of this presentation. It
really kind of illustrates the unique relationships and different triggers that contemplate this ownership structure that we have with the theatre.

The action that we’re going to be seeking tonight is to authorize the County Administrator to make this theatre available for sale and there are some specific provisions that are required in order for that to happen particularly if we aren’t going to make this property available for sale to the existing operator. There’s a termination breakup fee and also RED Development Right of First Offer provision that is also part of the Supplemental Agreement.

With that I’m going to turn this over to Lew. He kind of prepared this slide for us to just give us an idea of what a potential offer might look like.

**Lew Levin, Chief Financial Officer**, said based on our analysis we were looking at selling the theatre for $8.8M. In addition we will have, prior to closing, there is the existing operating accounts that Phoenix Theatre maintains today and our estimate at time of closing, which may not occur for four months, that we will have a projected account balance of $400,000. That number could change depending on really the theatre’s performance during the summer months.

Our Outstanding Obligations, we have two debts. We have the debt on the building which we refinanced last year with Security Bank as our current debt is $6.8M and we have our remaining equipment debt on the digital and 3D upgrade, that Marlon referred to, is $275,000. The current contract, if we do not sale the theatre to Phoenix, there is a $1M termination fee. Our net on property taxes, and that would be at closing, we would have to pay any outstanding
property taxes plus our prorated share of 2015 property taxes and we’re estimating that number at approximately $300,000. We’ve included a contingency line item of $500,000 and that could include any transitional costs that are not yet determined or would give us funds to cover any operating shortfalls that might occur prior to the closing of the theatre. Other closing costs would be specifically related to the closing of the theatre including any title costs or other legal related expenses. Based on these estimates with the sale price and our projected account balances it will cover these expenses and we’re projecting positive revenue to expense of $255,000.

Mr. Goff said this brings us back to the Action Item. This is another project that we’re again requesting to fast track to the April 30th Commission Meeting. The action item is to adopt the resolution authorizing the County Administrator the ability to make the theatre available under the terms of the Supplemental Agreement and execute that purchase contract based on the terms that Lew illustrated in the previous slide.

Mr. Levin said Todd is available to review the Executive Summary and the contract. Todd LaSala, Counsel, said I would just cover a couple of months very quickly. The theatre is a very unique animal in that the Unified Government owns the land, the building, and even the screens and the projectors. We own all of that and so all of that would be included in the sale.
You heard a little bit about the termination of the Phoenix Management Agreement. There is a provision in that agreement that gives you a specific right to terminate them for convenience in a situation just like this if you don’t sell it to them.

As you heard Lew say, there is a million dollar breakup fee that we pay to terminate Phoenix and it takes a very long time to do it. It’s a 120 day notice period. Within that period of time Phoenix has the first 30 days of that window to give us estimates about those transitional costs that Lew talked about and then 45 days after we get those transitional costs from Phoenix the UG can decide to go forward with the termination at the end of the 120 days or to rescind the termination if we decide we want to call that off so that’s the way that provision operates.

Things we are also talking about that you would want in your purchase agreement, if you were to sell, it would be an as is where is sale, you wouldn’t make a lot of representations and warranties. You would give someone a long period of time to come in kick the tires, do their due diligence such that when you closed, they would take it as is.

Finally, I would say a word or two about this Supplemental Agreement that exists. It’s also a unique animal. It was really crafted back in 2004 to deal with the commentary of maintenance expenses that the theatre would be subject to and our relationship with the Legends and RED Development. The UG got kind of the brakes on its CAM expenses with RED so we negotiated this agreement to deal with that reduced CAM that we would pay. We also, in exchange for that, made some arrangements with RED, because this theatre sits right in the middle of the shopping center and so RED was very naturally concerned if we were ever going to change the use of the theatre to something else or sell it to another operator. They wanted to know about that when it happened so within this document there exists a Right of First Offer if we’re going to go out and sale the theatre to a third party other than Phoenix, RED would have an opportunity to come in and make an offer based on the terms and conditions we would identify in which case we would sell that theatre to RED. They have a Right of First Refusal which is even a stronger right if we were to ever change the use to something other than a movie theatre, but that’s not really what’s on the table at this time. It’s anticipated that a theatre that performs like this will stay an operating movie theatre.

That’s just a word or two about what exists in your executive summary but I would be happy to dive deeper or answer any questions.
Commissioner Townsend said the questions I have are predicated on the summary that was in our packet and a few of things I’ve just heard and based on what the Administrator just shared with us. I couldn’t tell from here if we actually have a buyer so without violating the confidence at this point, and I understand the right of First Refusal and who we have to offer it to, do we have a buyer? Mr. Bach said I think our step now is that we will offer the theatre to RED or to KKR the owners of the Legends Shopping Center because they have the Right of First Offer.

