I .  Call to Order / Roll Call

II .  Approval of standing committee minutes from July 6, 2015.

III .  Committee Agenda

Item No. 1 - RESOLUTION: CASH MANAGEMENT & INVESTMENT POLICY

Synopsis:
A resolution adopting the revised Cash Management and Investment Policy, submitted by Lew Levin, Chief Financial Officer.
Tracking #: 150253
Item No. 2 - RESOLUTION: UG MEDICAL CLINIC FINANCING

Synopsis:
A resolution authorizing funding for the UG Medical Clinic to be financed with Public Building Commission Revenue Bonds, submitted by Debbie Jonscher, Finance.

Information forthcoming.
Tracking #: 150254

Item No. 3 - RESOLUTION: SALE OF ADVANCED AUTO PARTS

Synopsis:
A resolution authorizing the execution of a Transfer Acknowledgement and Assumption Agreement for Advanced Auto Parts within Wyandotte Plaza, submitted by George Brajkovic, Economic Development Director.

Information forthcoming.
Tracking #: 150259

Item No. 4 - RESOLUTION: MAINSTREET SKILLED NURSING FACILITY

Synopsis:
A resolution granting consent to the assignment of the base lease and performance agreement from MS Kansas City, LLC to Health Care REIT, Inc., as part of the Mainstreet Skilled Nursing facility, 8900 Parallel Parkway, submitted by Marlon Goff, Economic Development.

Tracking #: 150252

Item No. 5 - PRESENTATION: UG SMALL BUSINESS INCENTIVE PROGRAM

Synopsis:
Presentation on the UG Small Business Incentive Pilot Program, by Charles Brockman, Economic Development.

Tracking #: 150257

IV. Adjourn
The meeting of the Economic Development and Finance Standing Committee was held on Monday, July 6, 2015, at 6:02 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Townsend, Murguia, Walters, BPU Board Member David Alvey; in addition to Commissioners Bynum and Johnson. Commissioner Walker was absent. The following officials were also in attendance: Doug Bach, County Administrator; Gordon Criswell, Assistant County Administrator; Joe Connor, Assistant County Administrator; Melissa Mundt, Assistant County Administrator; Jody Boeding, Chief Counsel; Lew Levin; Chief Financial Officer; George Brajkovic, Director of Economic Development; Jason Banks; Assistant to the Mayor; and Marlon Goff, Economic Development.

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

Approval of standing committee minutes for April 27, 2015. On motion of Commissioner Murguia, seconded by Commissioner Townsend, the minutes were approved. Motion carried unanimously.

Chairman McKiernan said we did get a blue sheet for this agenda. There were originally only two items. Items 3 and 4 have been added.

Committee Agenda:

Item No. 1 – 150175…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.

**George Brajkovic, Director of Economic Development**, said we’ve got Korb Maxwell representing the developer, and Clifford Dale, part of the development team. We’ve got a proposal to consider the creation of a TIF district, not immediately advancing a TIF plan, but we feel, from a staff perspective, there are some unique features of this property. I think as Marlon rolls through the details of the presentation, hopefully those become clear and you’ll see why staff is supporting creating the district and kind of giving a little bit of time lag to the plan, which I know is kind of indirect opposition to what we’ve talked about recently with regard to TIF policy.

**Marlon Goff, Economic Development**, said so the action item as George referenced, is we have before you a resolution to consider setting a public hearing. We’re actually requesting that that action, that resolution, be fast tracked to the July 9th full commission meeting so that we can satisfy the public notice requirements. The hearing would then take place on August 13th.
To kind of help orient us to the site, essentially we’re looking at an area at the intersection of State Ave. and 57th St. where 57th St. actually turns into Meadowlark Lane as you cross over State Ave. We’ve included this illustration to highlight some landmarks to help orient us to the site as well. Here to the west you see the Technical Education Campus, the community college opened a couple of years ago. As you travel down Meadowlark Lane, we have some current development activity both with Escalade Heights, a residential single-family neighborhood, but also the new district stadium for F.L. Schlagle High School and a new bus parking terminal.

Going further as you cross over to Parallel, this is the location of the Schlagle campus and the district headquarters.

Zooming in a little bit closer, again, we can see the outline which essentially represents the legal description for the proposed TIF district.
I would also note some of the recent investments we’ve seen in that corridor. We mentioned the Burke Technical Education Campus and some of the things that are going on with Escalade Heights in residential, but also the federal TIGER Grant. We’ve been enjoying those infrastructure improvements along State Avenue for a couple of years now. We’re certainly excited to see the potential investment that this TIF essentially represents.

Mr. Brajkovic said I just want to point out on the proposed boundary map. First off, all the property within that is privately owned by the same company that’s proposing to create the TIF district. I also wanted to highlight that any opportunity we have within that district to grab existing right-of-way, we wanted to make sure that that was included so that any right-of-way improvements would also ultimately be TIF eligible reimbursement items.
Mr. Goff said so a little bit about the developer, and we’ll certainly allow Korb, you and Mr. Clifford Dale, to chime in on a little bit about your company. They’ve had a presence along the State Avenue corridor since the mid-1980s. Again, this highlights some of the different business activities that have taken place; and as George referenced, their office is just located on that southwestern side of the proposed TIF district.

Korb Maxwell, Polsinelli Firm; 4101 Powell, said Marlon and George did a nice job. The makeup of 4101 Powell is made up by all true Dottes. We have Clifford Dale, Sr., Clifford Dale Jr., Travis Dale, his brother, and then also Tom Irish, who’s their business manager and helps them run all of their various elements of their business. I can turn it over to Cliff and have him explain it a little bit more but they have really carved out on this piece of property a living and improving that area through heavy manufacturing basically, working with trucks, towing and otherwise heavy equipment.

They have outgrown that spot. They are looking and working with WYEDC and others to look for a place to consolidate all of their operations and all of their manufacturing uses somewhere else. They also include and have property in Shawnee just across the border from the Unified Government in Johnson County. They would like to locate all of their operations in one particular spot but it brings up the question of what happens here at 57th & State.

I had the good fortune to meet them and begin to work through it. One of the things, and we don’t have a good picture of, but I think anybody who drives up and down State would know
there is heavy, great change at this location. When you look to their northern piece of property we have 10, 15 feet high, 20 grades to go to the north and as you come off to the south, it’s 10 to 15 feet as it goes low into the creek behind. The question was—and we thought we had a very unique opportunity here with the Dale’s that are in the demolition, the hauling, the wrecking business, all of those things themselves—if I had a regular, normal developer that was coming to this site and they wanted to prepare this area tomorrow and we went out to bid that, there would probably be $5M or more of site work to be able to bring this forward. At $5M of site work and a location of 57th & State, no market based deal is ever going to be able to come and do that.