Commissioner Townsend said I noticed it seemed as so some of the timeframes were pretty specific so I was just wondering about that. Do we anticipate, and Mr. LaSala talked about that and the Administrator mentioned what having a theatre meant to this community, that we will put any type of, I don’t know if we could legally, restrictions on this or that at least this had to continue as a theatre for a certain amount of time or on certain conditions? Mr. LaSala said you could deed restrict the theatre as such that it stayed a theatre. I don’t think we’ve had a lot of conversation about that but it is possible to do that and frankly the Supplement Agreement will survive such that if the use is going to change, RED would have a hand in that since it sits in the middle of their shopping center. Commissioner Townsend said and that’s not something I thought about until I heard the Administrator’s preamble and what having a first rate theatre meant to the community so if we’re not going to own it anymore, I would hate to see that if it was sold that sometime in the near future it no longer operates that way. I would like to see that at least considered or talked about.

With respect to this termination fee, if Phoenix were the purchaser, the termination fee does not apply? Mr. LaSala said that’s correct. Commissioner Townsend asked what happens if these transaction fees exceed $1M. Was the $1M to offset as it says here some of those transaction fees—Mr. LaSala said those transaction fees would be—if you sold to someone other than Phoenix, the transaction fees would be on top of the $1M, it would be in addition to.

Commissioner Townsend said I think I saw Mr. Levin’s presentation, there was a mention made here that aside from the $1M again, there were property taxes due but Mr. Levin’s presentation took that into account too, right? Property taxes $300,000 so the ending balance would be to the UG at that presumed selling price General Fund; it goes net to the General Fund. Mr. LaSala said correct.

Commissioner Townsend said any additional transactions fees, is that anticipated in the other contingency obligation estimate? Mr. Levin said yes.
Chairman McKiernan said the Request for Action is to approve the resolution authorizing the County Administrator to offer the theatre for sale.

Action: Commissioner Walker made a motion, seconded by Commissioner Townsend, to approve and to fast track to the April 30, 2015 full commission. Roll call was taken and there were five “Ayes,” Alvey, Walters, Townsend, Walker, McKiernan.

Item No. 5 – 150098…PRESENTATION: MULTIFAMILY PROJECT AT SE CORNER OF PARALLEL & VILLAGE WEST PKWY.

Synopsis: A development team comprised of EPC Real Estate, RED Legacy, KKR and Humphries Architects is proposing a unique multifamily project at the SE corner of Parallel and Village West Parkway, submitted by George Brajkovic, Economic Development Director.

Action: For information only.

George Brajkovic, Economic Development Director, said I want to make a couple of quick introductions. Steve Coon is with EPC Real Estate. He is representing the interested developer in this and Wes Grammer, who’s probably familiar with a couple of you, with the RED Legacy representing the ownership, the current property ownership group on this.
I think before we dive into what the proposal is I think we would be remised to maybe not just highlight some of the more recent multi-family activity we’ve had. Really our first project that was in ground and completed was a development firm by the name of Gold Crown. They did about a 280 some odd unit development called Delaware Heights. It’s just a little further west on State Ave. from the area we’re talking about tonight and then of course NorthPoint did the two Village West Apartment Projects Phase One and Phase Two with about 300 units in each of those. Phase One is completed and Phase Two is under construction.

Tonight we have a proposal from EPC to consider and I’m going to butcher the industry’s term for it but I will call it a really cool proposal.

Just to get acquainted with the site itself, on the top of the picture representing north is Parallel and you can see Village West Parkway kind of cuts through diagonally there on the south end. The red arrow then is pointing directly to the site that we’re talking about tonight and it’s approximately a 2.5 acre currently vacant parcel that is just west of the existing parking garage. It’s an older aerial because, again, just south of the red arrow is a Residence Inn that’s under construction and looking good there as well. So a 2.5 acre site currently unused.
This is the conceptual design so the project itself consists of a new three-story garage and then 246 luxury market rate multi-family units above it. This gives you an idea of what the design would look like if you’re at the corner of Parallel & Village West Parkway looking to the southeast.

This is the image from the interior of the project if you were at, let’s say, at Yard House looking back to the northwest. It’s a really interesting product design. Definitely something we’ve not seen and I think we would probably be challenged to find this particular kind of design elsewhere in the metropolitan area.
I should have probably started with this. As far as our presentation tonight I’m going to roll through some of the basics, the site, what the project looks like and I’m actually going to turn it over to Steve and a few slides. Since EPC is a new partner in our community, and maybe some of you aren’t familiar with what they’re doing, I want him to give you a chance and give him a chance to talk to you guys about the type of product they are doing in other parts of the metro.