The good thing we have is that the Dale’s and their business of demolition and site work and otherwise; they can do some of that work over time. They are working through the Planning Commission to be able to do that and bring that ground down to flat on both sides of it and prepare the site. The question is even in doing that and the long-term of years it would take to do that, we’re still at 57th & State. The high likelihood of being able to attract high quality uses that are commencer with the things that we’re doing in this county on at the east side and the west side is that it will likely take economic incentives to do that.

The request of the Commission and staff was can we go forward to create just a TIF district at that time so that the cost that are being spent are at least eligible for reimbursement. That’s not committing you to reimbursement. That will take Council action later through a plan and a development agreement, but basically what it also provides is it gives my client confidence enough to go with that creation of the TIF district and begin spending money tomorrow, as soon as they possibly can to bring down those grades to get this to a usable site.

We thought it was a very efficient use of a time period and a way to go through this process with doing the district now that’s why we bring it forward to the Commission so that we can go get busy on doing that work. Marlon, I answered a heck of a lot more than just about the developer. I figured I’d give a little bit more and happy to answer any questions as the Commission moves forward.
Mr. Goff said t’s a good segway. Before we follow up on many of the points that Korb touched on, here’s a quick overview of what that approval process would look like to establish a TIF district, starting with obviously adopting a resolution to set the public hearing. We also referenced the various numbers of notices and the observation requirements necessary.

To follow-up on a few of the points that Korb made, in spite of the commitment to go ahead and spend some of those predevelopment costs; staff is prepared to support a five-year window where they can research and develop a TIF plan. During such time, we’re not committing to any value of potential TIF incentives. This will be setup or proposed to be setup as a pay-as-you-go TIF.
BPU Board Member Alvey said so as I understand it, this is simply to develop the site to move the rock from the north side, fill in the south side and at that point, you will have a site that could be developed but there are no actual plans in place to develop that. Mr. Maxwell said correct, Commissioner Alvey. Part of what the issue is, is to come forward and bring a TIF plan as we have often done to this Commission, to be able to do that, to go through Zoning, Land Use, Planning, tax increment and financing, all of it when we don’t have a user in hand today. That process is well north of $100,000 to be able to do that and do that appropriately and come with all of the answers that this Commission would want.

We don’t have that done and we don’t have a tenant that we can say, Cliff’s ready to lease a building and get it going, start doing that. You can’t go make that soft cost investment now. Frankly, also, how would I do a development agreement with Doug, George and all of you when I don’t have the parameters of a tenant around you? What I do have is a developer that’s ready to go out tomorrow and do all this site crap and the only thing they ask is for the creation of a TIF district with that.

Again, no promise that you’re ultimately going to approve a TIF plan, approve those costs or approve any reimbursement; just a show of good faith that the UG understands this is an area that’s important to it. This is a place we would like investment and that you all would support them making a very significant investment on this very tough corner to get redeveloped.

Commissioner Townsend said I think you’ve answered some of the questions that I had in terms of what was in the initial plan or how this was made different. I noted that for the properties that began at Meadowlark Lane and go west to 59th and that segment that is at State and north, that’s District 1. So when I hear development, you know my ears perked up but as I understand this, you’re just coming forward right now more with land preparation. Mr. Maxwell said I think that’s a fair statement right now, Commissioner. It’s all in preparation to have a development project and we want to do that and want to bring that to District 1, right now we just don’t have a tenant in place. One of the frankly hard things you have is how do you go show a retail tenant, an office tenant or otherwise where would my building go. Well look 20 feet high. It doesn’t work right now, it doesn’t show well, and it’s not ready for development. We need to go do the hard work to get it there and we think a TIF district helps bring that forward.

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Commissioner Townsend said and the development plan with regard to the preparation, I guess, Mr. Goff, Mr. Brajkovic, this is five years. Mr. Goff said, right. That’s the window we would establish for them to do first of all complete the predevelopment site work, go through their due diligence process of marketing the site and then advancing the plan that we could then evaluate and present for approval or consideration. Commissioner Townsend said within the long-term, I’m sure the Council wouldn’t be able to come back and look at, but that I’d be concerned about any tenant would just be compatible with what’s already there obviously. I’d be in support of it. Mr. Maxwell said, Commissioner, obviously your staff will tell you and I would tell you, nothing that you’re doing with the TIF district sets your hand for later able being able to make those zoning, land use, and planning decisions and or the TIF plan decisions of compatible use and making sure that the neighborhood its appropriate development for that neighborhood.

BPU Board Member Alvey said so I guess I’m wondering where the increment is. I suppose it would be once the lot is redeveloped, regraded, the change in value would be the increment; the increase in value of the site would be the increment. Mr. Brajkovic said that’s correct. Outside of not asking for any bonding on this—and we contemplate this as a pay-as-you-go, really, what you do as you establish a district, you create what the base year is. If we create the district in ‘15, the base values will be established in ‘15.

As then, the second part of the TIF is when they do advance that plan and then under a plan, you can accommodate up to a 20–year period. That’s where we would do an analysis and look at the project and what the projected increment looks like and just have a better idea of what the long-term project is.

Again, from staff perspective, we know that their current site on the south side of State Ave. isn’t really conducive to the type of—they’ve been making it work for a long time and ran a very successful business there, but we know that’s not their long-term home either. We’re working with them to find something in Wyandotte County that they can move that to. In the meantime, if we’re working to improve both the north and south side of State and we don’t have any financial risk in it, that would be the kind of follow-up with my opening remarks why, from a staff standpoint, we’re reviewing this considerably different than how we would normally evaluate a project.
Chairman McKiernan said I guess that leads into what I was thinking. You must have at least some halfway reasonable expectation that this is ultimately a developable site before investing enormous amounts of effort into what might not end up providing reimbursement. Mr. Brajkovic said absolutely. Again, when you look at the proximity to I-70 and the 57th St. exit, there aren’t really any retail services within that stretch, maybe as you start approaching Parallel, you’ll find something, but we do think that there’s some real opportunity there especially there’s a stop light and with all the transit improvements we’ve done in that area; the typography of the ground right now is what’s standing in the way and we’re giving them five years to work on that.

Mr. Maxwell said on that picture, Mr. Chairman, let me—we think it has potential. We think there’s something there. It’s got great traffic counts on it, which is obviously one of the first things that retailers look at. They’re not going to look at it in its current condition. I do think that ultimately it will still take help to get it done down the line but today is just the beginning of and then we’ll have to come back and prove that all there. But yes, we do believe it is worth investing significant private dollars because someday down the line we’re going to be able to develop something here.

Commissioner Bynum asked how many acres have you been able to assemble. Mr. Maxwell said I think our full legal description of it is about 48.5, Commissioner, but that would also include right-of-ways so probably between the two tracts, 40, closer to 40 acres between the south and the north that is all owned by the Dale family.

Commissioner Bynum said I noticed that the little medical building’s carved out. They weren’t interested? Mr. Maxwell said we don’t own it at this time. We wanted to make sure that everything we brought forward here was only something that the Dale family owned and basically we were able to make commitments or pledges of what we would do. Since that’s not our property and our ownership, if you, as a Commission, had interest in putting that in a TIF district, that’s fine but that was not our request given it was not our own property. We do not own it. Commissioner Bynum said I’m sure that our Economic Development folks will help you when you’re ready to relocate your business into another Wyandotte County location.

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We are going to pass a resolution for a public hearing notice. Chairman McKiernan said that’s correct. That’s all we’re being asked to do tonight is to—our resolution tonight will just authorize the setting of a date and the publication of that meeting for a public meeting of August 13th. That’s all we would be approving tonight if we did.

Commissioner Walters said if the owner is essentially self-performing the dirt work and these are ultimately eligible costs, how will they ever be quantified, the cost. Mr. Maxwell said, Mr. Walters, I can try. That was a question that your staff asked as well and that is why you’re making absolutely no commitment on any of those items whatsoever. The normal process that we would go through in any of these is we would do a development agreement, we would come in, we would have full certification of those costs. We would have to bring in invoices, everything like that to go through and make sure it was true and real cost. You bring up the very good point of are those real? The real issue, Commissioner, is we actually think that there will be so many costs over and above just the site work that even if you pulled that out of the equation, it would still be fine.

I guess my bigger point is, that issue remains to be sort of decided but we’re not asking you to rule on it today. We will prove it up to the staff and the Commission that all costs are true and real that go into this TIF just like every other one that we’re involved in.

Mr. Brajkovic said I’ll add to that. We can’t really do a feasibility analysis because we don’t know what the end project is to determine what the increment looks like, but we did ask them to quantify what they thought their site work costs were going to be. If it was an event where the site work was going to be a number, $30M or something that we knew no matter what TIF project we put in, we’d never recoup those costs and so they gave us an estimate just shy of $5M which when we looked at it, it seemed like a reasonable amount to expect from that, the current lay of the ground and moving that much dirt.

Action: Commissioner Murguia made a motion, seconded by Commissioner Townsend, to approve and to fast track to the July 9, 2015 full commission meeting. Roll call was taken and there were seven “Ayes,” Alvey, Walters, Johnson, Murguia, Bynum, Townsend, McKiernan.

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Item No. 2 – 150176...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.

Lew Levin, Chief Financial Officer, said we’re ready to move forward with the financing for the US Soccer facility. I notice we have two commissioners actually who weren’t here when this project was approved last; I guess it was last fall and maybe into the winter months. Anyways, there was a delay in really moving forward with the financing in that was—I guess I would attribute it to the action or the delay in action by the Kansas Legislature to finalize what their state sales tax rate would be in the future. That’s an important part of the bond offering documents since the STAR Bonds are based on a pledge of sales tax revenues. Once the state sales tax was finalized going forward, we’re able to begin to finalize bond documents.

The ordinance before you allows us to proceed with the financing. It sets a maximum amount of $66M for the financing. $64M would be project costs and additional expenses would be attributed to cost of issuance. We actually expect the final amount to be less than the $66M.

The debt service will be paid from future incremental STAR Bond revenues. What we mean by incremental revenues is once we have paid off existing STAR Bonds, which are projected to occur in 2016, we’ll establish what are the base year revenues for the district and the government will receive those base year or the base amount of sales tax revenue. When I say the government, it will be both the state and local governments, city and county.

The additional increment will be pledged towards payoff of the STAR Bonds. There’s no government backing so these are considered, I’ll say, special obligation, meaning the revenue source or the payoff of the bonds is that incremental revenue. If there’s a shortfall in that revenue, that’s a risk to the bondholders.

In addition to the base revenues, we’re not pledging our EMS sales tax or the dedicated sales tax or transient guest tax revenues which are currently pledged to the current Village West

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bonds. We’ll receive not only the base associated with those revenue streams but any incremental growth.

The request before you this evening is to adopt this ordinance that allows for the financing. There is an amendment to the Prairie Delaware Redevelopment Plan that describes this particular area for which the revenues were pledged. We’re asking that this item be fast tracked to Thursday evening’s Commission meeting. The actual pricing, by taking this action, will allow us to finalize bond documents and begin to prepare for the pricing. The pricing is expected to occur either late this month or early August. That’s when the actual sale would occur. We’ll receive a recommendation from our financial advisor on the—we’ll work closely with our bond underwriters and make certain we approve of the actual pricing. This action allows us to proceed.

Doug Bach, County Administrator, said I’ll just add to Mr. Levin’s comments that all the activity that he just described and went through is all in accordance with the development agreement that you all previously approved. This really just takes us through how we do the financing to make that happen and get it done. In a sense we say we’re coming forward, you already approved this, so to speak. This was the financing tool you would anticipate to move forward with but Mr. Levin brings it forward because you have to approve this actual financing tool and he explained how it all works.

Commissioner Walters said I think it’s best if I recuse myself from voting on this matter since my firm is involved in the project.

Commissioner Murguia said so I have a question also along the same lines as Commissioner Walters. I just want to remind Administrator Bach that, unless I’m on the wrong project, Robb Heineman currently serves on my Board of Directors of the Argentine Neighborhood Development Association, which I am employed. I know that we have received an ethics opinion that says I’m fine to vote. I just want to confirm that in public, on television, on the record because I don’t want to read about it later, let me tell you. I’d be glad to vote. I’d be glad not to vote. I want that clear with everyone that’s here. Doug, do you have any comments? Mr. Bach said no. If Ms. Boeding thinks different, but I believe when you have something like that,
since you’re not conflicted, you can state what the relationship is and then proceed to vote. Jody, is that correct? **Jody Boeding, Chief Counsel,** said yes. The possible conflict is disclosed. That is sufficient. I have not seen the Ethics Administrator’s opinion but I take the Commissioner’s word for what it says.