Again, the project details the development team is Steve is here with EPC, RED Legacy, KKR the current property owner, and Humphreys Architects are the designers. This project between the garage and multi-family is projecting to be at or a little over $50M in total capital investment. Again, a 3-story parking garage and when we get into a later slide talking about the incentives request that I want you to kind of keep in mind is the ratio of public parking spaces in that garage to any spaces that might be dedicated back towards their project. It also does include a bridge that actually connects back over to the existing garage itself. The units themselves, again, about 246 luxury market rate and I think you will see some pictures here from Steve in a minute that suggests continuing the same high quality in the product that we’ve seen out in that corridor. Again, by design only one and two bedroom units in this project.

Steve Coon, EPC Real Estate, said it’s a pleasure to say a few words before you this evening. EPC has been around for 15 years for a local developer. I’ve done a little industrial and multi-family. Since 2008 we’ve done nothing but multi-family and not only multi-family, we’ve done nothing but high density multi-family. We were the first to, since the end of WW2, to build
luxury high density apartments. It’s a new product type that we literally introduced into Overland Park in 2008 and delivered it in 2012. It was a product that existed in other markets Denver, Dallas, Houston, those kinds of markets; but it didn’t exist here and when we came back with the idea the problem we had initially was that our rent was significantly higher than garden style apartments and we said well there is a reason because this is a new way of living. This isn’t typical garden style. This is high density, 4-stories, typically structured parking with heavily amenitized environment; more of an upscale hotel than anything else with four or five elevators and immediate adjacency to a garage.

We opened this project here, Mission Farms, up and got to 100% in about eight months. We achieve the highest rents in the entire metro area. Now with One Light going downtown and some of the other projects you’re seeing almost $2.00 rents but when we started this project we were .20 cents higher than anybody else in the entire city. There is a reason for that and the reason is that we have three criteria that we look for and that is 1) connectivity; 2) proximity; and 3) walkability. The connectivity part is, is it connected to streets, interstate highways, transportation corridors, and streetcars, whatever. Second is proximity. Proximity to jobs is huge and third is walkability; if you can walk to retail, walk to parks, walking/jogging trails; that kind of thing. That’s huge. So if you have the connectivity, the proximity, and the walkability; you’re no longer a suburban walkup garden style apartments; you’re something very different. The reason we like this site in the Legends is because it has all three of those criteria’s. It’s
extremely walkable, you have great pedestrian environment, connection to 31 restaurants I think, entertainment, shopping, the ball field, soccer, race track; I mean it’s as walkable as anything else we’ve seen.

We have a project that we just announced in the Crossroad’s near the train track, a very cool project, very walkable. It’s different but it’s—so we look for the ability to take the elevator down to the curb, take your dog to go for a walk and enjoy it. That in a nutshell is what we look for. We look for a sense of place. Sometimes we have to create the sense of place which is what we had to do here because it was across the street from retail but the project itself had to create a sense of place. I think with the Legends we already have that sense of place and have already been defined and so one of the real benefits of this project and the reason it’s going to be successful is that we’re going to piggyback what’s already there. We’re hoping to take what’s there and make the living experience a very rich experience. It has all the pieces that we look for.

Projects are heavily amenitized. This is a couple of shots of the interior of this particular project and we spend a lot of time on architecture, we spend a lot of time on interior design, colors, branding, and theming. We look for differentiation. Each one of our projects has its own identity. We will be starting our eighth project this year and each one of these eight projects has its own look, feel and identity.
The model units that we show in the lower right-hand corner demonstrates the quality that we put on the inside, nice countertops, granite countertops typically, upscale cabinets, lighting package and so when you walk in it has a condo feel to it. It’s very upscale, very nice. We will have a very similar look. Again, it will be different colors and a different theme but it will be very upscale.