**Commissioner Murguia** said no, so not just my word. I’m going to clarify again, Administrator Bach, did you or did you not submit a request to the administrator for me on my behalf asking for an ethics opinion. **Mr. Bach** said yes, we did talk about that. I think that’s all you have to do is just state what the potential conflict is and then you’re free to vote on it. **Commissioner Murguia** said and we were given—both of us had copies of the ethics opinion that came back saying I was free to vote. I’m only bringing it up because as I said, voting or not voting on this one particular issue, if for some reason makes one of my fellow commissioners uncomfortable beyond the ethics ruling or the legal ruling, they just need to mention that to me and I’ll be glad to abstain moving forward if that’s a problem. Thanks a lot, Doug.

**Action:** BPU Board Member Alvey made a motion, seconded by Commissioner Townsend, to approve and to fast track to the July 9, 2015 full commission meeting. Roll call was taken and there were six “Ayes,” Alvey, Johnson, Murguia, Bynum, Townsend, McKiernan.

(Commissioner Johnson left the meeting at 6:35.)

**Item No. 3 – 150179…RESOLUTION: BONNER SPRINGS NRP NO. 5**

**Synopsis:** A resolution adopting an interlocal agreement with the city of Bonner Springs whereby the UG adopts and consents to the city of Bonner Springs Neighborhood Revitalization Plan No. 5, submitted by Ken Moore, Deputy Counsel. The project consists of two new commercial buildings totaling 369,000 square feet and will result in 50 new jobs.

**Marcia Harrington, Community and Economic Development Director, city of Bonner Springs,** said tonight I’d like to give you a brief overview of the Neighborhood Revitalization
Property Tax Rebate Plan #5 that the city has already adopted by ordinance. Tonight we’re coming to you for an interlocal agreement and resolution approval for adoption of that plan.

The city has had an NRP plan in place since 1997, and we feel like it has been very beneficial for our community. Currently there are 547 properties that have applied for the program. 355 of those are now paying full taxes. 192 currently receive the tax rebate. Since 1997 we have added our appraised value of about $74M to the city of Bonner Springs because of this program.

Tonight you have a comparison summary. I’m just going to touch on proposed Plan #5 because our current two other plans expire August 31st of this year so I’ll just touch on the plan that we’re proposing. The rebate amount for all the categories, that being single-family, duplex, multifamily, commercial and industrial is 75% for five years. I will say that our other two plans averaged out about 66% about five years. This is a little bit better rebate amount.

We also have added a new category that is for Senior Housing Tax Credit Programs. That is a void in our community. I have a lot of people that come up to me and say, Marcia, I need a place for our parents to live and we just don’t have very many choices for them. So we’re starting to get a little interest in our community for that. We’ve added that as a new category. That would be a 50% property tax rebate for 10 years. The 10 years kind of follows in with the tax credit program and that goes for 10 years as well.

The minimum investment for new construction for the single-family, commercial and industrial is $170,000. The minimum investment for construction for multifamily and duplex
units is $200,000. We have added duplexes as part of the rebate program this year too. We’ve never allowed duplex units. It can be either owner-occupied, single-family attached or it can be a rental unit as well.

The minimum investment for rehab for single-family, duplex and multifamily has to increase the appraised value by 5% and for industrial and commercial it has to increase the appraised value by 15%.

One other thing we’ve added this year, we’ve added some new areas to our—as part of the tax rebate area, and I’ll show you that in just a moment on our map, we have added a lot size requirement. The area that we’re adding is large area tracts of land and we’re looking for density in subdivisions. The rebate is only going to be available on lots in platted subdivisions or on platted lots of record not to exceed .5 acre in size.

There’s our rebate map. It’s in blue, the area that we’re proposing, and I will show you kind of our new areas. This area north of Metropolitan, this block area, is a new area here. This area going north of I-70 and over, which has never been in the program, that’s a new area, as well as west of 138th St. in this area here. There are portions that have been in it, the Whispering Woods Subdivision right there, but we’re surrounding that now. Those are the new areas and again, like I said, they’re fairly large tracts of land. We’ve included those because we feel like they’re sewerable areas and wouldn’t be leapfrogging as well. Lake of the Forest is also included as well and has been in the plan since 1997. This plan would become effective September 1st of this year and continue for 5 years through December 31, 2020.
Single-family homes have to be owner-occupied. That has not changed. If an applicant in the program is 90 days delinquent twice during the rebate program, they are automatically taken out of the program. We have had some of those happen; not very many, but we have had those.

Chairman McKiernan said well, I’m certainly a fan of the Neighborhood Revitalization Program or area, however we choose to call it. I do think, as we discussed earlier, it accomplishes what we want which is an increase in property values. That is a little bit now and more later. It ultimately builds up our community both in terms of construction standard and as well as tax base, so I’m certainly a fan. I think it’s a great program. Ms. Harrington said it’s worked very well for our community especially in infill lots and removal of a lot of blight from neighborhoods as well and spurred some new development and rehab of older homes too. That’s been good to keep the property values up.

Commissioner Walters said I’d second everything Marcia said about the viability of the program.

Action: Commissioner Walters made a motion, seconded by Commissioner Murguia, to approve. Roll call was taken and there were six “Ayes,” Alvey, Walters, Murguia, Bynum, Townsend, McKiernan.

Item No. 4 – 150181…RESOLUTION: SET PUBLIC HEARING FOR SVV BONDS

Synopsis: A resolution setting the public hearing date of August 13, 2015, to consider the First Amended STAR Bond District Plan and Project Area 2A Plan (Vacation Village), submitted by George Brajkovic, Economic Development. It is requested that this item be fast tracked to the July 9, 2015 full commission meeting.

George Brajkovic, Economic Development, said I asked a few other folks to join us tonight, probably familiar faces for everyone. To my left, Todd LaSala with Stinson, he’s representing the UG on this transaction or this deal; Curt Petersen with Polsinelli; and Richard Napper with
EPR, representing Schlitterbahn, the ownership group of the property. This should be familiar to some of you.

For any new commissioners that aren’t familiar with the process, I kind of talked a little bit about the TIF earlier where you can start with the district and then you advance a plan. STAR Bonds are basically the same way.

We’ve taken some previous action; I’ll kind of get to that in part of this presentation. I’m going to kind of go through just the physical changes we’re talking about to the location. We’ve got a slide or two, I’ll hand it over to Todd, that talks about what the financial proposed amendments are to the plan. What we’re here for tonight, again, is we’re proposing an amendment to Project Area 2, again, just looking for a resolution to be fast tracked to this Thursday night that sets a public hearing on August 13th to actually consider these changes; however, we did get all the agreement, the document completed so it’s part of your agenda packet for tonight; the resolution, executive summary and the actual amended agreement.
When the Schlitterbahn Vacation Village Star District was originally created, it was all just one large district area. Kind of since that time, we had taken a large area like this and really divided it into project areas under realistic development timelines and, again, it’s because each project area can take advantage of its own 20 year calendar. That was the Parallel to 94th, to the highway to I-435, and then State Avenue on the south side. Then last year what we came back was really two things. One, we amended the original district and then we asked to have it expanded and the elected body approved that.

Again, the previous slide suggest that that property that was originally there is still represented with the middle of this diagram sandwiched between the purple areas. We really split that area and did five areas and then added the Speer Family property, which is to the right of the screen,
and then an overlay back into the Village West district. Mr. Levin kind of talked a little bit about that tonight. Project Area 1 then is that tan shaded or beige shaded area, which represents the existing water park to which Schlitterbahn invested a little over $200M without actually seeing any public dollars float back into the project.

Project Area 2 then is the yellow, which includes 98th Street and then the automall that’s currently underway. Really, that’s kind of the focus of what we’re going to talk about tonight is how we’re amending that yellow area. To mention them, Area 3 is what we kind of call the front 50. There’s a good office project going in there, The Dairy Farmers of America, will take about a 13, 14 acre portion of that site. Then the area in purple represents the US Soccer, so there’s about 40 acres that’s part of Schlitterbahn’s property where the National Training Center is going to go. The Speer property is where the youth tournament fields are going. It kind of leaves about a 50 acre track for development with State Avenue frontage there and then the overlay back into Village West to capture increment. Area 5 is the light blue and that just represents future waterpark development.
When the elected body approved this amended and expanded STAR district, we also approved project plans for Area 1, an amended plan, Area 2 and Area 4. Tonight we’re talking about, again, amending that Project Area 2 which was the yellow area from the previous slide. You’ve got the kind of gray area and the cross hash area. The gray area represents Project Area 2A, a little more detail of it. I’ll let Richard or Curt kind of talk about what comprises this area, but essentially I think it’s about seven parcels, Richard does that sound about right and some of the car dealerships currently have a LOI committed to it.

Area 2B is really kind of for—it’s lagging just a little bit behind in terms of firm commitments for a variety of reasons. Part of it is we’ve got other projects in the immediate area that are still
under construction and being designed. That kind of leads to a little bit of lag time to get some of the parcels that but up against it back in play.

I’m going to go back to 2A. Again, kind of talking about what we’re here for tonight and not to steal any thunder from Todd because he’ll talk about the financial pieces of it. Really, I think what it comes down to from staff’s perspective is there are some very favorable bond market conditions right now and we have a large portion of this project that’s ready to move forward. They ask tonight to consider splitting these and kind of keep in mind as Todd rolls through his portion of it, the financial components related to that. Richard, I went back to this slide. I don’t know—I don’t want to put you on the spot, but if you want to make some comment about the commitments that you have with 2A and why we’re really wanting to advance that now.

Richard Napper, EPR, said thank you for the time this evening. Sorry I was a little late. I was stuck in the weather out there as many of us were. Again, thank you for the time tonight and we’re looking to really take, I guess, the Star Bond District that was approved about a year ago. Our crystal ball was pretty good but not 100% accurate. We’d like to split it into, really 2A and 2B or call it 1A and 1B, really two districts to go to market today with the users we have in tow. A big chunk of the land that we are not ready to take to the bond market yet is actually adjacent to the US Soccer facility.

With where that project stands as it progresses through its development and site planning, we’ll be able to sell, at least develop the retail components next to US Soccer. But given where that project stands today, we are not to a point where we can sell, lease or develop those yet. There are a couple of parcels on the automall that have been in contract, out of contract, currently have activity on them but again, they are not firm committed where we could take them to market today.

All that as the backdrop, the bulk of the automall, of that 60 acres that were previously terrain challenged, that has now been under site development longer than we had anticipated. We never thought we’d have 27 days of straight rain in the month of May and we’re not thankful for the rain this evening. We do have four auto dealers that are either sold or on long-term ground lease that are ready for development, three of the four into the Planning Department at present. The fourth will be in the Planning Department by later this year.

July 6, 2015
We also have a convenience store that also has built into it a restaurant component. It is a 5,000 – 6,000 square foot convenience store. It does have a sizeable restaurant component from a very financially sound operator with multiple units across the Midwest and the southern Midwest. We have a state-of-the art carwash that also has a restaurant component. It may sound a little odd but that was the owner’s dream. He has taken a lot of his net worth and wants to develop this. What I like about the C Store and the carwash, operators today is they can drive out to the site today and they see the vision. They see what we’re doing where many of the C Store and other operators we’ve talked to they read about US Soccer, they read about DFA, they saw everything on the west side of 435, yet they just—and they’ve seen all the work we’re doing but they say is it really going to happen. Are you really going to develop something? The answer is well, we’re moving 100 acres of dirt, yes, we’re going to do something.

The gentlemen that are under contract today, they’re ready to move forward today. They believe in the community, they believe in the area and they believe in the project which makes me very happy. They’re ready to go. We have them under contract. All the way to the south of—it’s lot 3 on the far corner dropping down is Lot 6. Lot 3 is the C Store. Lot 6 is the carwash and then Lot 7 is a hotel. It is a nationally flagged hotel. Again, they are ready to go immediately as well.

Those are the parcels of the original 60 acres that are ready to be developed immediately. The two lots at the very bottom, Lots 8 and 9, are auto lots that have activity but are not ready today. Lot 2 at the very top in the center to your left, that lot has actually been sold to an auto group but they are not ready to build this year. They are ready to build next year. We wanted to take to market what we have ready today.

Mr. Brajkovic said I just noticed that it might be kind of hard to read some of the street identifiers. We’ve got 435 here, Parallel, 98th St. and the famous S curve that goes in here, to kind of get your parameters. With that detail, I’m going to turn it over to Todd and have him kind of roll through the proposed financial amendments.

Todd LaSala, Stinson Leonard Street, said in addition to the geographic division that we just talked about separating the project area into two separate project areas, there are also changes in
the financing. The primary change is the original agreement contemplated one big STAR Bond issuance. The new structure contemplates two.