A project we just opened up about a month ago is near the Plaza. It’s 176 units and it’s actually 8-stories in the back and 5-stories in the front. It has 9,500 sq. ft. of retail on the first floor. We’re very excited about it. We were 30% leased before we opened up the door. We’re leasing about five to eight leases per week. Again, that has a different look. That’s an urban look, very different than the Village Mission Farms. We’re very excited about it. The city loves it, the neighborhood. One of the things that we try to do whenever we build a project is make sure that the architecture fits the neighborhood and fits what it’s surrounded by and we spend a lot of time making sure that the neighbors liked it, the city liked it, and it’s been very well received.
A project that we’re working on currently and we’re breaking ground in about actually two weeks; it’s a project in Overland Park which is Avenue 80. This was basically a partnership that we created with the City of Overland. They had adopted what they call a Vision Metcalf which was defined for the Metcalf corridor. We tied this site up and went to the city and said this is what we’re thinking about doing, what do you think, and we had a series of meetings and we came up with a project that matches their vision of what they wanted to see built along the Metcalf corridor. This is very close to the downtown Overland Park area, right across Metcalf in front of it. It has been very successful. We, I guess, kind of specialize teaming up with municipalities and we’re either reorganizing, which is what we’re doing here, or we’re taking basically an urban kind of urban/suburban area. We’re helping to reurbanize the downtown area of Overland Park which is what they wanted to do. So we’re either helping to urbanize or helping to reurbanize and I think with the Legends we’re helping to bring an urban feel in a suburban location which I think is a real opportunity because renters really like the urban environment a lot.
Mr. Brajkovic said so the requested incentive structure, what we’ve been discussing with the development group here is the use of IRBs or just revenue bonds. This is exactly the same model we’ve used for every other multi-family project we’ve done out in the western corridor and one thing we’re proud of is really projecting that zero percent tax abatement. It does offer them, similar to that NorthPoint Industrial Project that you just heard about tonight, a 10-year fixed term with a PILOT. One thing I will suggest is when we first did the first set of projects that I mentioned at the beginning of this presentation, those projects are reaching completion and so unfortunately when we were looking to establish those PILOTS we had to work off perspective values. We engage with a variety of UG Departments and appraisal systems and try to determine what that is. As those projects come on line what we’re seeing with this project is about a 50—a little over 50% increase on the per unit value of these projects. It has a perspective value so what that means for this project is with 246 units we’re looking at a year one PILOT projection, I put $300,000, it’s actually $301,000 and some change. So keep in mind we think that the current value, that 2.5 acres, in annual taxes is about $9,000 so specifically to look at the impact of project like this would be maybe the Piper School District. Of that $9,000 they collect about $3,000. On this project the revenue flow for the school district is about $103,000. Again, that’s fixed PILOT over ten years where we typically either suggest a flat rate or we incorporate things that are important to us like LMW participation and so you can see an escalator or not based on maybe some feedback we get as the negotiations continue.
A little different twist to this is the CID aspect. A lot of the other deals we were doing, the multi-family deals, you just had surface parking and we had garages that were incorporated into the building or covered parking of some nature so suggesting a 3-story parking garage brings in a different sort of cost factor than surface parking for sure.

What the developer has proposed to us is considering a 0.6% sales tax add-on which I wanted to note here would move the total tax rate within the Village West area to just under 10% at 9.975%. I know that in previous discussions that 10% has kind of been the do not cross line. Probably not just for us but in the metropolitan area you will see a lot of incentives structured off sales tax so for us it’s very important to keep it under 10% from staff’s perspective.

The proposed district boundaries, I have a slide after this that kind of shows what they have presented to us as the district. It doesn’t encapture everything in the Village West area. It excludes Sporting, Cabela’s and NFM and we’ve also asked them in their projections to exclude the two UG properties which would be the theatre for now and the Community America Ballpark.

One of the discussions we’re having with the CID is what are the eligible expenses to put under the CID structure and then is there some cap amount that we’re looking at and so I mentioned in the previous slide one of the big discussions is how many parking spaces in that 3-story will be dedicated back towards public parking that benefits Village West and how many of those need to be dedicated specifically for the apartment project. Additionally, are there certain Capital Improvement Projects within the Village West District that aren’t part of any sort of ongoing operations or maintenance that might be eligible for that. Certainly we think of that $50M total capital investment, just looking at the garage, it’s probably somewhere between an $18-$20M cost in and of itself. It’s just something to keep in mind. I think from a staff’s perspective we’ve definitely been sharing our opinion that we think that the CID could be an acceptable use but relegated only towards the public parking component and none of it flowing over towards the private side. We’re certainly open to any comments you guys might have here tonight.

April 27, 2015
With that let me show the proposed or the draft CID District. Again, I think on the left-hand side of the screen is the west end, that’s 110th Street and that kind of flows through the project. You see it cuts out the Community America Ballpark, it also cuts out the theatre complex and then it really stops short of NFM and Sporting there on the south.

That is, again, the proposed district. They are looking for a 0.6% CID sales tax add-on and with this slide that really concludes our comments or our presentation tonight. We will stand for any questions that you might have for Mr. Bach or any of the three of us.

Chairman McKiernan said give me the breakdown again, the garage. How many of the percentage of the spots would be dedicated to the apartments versus dedicated to general parking. Mr. Brajkovic said we’ve had some early discussions with the Planning Department and this is kind of a unique product where there could be a zoning component that doesn’t necessarily require any dedicated parking like if it was a TND project, but we feel just with the general nature and the competitive nature of parking in Village West, which is a good thing, that at least a ratio of one parking space per unit needs to be dedicated back toward the project. I think some of the early designs we’re seeing on the garage suggests 650 spaces total, somewhere in that neighborhood so a handful over 400 going back towards public. Commissioner McKiernan said so several hundred then available for additional customer parking at that corner of the Legends. Mr. Brajkovic said correct.
Chairman McKiernan said my understanding is that we’re opening the discussion on this tonight with the idea we may have discussion tonight but also any commissioners who want further follow-up can do so with you as we continue to just discuss how this project may ultimately come together. Mr. Brajkovic said yes. I think just to add maybe from a timing perspective that as we continue the negotiations or discussions that probably the next natural point here is as it relates to the CID the full commission would have to pass a resolution setting a public hearing date and then the statute is pretty specific about time constraints on how you do that. Ultimately I think we would like to hold a public hearing at a future date on the CID as well as consider it, hopefully, approve a development agreement should we be able to move forward with this project.