The original deal called for about $100M STAR Bond issuance. $90M of that single issuance were really for the developer’s eligible costs. It includes some UG costs but then the additional $10M, which would really come more or less after the developer’s $90M, are for some temporary notes that the UG had previously issued to improve 98th St. as well as the cost of improving that S curve. By virtue of the DFA transaction happening, the UG took on the S curve cost but the combination of those 98th St. improvements and the S curve is about $10M, again, one single STAR Bond issuance.

We are now contemplating that there will be two separate and distinct STAR Bond issuances. The first of which would yield approximately $78M worth of STAR Bonds and there would be two series. Series A would be about $65M and it would include really the developer’s costs. Again, there are some UG costs embedded in there that the developer is going to reimburse us for, but the first $65M in Series A are really developer’s costs. Series B, which would be a subordinate series would yield approximately $10M. That is for the 98th Street cost and the UG’s S curve cost. All of that would be issued up front in the first issuance. It is contemplated that sometime later, the developer would come back in as development progresses and we would go out and issue the rest of the bonds that were originally contemplated.

The overall size of the STAR Bond issuance is not intended to grow here. It’s still capped at about $90M worth of developer costs and the UG’s $10M for the UG’s S curve and
98th St. Importantly, when we go out to do this second bond issuance down the road, the UG’s $10M in Series B, those bonds would be redeemed first because importantly when we issue those bonds in Series A, that $10M or when we issue those Series B bonds, they are backed by UG appropriation. It’s important to us that when we get to a second bond issuance, those bonds need to be redeemed first and the UG’s money is taken out at that point.

It’s a big picture, George. Those are the key components. There are other points we’ve highlighted in your executive summary, some other changes that are occurring within the development agreement including the timing for this. We kind of moved it from a September 1st issuance to probably somewhere as of November 1st. There were some holdbacks upon STAR Bonds; we’ve modified those a little bit. The holdbacks were largely about whether DFA or US Soccer would come, actually it was whether one of those two projects would come. It turns out we’re going to get both. We have modified the holdbacks a little bit. We’re happy to talk about that in detail.

We have also made some changes about the St. Patrick’s Church improvements that the developer has agreed to do. We are modifying those dates a little bit. The developer is agreeing that they’re going to close one of those entrance drives that are an issue for St. Patrick’s by December 1, 2015. Richard touched on the carwash issues. We’re happy to dive deeper into any of that, the big picture. Those are the changes.

**Mr. Brajkovic** said well, that’s the extent of the presentation we prepared. We’re open for questions or comments.

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

Adjourn

**Chairman McKiernan** adjourned the meeting at 6:56 p.m.
Staff Request for Commission Action

Type: Standard
Committee: Economic Development and Finance Committee

Date of Standing Committee Action: 9/10/2015

Proposed for the following Full Commission Meeting Date: 9/17/2015

Confirmed Date: 9/17/2015

Date: 9/1/2015
Contact Name: Lew Levin
Contact Phone: x-5186
Contact Email: llevin@wycokck.org
Ref: Finance

Item Description:
The State of Kansas has granted the Unified Government with Expanded Investment Authority allowing the government to invest funds for up to a 4-year period. On an annual basis, the governing body is required to review and adopt its Cash Management and Investment Policy.

The government's Cash Management Committee has reviewed the current policy and recommends one change regarding qualifications of the Cash Manager. Specific training, within one-year of appointment, is required, if the "Cash Manager does not possess the requisite investment experience". Page 4 - Section 8 (C)

Action Requested:
Adopt Cash Management and Investment Policy.

Publication Required: ☐

Budget Impact: (if applicable)
Amount: $  
Source:  
☐ Included In Budget  
☐ Other (explain)

Positively impacts interest earnings.

File Attachment

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

That the Board of Commissioners hereby adopts the attached Cash Management and Investment Policy dated September 24, 2015, which revises and supersedes the previous policy adopted September 25, 2014.

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

THIS 24TH DAY OF SEPTEMBER.

______________________________
Unified Government Clerk
UNIFIED GOVERNMENT
OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS

CASH MANAGEMENT AND INVESTMENT POLICY

Revised and Adopted

September 25, 2014
September 24, 2015
Section 1. General Purpose Statement

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

Section 2. Legal Authority

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

Section 3. Policy Statement

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

Section 4. Scope

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

This Cash Management and Investment Policy applies to the Unified Government’s cash management and investment activities, except for the debt service funds, reserve funds, and other financial assets held by various fiscal agents and trustees as provided under various bond ordinances and which are not under the direct control of the Director of Revenue.

Section 5. Adoption and Annual Review

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

Section 6. Cash Management Committee; Delegation of Authority

A Cash Management Committee shall be established. The Cash Management Committee (CMC) shall consist of the Unified Government’s Chief Financial Officer, the Clerk, the Director of Revenue/Treasurer, the Chief Counsel or designee, the Legislative Auditor or designee as a non-voting member, and one non-voting member from the financial advisor of the Unified Government. The Chief Financial Officer shall serve as the Chairperson of the CMC.
Responsibility for the operation of the investment program is delegated to the CMC which shall establish procedures and internal controls for the operation of the investment program consistent with this Policy.

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

Section 7. Investment Procedures

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

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

Section 8. Staff Qualifications

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

B. Duties of the Cash Manager position include the following:

1. Management of the short-term and long-term investment portfolios in accordance with K.S.A. 12-1675 and 12-1677b and amendments thereto, with any other applicable statutes or ordinances or resolutions, and with this Cash Management and Investment Policy and the Cash Management and Investment Procedures and amendments thereto;

2. Tracking investment transactions; ensuring accuracy and security of investments, monitoring record keeping of investments;

3. Performing inspections on safekeeping receipts held as collateral to cover investments; alerting banks regarding insufficient collateral;

4. Prepare cash flow forecasts;

5. Generate investment performance statistics and activity reports; and

6. Other duties as assigned by the Chief Financial Officer or the Director of Revenue/Treasurer.

C. Specific qualifications include a bachelor’s degree in Finance, Accounting, Economics, Business, or Public Administration and two years of progressively responsible investing or accounting experience, or any equivalent combination of education and experience sufficient to successfully perform the essential duties of the job. If the individual appointed to the Cash Manager position does not possess the requisite investment experience, the individual will attend government investment training approved by the Chief Financial Officer within one year of appointment.
Section 9. Investment Advisor

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

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

Section 10. Standards of Care

A. Prudence

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

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

B. Ethics and Conflict of Interest

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

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

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

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

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

Section 11. Objectives

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

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

1. Credit Risk

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

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

2. Interest Rate Risk

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

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

1. **In General**

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

2. **By Institution**

   Investments will be diversified so that reliance on any one issuer or financial institution will not place an undue financial burden on the Unified Government in the event of default. Accordingly, no more than 60% of the total investment portfolio in a given 12-month maturity period shall be with the same institution, unless it would be prudent to do so under prevailing circumstances. If the above limit is exceeded, the Chief Financial Officer will notify the CMC.

3. **By Instrument Type**

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

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

Because of distortion created by deposit of proceeds from the sale of temporary notes issued by the Unified Government, measurement of the maximum limits on investments by institution and by instrument type for purposes of this subsection 10.B. shall occur at least one week after the deposit of such proceeds.

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

C. **Liquidity.**

1. The Unified Government’s investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated without incurring material losses by structuring the portfolio so that securities mature concurrent with anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.
2. The Unified Government understands the importance of having sufficient funds invested in overnight sweep accounts to meet weekly payrolls, accounts payable, scheduled debt service, and extraordinary expenses that may occur, which may range from 3% to 10% of available investment funds.

3. It is important for a county government to have the necessary funds for the scheduled tax distributions to other governmental entities. In particular, liquidity is essential for the January and June tax distributions. Therefore it is critical to time the maturity of investments to meet this requirement.

D. **Maturity.**

1. All investments shall be made to mature in accordance with cash needs identified in regularly prepared and updated cash flow forecasts. The Unified Government recognizes that the laddering of investments is a sound approach to mitigate short-term interest rate fluctuations. Additional considerations in the structuring of investments shall include:
   a. Review of economic and financial indicators, such as Federal Reserve monetary policy position statements and the U.S. Treasury yield curve; and
   b. Input from the Unified Government’s financial advisor.

2. The Unified Government has adopted the following maturity target ranges for its core investment portfolio. Core investments exclude the investment of bond proceeds and the health care reserve funds.

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

   Notwithstanding the above maturity target ranges, cash flow requirements and existing interest rate markets may dictate the need to adjust the timing of investment maturities.

3. Extending the maturities in the investment portfolio is subject foremost to the cash flow requirements of the Unified Government. To extend the maturity of an investment for an additional 12-month period a minimum gain in investment earnings of 10 basis points is required.

4. The sale of securities before maturity shall require the prior approval of the Chief Financial Officer based on the following reasons:
   a. A security with declining credit may be sold early to minimize loss of principal.
   b. Liquidity needs require a security to be sold.
   c. It is advantageous to the portfolio to sell such securities.
   d. Financial failure of the issuer is likely.

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

E. **Return on Investment.** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the UG’s investment risk constraints, state statutes, cash flow characteristics of the portfolio, and prudent investment principles.
As a benchmark for risk-free investment transactions, the three-month constant maturity U.S. Treasury bill rate will be the minimum standard for the portfolio’s rate of return. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

Section 12. Performance Evaluation and Reporting

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

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

Section 13: Eligible Financial Institutions

A. Minimum Qualifications

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

2. Financial institutions must meet the following minimum qualifications:
   a. The deposits of the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC).
   b. The financial institution meets the criteria for eligibility under state law for active or idle funds as appropriate.

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

B. Depositories for Active Funds

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

2. Selection Criteria. In addition to the required criteria listed above, the Unified Government may also consider the following when selecting an institution as a depository for active funds:
   a. Full service capabilities
   b. Submission of financial statements and availability schedules
   c. Acceptable staff experience
Cash Management and Investment Policy

d. Statement of equal opportunity employment practices

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

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

C. **Idle Funds**

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

   a. Qualified financial institutions which meet the minimum requirements contained in this section 12 and the criteria for eligibility under state law; or

   b. Qualified primary government security dealers and broker/dealers as set out below.

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

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

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

4. **Primary Government Securities Dealers and Broker/Dealers.**

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

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

   All broker/dealers who wish to become qualified for investment transactions must supply to the Chief Financial Officer on an annual basis the following items as appropriate:
a. A copy of the most recent audited annual financial statement;
b. If requested by the Unified Government, a copy of the most recent, unaudited annual financial statement;
c. Proof of National Association of Securities Dealers (NASD) certification;
d. Proof of state registration with the Kansas Securities Commission;
e. Completed broker/dealer questionnaire (non-primary dealers only);
f. Business resume of individual assigned to UG account; and
g. Notice of any regulatory action taken against the broker/dealer.

5. Safekeeping and Custody.

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

Section 14. Authorized Investments

A. Idle Funds

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

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

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

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

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

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

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

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

**B. Local Emphasis**

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

2. Notwithstanding any other requirements of this Policy, the Unified Government will offer $95,000 to every financial institution with a main or branch office located in Wyandotte County. If such financial institutions will make the investment at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, the Unified Government will make such investment for a term selected by the Unified Government.

**C. Investment of Bond Proceeds**

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

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

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

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

4. Temporary notes issued by the Unified Government.

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

Cash Management and Investment Policy

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

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

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

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

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

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

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

D. Arbitrage

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

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

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

Section 15. Collateral Requirements

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

B. **Initial Placement.** Moneys to be deposited in financial institutions shall not be released until the financial institution has executed and adopted a security agreement and required custodial agreements. Alternatively, moneys may be invested in financial institutions in the form of a repurchase agreement where the Unified Government takes delivery of the underlying securities.

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

1. Except as otherwise set out in this subsection C.1., the financial institution may pledge or assign securities owned directly or indirectly by it, the market value of which is equal to 105% of the total deposits at any given time. The following are allowable securities:
   a. Direct obligations of or obligations that are insured as to principal and interest by, the United States or any agency thereof.
   b. Obligations including letters of credit and securities of United States-sponsored corporations which under federal law may be accepted as security for public funds, subject to the following restrictions:
      (1) The letter of credit must be in the format acceptable to the Director of Revenue.
      (2) The Unified Government must be designated as the irrevocable and unconditional beneficiary of the letter of credit.
      (3) The issuer and the depository bank must notify the Director of Revenue by certified or registered mail at least 45 days prior to the cancellation or the non-renewal of a letter of credit.
      (4) The issuer may not provide letters of credit for any one depository bank in an amount which exceeds ten percent of the issuer's capital and surplus.
      (5) If a letter of credit issued by the Federal Home Loan Bank is to be pledged as collateral, the amount of the letter of credit shall be equal to 100% of the deposits to be collateralized plus the interest expected to be received by the Unified Government upon maturity of the investment.