Commissioner Walters asked could you explain the logic of excluding the ballpark and the theatre. Mr. Brajkovic said we just feel from a marketing aspect if there was something that as the owners of those two facilities we wanted to do and we could use a tool like a CID to enhance those projects, we would like to reserve the right to be able to do that as where with the 0.6 add-on we’re already kind of pushing that 10% mark and we just feel if it doesn’t damage there pro forma, we would like to exclude those and maintain those rights ourselves.

Commissioner Walker said you mean maintain so that in the future if Community Ballpark needed a CID we would have 0.6% to add-on and do a project out there. Mr. Brajkovic said yes, or 0.5, whatever. We just didn’t want to get into that corner where there was already a 9.975 and then not having the ability to layer something like that in. Again, I don’t think that’s anything we’re planning to do right now but we wanted to reserve that right.

Mr. Bach said I would also add on the Legends Theatre the fact that we’re going out for market now, we didn’t really think we needed to do something that effectively in theatre sales that means that’s an increase in ticket price. Your elasticity for how much you can increase a ticket price goes right in the CID. I obviously know a lot more about the theatre industry than I once ever thought I would but I didn’t want to take any of that away as we go out to market. RED will have an option of buying it and then they can do something with it if they elected to do so. If it goes on to the greater market, then obviously that’s the market we’re going to be able to work with.
Chairman McKiernan said so your request of us is feedback as soon as possible, further questions or other feedback. Mr. Brajkovic said I believe so. I think just looking at some preliminary dates as far as the future meetings go; I mean we have a possibility of maybe coming back before this standing committee as these documents get a little more finalized. I think there is a late May meeting that we might target for the full commission action to start the public hearing process. Chairman McKiernan said it looks wonderful.

Adjourn

Chairman McKiernan adjourned the meeting at 7:05 p.m.
Staff Request for Commission Action

Type: Standard
Committee: Economic Development and Finance Committee

Date of Standing Committee Action: 7/6/2015
(If none, please explain):

Proposed for the following Full Commission Meeting Date: 7/9/2015
Confirmed Date: 7/9/2015

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

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<td>x5733</td>
<td><a href="mailto:cbrockman@wycokck.org">cbrockman@wycokck.org</a></td>
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Item Description:
The Department of Economic Development request the Unified Government Commission hear comments and recommendations for the purpose of considering the establishment of the 57th & State Redevelopment TIF District. The District is generally described as an area bounded by North 57th Street and Meadowlark Lane on the East; Approximately North 59th Place on the West; North of State Avenue on the North; South of State Avenue on the South. The District will consist of one (1) or more redevelopment project areas and generally described as: retail uses and any other commercial structure or use including but not limited to residential, office, non-profit, governmental, community use, structured and surface parking as well as associated infrastructure.

Action Requested:
Forward to the July 9, 2015 Full Commission to approve the Resolution to set a Public Hearing for August 13, 2015.

Publication Required

Publication Date: 8/6/2015

Budget Impact: (if applicable)

Amount: $
Source:
- [ ] Included In Budget
- [✓] Other (explain) Policy action by Commission. More detail required for analysis.
RESOLUTION NO. R-____-15

A RESOLUTION CALLING AND PROVIDING FOR NOTICE OF A
PUBLIC HEARING ON THE ADVISABILITY OF CREATING THE 57th
AND STATE REDEVELOPMENT DISTRICT IN THE UNIFIED
GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
PURSUANT TO K.S.A. 12-1770 ET SEQ.

WHEREAS, K.S.A. 12-1770 et seq., as amended (the “Act”) provides for the creation of
redevelopment districts and the approval of redevelopment plans, and permits the issuance of tax
increment financing bonds in accordance with the terms of the Act; and

WHEREAS, the Board of Commissioners of the Unified Government of Wyandotte
County/Kansas City, Kansas (the “Unified Government”) intends to set a date for a public
hearing for the purpose of considering the establishment of the 57th and State Redevelopment
District (the “Redevelopment District”) in accordance with the Act; and

WHEREAS, the establishment of the proposed Redevelopment District is necessary to
promote the general economic welfare of the Unified Government pursuant to the Act; and

WHEREAS, the Redevelopment District consists of an area described on the attached
Exhibit A and generally delineated on the map attached as Exhibit B, both of which are attached
and made a part of this Resolution, and which is generally described as an area in the Northwest
and Southwest corners of the intersection of 57th Street and State Avenue in Wyandotte County,
Kansas City, Kansas.

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

Section 1. Public Hearing. It is hereby authorized, ordered, and directed that the Board
of Commissioners shall hold a public hearing on August 13, 2015 at 7:00 PM or as soon
thereafter as the matter can be heard in the Commission Chambers, lobby level of the Municipal
Office Building located at 701 North 7th Street, Kansas City, Kansas to hear comments and
consider findings necessary to establish the 57th and State Redevelopment District, pursuant to
the Act.

Section 2. Description and Map. A description and map of the proposed
Redevelopment District is available for public inspection in the Unified Government Clerk’s
office located in Suite 323 on the third floor of the Municipal Office Building from 8:00 am to
5:00 pm, Monday through Friday.

Section 3. Redevelopment District Plan. The Redevelopment District Plan consists
of one (1) or more redevelopment project areas, the names and boundaries of which will be
determined at the time of the Project Plan, and may be described in a general manner as
consisting of some or all of the following uses, without limitation: retail uses and any other
commercial structure or use (including but not limited to residential, office, non-profit, governmental, or community use), and including such associated site work, infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), other associated and appurtenant structures and facilities, and any other items allowable under the Act. A copy of the Redevelopment District Plan is attached hereto as Exhibit C.

Section 4. Findings. The Unified Government is considering findings necessary for the establishment of a redevelopment district pursuant to the Act.

Section 5. Bonds. The Unified Government may, in the discretion of the Unified Government, issue full faith and credit tax increment bonds to assist with the financing of the redevelopment project as described by Redevelopment District Plan.

Section 6. Notices. The Unified Government Clerk is hereby authorized and directed to publish this Resolution once in the official city newspaper not less than one (1) week or more than two (2) weeks preceding August 13, 2015, the date set for the public hearing. The Clerk is authorized and directed to mail a copy of this Resolution via certified mail, return receipt requested to the Unified Government Board of Commissioners; the Kansas City, Kansas Unified School District #500 Board of Education as the school district levying taxes on property within the proposed Redevelopment District; and to each owner and occupant of land within the project areas of the proposed Redevelopment District not more than ten (10) days following the date of the adoption of this Resolution.

Section 7. Further Action. The Mayor/CEO, County Administrator, and other officers, agents, and employees of the Unified Government are hereby further authorized and directed to take such further action as may be appropriate or desirable to accomplish the purpose of this Resolution.

Section 8. Effective Date. This Resolution shall be effective upon its adoption by the Unified Government Board of Commissioners.

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS 9th DAY OF JULY, 2015

UNIFIED GOVERNMENT CLERK

Approved as to form: ____________________
EXHIBIT A
Legal Description of Redevelopment District

A tract of land in the Southwest Quarter of the Southeast Quarter of Section 02, Township 11, Range 24, also a tract of land in the North Half of Section 11, Township 11, Range 24 all in the City of Kansas City, Wyandotte County, Kansas being more particularly described as follows:

Beginning at the Southeast corner of the Southwest Quarter of the Southeast Quarter of said Section 2; thence North 01°59'15" West, along the East line of said Southwest Quarter, a distance of 110.64 feet; thence North 88°00'45" East, a distance of 40.00 feet to a point of the East Right of Way line of 57th street; thence North 01°59'15" West, along said East Right of Way line, a distance of 220.13 feet; thence North 05°43'19" West, continuing along said East Right of Way line, a distance of 196.50 feet; thence South 87°45'19" West, a distance of 684.39 feet; thence North 02°22'49" West, a distance of 137.53 feet; thence South 88°07'37" West, a distance of 391.81 feet; thence South 01°11'54" East, a distance of 344.52 feet; thence South 88°07'37" West, a distance of 325.79 feet to a point on the West Right of Way line of 59th Street; thence South 01°51'49" East, along said West Right of Way line, a distance of 237.23 feet to a point on the North Right of Way line of State Avenue; thence South 87°53'36" West, along the North Right of Way line, a distance of 197.47 feet; thence North 01°06'06" West, continuing along said North Right of Way line, a distance of 65.01 feet; thence South 87°53'36" West, continuing along said North Right of Way line, a distance of 110.05 feet; thence South 01°45'27" East, a distance of 559.19 feet; thence South 88°14'00" West, a distance of 134.81 feet; thence South 01°44'56" East, a distance of 442.33 feet; thence North 88°14'35" East, a distance of 489.23 feet; thence South 01°43'37" East, a distance of 481.12 feet; thence North 88°05'17" East, a distance of 447.36 feet; thence North 01°42'10" West, a distance of 87.71 feet; thence North 83°18'03" East, a distance of 58.40 feet; thence South 40°56'19" East, a distance of 119.80 feet; thence North 87°59'13" East, a distance of 292.68 feet; thence North 01°48'36" West, a distance of 664.86 feet; thence North 87°59'38" East, a distance of 254.41 feet; thence North 01°43'16 West, a distance of 208.09 feet; thence North 87°50'33" East, a distance of 256.18 feet to a point on the East Right of Way line of 57th Street; thence North 00°42'48" East, along said East Right of Way line, a distance of 118.34 feet; thence South 87°38'23" West, a distance of 512.04 feet; thence North 02°49'13" West, a distance of 352.11 feet to a point on the South line of said Southeast Quarter; thence North 88°07'37" East, along said South line, a distance of 461.75 feet to the point of beginning.

Contains 55 acres more or less.
EXHIBIT C

Redevelopment District Plan

The Redevelopment District shall consist of one or more redevelopment project areas, the names and boundaries of which will be determined at the time of the Project Plan. The buildings, facilities, and improvements to be constructed or improved within the Redevelopment District may be described in a general manner as consisting of some or all of the following uses, without limitation: retail uses and any other commercial structure or use (including but not limited to residential, office, non-profit, governmental, or community use), and including such associated site work, infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), other associated and appurtenant structures and facilities, and any other items allowable under K.S.A. 12-1770 et seq.
An ordinance authorizing the Unified Government of Wyandotte County/Kansas City, Kansas to issue its Sales Tax Special Obligation Bonds (Vacation Village Project Area 4, major multi-sport athletic complex project, U.S. Soccer training facility and tournament field complex), Series 2015 in an aggregate principal amount not to exceed $66,000,000 for the purpose of providing funds to finance certain costs relating to the Vacation Village Star Bond project plan; approving the execution of certain documents pertaining to the bond issuance; authorizing the removal of certain property from the Prairie-Delaware Redevelopment project Area B tax increment financing redevelopment plan and authorizing certain other actions in connection with the issuance of the bonds.

Action Requested:
Adopt ordinance and FAST TRACK to the July 9th Commission meeting. This action will allow for preparation of the necessary bond sale documents and facilitate a bond sale and pricing the week of July 27th.

The debt service is paid from future State and local STAR Bond incremental revenues in the VW project area. The EMS, dedicated sales, and transient guest tax 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 CAPITAL APPRECIATION REVENUE BONDS (VACATION VILLAGE PROJECT AREA 4 – MAJOR MULTI-SPORT ATHLETIC COMPLEX PROJECT), SERIES 2015 IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED $66,000,000 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; AUTHORIZING THE REMOVAL OF CERTAIN PROPERTY FROM THE PRAIRIE-DELAWARE REDEVELOPMENT DISTRICT UPON SATISFACTION OF AN EVENT; 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 Unified Government 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 Unified Government 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 of Kansas (the “Secretary”), determined that the Original Redevelopment 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 Unified Government 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 “Amended STAR Bond District Plan”) was filed with the Unified Government Clerk, which Amended STAR Bond District Plan expanded the Original District to add additional property (the “Expanded STAR Bond District”) and divided the Expanded STAR Bond District into five 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 of the Unified Government held a public hearing to consider approval of the Expanded STAR Bond District and adoption of the Amended 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 of the Unified Government approved Ordinance No. O-47-14 that adopted the Amended STAR Bond District Plan, the Project Area 1 Plan, the Project Area 2 Plan, and the Project Area 4 Plan.

WHEREAS, on September 24, 2014 the Secretary determined that the Expanded STAR Bond District was an “eligible area” under the Act, designated Project Areas 1, 2 and 4 as “special bond projects” and approved the issuance of STAR Bonds for such projects; and

WHEREAS, pursuant to the Act, the Unified Government is authorized to issue its Sales Tax Special Obligation Capital Appreciation Revenue Bonds (Vacation Village Project Area 4 – Major Multi-Sport Athletic Complex Project), Series 2015 in the aggregate original principal amount of $66,000,000 (the “Series 2015 Bonds”) under the hereinafter described Bond Indenture, for the purpose of implementing the Project Area 4 Plan by providing funds to (a) finance a portion of the Costs of the
Project (as defined in the Bond Indenture) and (b) pay certain costs related to the issuance of the Series 2015 Bonds; and

WHEREAS, the governing body of the Unified Government 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 Indenture, 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 BOARD OF COMMISSIONERS 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 $66,000,000, the proceeds of which will be used to (a) pay Costs of the Project and (b) 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 Indenture 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 Indenture and Bond Purchase Contract (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 Indenture. 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 Bond Purchase Contract, 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 Indenture 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 Indenture, and the Series 2015 Bonds shall not be deemed to constitute a debt or liability of the State of Kansas, 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 of Kansas 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 Indenture, 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 of Kansas 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”) with such changes therein as shall be approved by the officer or officers of the Unified Government.
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 (the “Bond Indenture”), 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) Bond Purchase Contract dated as of the date stated therein (the “Bond Purchase Contract”), among the Unified Government and the purchasers named therein, relating to the purchase of the Series 2015 Bonds.

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

(d) Unified Government's Continuing Disclosure Agreement dated as of the date stated therein between the Unified Government and Security Bank of Kansas City, Kansas City, Kansas, 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.

Section 3. Approval of Use of Official Statement. The Unified Government hereby approves the use of the Preliminary Official Statement, from which a final Official Statement shall be drafted (collectively, the “Series 2015 Official Statement”), in connection with the sale of the Series 2015 Bonds, in substantially the form presented to the Unified Government, with such changes therein as shall be necessary to provide for the execution of such document by the Unified Government, such officer's signature thereon being conclusive evidence of his approval and the Unified Government's approval thereof; in connection with the sale of the Series 2015 Bonds, in substantially the form presented to the Unified Government, with such changes therein as shall be approved by the officer of the Unified Government executing the Series 2015 Official Statement, such officer's signature thereon being conclusive evidence of his approval and the Unified Government's approval thereof.

The Series 2015 Official Statement 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 Statement 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.

Section 4. 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 Indenture. 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 5. Removal of Property from Prairie-Delaware Redevelopment District. The Unified Government removes from the Prairie-Delaware Redevelopment District the real property legally described on Exhibit A attached hereto and on the map shown as depicted on Exhibit B attached hereto upon the occurrence of the payment and/or defeasance of all outstanding STAR Bonds issued by the Unified Government and payable from the STAR bond revenues generated within Prairie-Delaware Redevelopment Project Area B and described as follows: (1) Taxable Special Obligation Revenue Refunding Bonds (Redevelopment Project Area B) Series 2004, (2) Sales Tax Special Obligation Revenue Refunding Bonds (Redevelopment Project Area B), Subordinate Lien Series 2012 (3) Sales Tax Special Obligation Capital Appreciation Revenue Bonds (Redevelopment Project Area B – Major Multi-Sport Athletic Complex Project), Subordinate Lien Series 2010B and (4) Taxable Sales Tax Special Obligation Capital Appreciation Revenue Bonds (Redevelopment Project Area B – Major Multi-Sport Athletic Complex Project), Subordinate Lien Series 2014.

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 Kansas Secretary of Commerce and the Kansas Secretary of Revenue as required by law, and any agreements with respect to the investment of funds held under the Bond Indenture, 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 Board of Commissioners of the Unified Government of Wyandotte County/Kansas City, Kansas this 9th day of July, 2015.

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

(Seal)

ATTEST:

Unified Government Clerk

Approved as to Form:

Chief Counsel
EXHIBIT A

LEGAL DESCRIPTION OF REMOVED PROPERTY

Village West Property Description:

Part of platted Section 01, Township 11 South, Range 23 East, and Section 02, Township 11 South, Range 23 East, all being in Kansas City, Wyandotte County, Kansas and being more particularly described as follows:

BEGINNING at the point of intersection of the South Right-of-Way line of said Parallel Parkway and the West Right-of-Way line of said Interstate Highway No. 435, as both are now established; thence Southeasterly, along the West Right-of-Way line of said Interstate Highway No. 435, to the point of intersection of the West Right-of-Way line of said Interstate Highway No. 435 and the Northerly Right-of-Way line of State Avenue, as now established; thence Southerly, continuing along the West Right-of-Way line of said Interstate Highway No. 435, to the point of intersection of the West Right-of-Way line of said Interstate Highway No. 435 and the South Right-of-Way line of said State Avenue, to the point of intersection of the South Right-of-Way line of said State Avenue and the Easterly Right-of-Way line of Village West Parkway, as now established; thence Northwesterly to the point of intersection of the Southwesterly Right-of-Way line of said State Avenue and the Westerly Right-of-Way line of said Village West Parkway; thence Northeasterly to the point of intersection of the Northeasterly Right-of-Way line of said State Avenue and the Westerly Right-of-Way line of said Village West Parkway; thence Northwesterly and Westerly, along the Northeasterly and Northerly Right-of-Way line of said State Avenue, to the point of intersection of the Northerly Right-of-Way line of said State Avenue and the East Right-of-Way line of 110th Street, as now established; thence Northerly, along the East Right-of-Way line of said 110th Street, to the point of intersection of the East Right-of-Way line of said 110th Street and the South Right-of-Way line of said Parallel Parkway; thence Easterly, along the South Right-of-Way line of said Parallel Parkway, to the POINT OF BEGINNING.
EXHIBIT B

MAP SHOWING REMOVED PROPERTY