2. The following securities may be used as collateral only if the financial institution pledges or assigns them in an amount, the market value of which is equal to 125% of the Unified Government deposits. Not more than 5% of the Unified Government’s total idle funds portfolio may be collateralized by the following securities.
   a. Bonds of any Kansas municipality which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or
Cash Management and Investment Policy

obligations the principal of and the interest on which are unconditionally guaranteed by the United States.

b. Bonds of the State of Kansas.

c. General obligation bonds of any Kansas municipality.

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

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

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

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

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

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

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

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

E. Collateral Substitution. Collateralized investments often require substitution of collateral. Any financial institution requesting substitution must contact the Chief Financial Officer and receive written approval of any collateral substitution. Substitution of collateral shall be required whenever, in the opinion of the Unified Government Chief Financial Officer, the collateral no longer satisfies or complies with the security requirements established under this Policy. Immediate written notice shall be given to the financial institution when the Chief Financial Officer makes such determination.

F. Valuation of Collateral. For purposes of compliance with this section all collateral shall be priced on a market value basis. Collateral requirement is defined as the outstanding amount of UG funds deposited plus accrued interest thereon less federal deposit insurance coverage.

G. Collateral Compliance Report. Each financial institution with Unified Government deposits shall submit monthly to the Chief Financial Officer, or more frequently if requested, a report documenting the institution’s compliance with the collateral requirements of this Policy.
H. **Custodial Agreement.** Each depository bank depositing securities with a custodial bank shall enter into a written custodial agreement with the custodial bank and the Unified Government for the safekeeping of the securities.

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

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

2. Convert the deposit to a repurchase agreement under terms acceptable to the Unified Government.
Resolution authorizing funding for the Unified Government Medical Clinic to be financed with Public Building Commission Revenue bonds. Funding will cover property acquisition, site work, building improvements, equipment, furniture and technology improvements. We expect to finance the bonds for 10 years, with the lease payments split between the City (62%) and the County (38%).

Action Requested:
Approve Resolution

Publication Required

Budget Impact:
Amount: $1,700,000
Source:
- Included In Budget
- Other (explain)
As approved by Ordinance O-30-12 on May 17, 2012, the UG had committed to back $9.5M of initial bonds so that the Wyandotte Plaza project could be constructed and attract new tenants. It was expected that the $28M redevelopment would take 2-3 years for construction, new tenant leases, and new tenant performance to reach a level where the Developer could move to permanent financing, and issue new bonds which would take out the UG backed bonds. As a provision of the Development Agreement, while the project was still under the initial financing, the UG has approval rights for the transfer or sale of any portion of the project by RED.

In June 2015, RED notified UG staff and counsel of their intent to sell all or part of the Center. Specifically, the sale of the Advanced Auto Parts was asked to be expedited because of a pending closing date. However, due diligence regarding the prospective buyer required time which RED did not fully allot for. Staff is now presenting the Transfer and Acknowledgement and Assumption Agreement for consideration, however RED notified staff that they completed the transfer prior to our consent because of timing issues.

Action Requested:
Adopt Resolution authorizing the County Administrator to execute the Transfer Acknowledgement and Assumption Agreement for the Advanced Auto parts within Wyandotte Plaza.

Budget Impact: (if applicable)

Amount: $
Source:
  □ Included In Budget
  □ Other (explain)
RESOLUTION NO. ______________________

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (“Unified Government”) and Legacy Wyandotte, LLC (“Developer”) previously entered into the Wyandotte Plaza Redevelopment Agreement dated July 27, 2012, as amended by the First Amendment to Wyandotte Plaza Redevelopment Agreement dated November 21, 2013 (collectively, “Redevelopment Agreement”) concerning redevelopment of certain real property generally located on the northeast corner of 78th Street and State Avenue in Kansas City, Kansas 66112 (“Project Site”).

WHEREAS, Section 7.9 of the Redevelopment Agreement provides for assignment of the Developer’s obligations, covenants, and agreements under the Redevelopment Agreement to third parties, subject to the consent of the Unified Government.

WHEREAS, Developer desires to transfer and sell a portion of the Project Site to Hammar, Inc. (“Transferee”), which portion is more specifically described in Exhibit A attached hereto (“Transferee Property”), and in accordance with this sale, Developer desires to assign certain obligations, covenants, and agreements in the Redevelopment Agreement to Transferee in accordance with Section 7.9 of the Redevelopment Agreement.

WHEREAS, the Unified Government consents to the sale of the Transferee Property to Transferee subject to the terms and conditions of the Transferee Acknowledgement and Assumption Agreement (Wyandotte Plaza).

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

That the County Administrator of the Unified Government is hereby authorized and directed to execute in the name of the Unified Government as the voluntary act of the Unified Government the Transferee Acknowledgement and Assumption Agreement (Wyandotte Plaza) by and between Developer and the Unified Government, and all other documents and agreements contemplated by this document in substantially the form presented to and reviewed by the Board of Commissioners on September 24, 2015, with such changes therein as shall be approved by the officers of the Unified Government executing these documents, such officers’ signature thereon being conclusive evidence thereof.
ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT THIS 24\textsuperscript{th} DAY OF SEPTEMBER 2015.

____________________________________
Unified Government Clerk

Approved as to Form:

______________________________
Unified Government Counsel
TRANSFEREE ACKNOWLEDGEMENT AND ASSUMPTION AGREEMENT  
(WYANDOTTE PLAZA)

THIS TRANSFEREE ACKNOWLEDGEMENT, ASSUMPTION AND ESTOPPEL AGREEMENT (this “Assumption”), is made and entered into this ____ day of ___________, 2015 (the “Effective Date”) between and among the UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS UG, KANSAS (the “UG”), LEGACY WYANDOTTE, LLC, a Kansas limited liability company (the “Developer”) and HAMMAR, INC., a Kentucky corporation (“Transferee”).

RECITALS:

A. Developer is the owner of certain real property which is located in the City of Kansas City, Kansas and is generally located in on the northeast corner of 78th Street and State Avenue, as legally described on Exhibit A attached hereto and generally depicted on Exhibit B attached hereto (the “Project Site”).

B. The UG and Developer have previously entered into that certain Wyandotte Plaza Redevelopment Agreement dated as of July 27, 2012 (the "Original Redevelopment Agreement"), as amended by that certain First Amendment to Wyandotte Plaza Redevelopment Agreement dated as of November 21, 2013 (the “First Amendment;” collectively, the Original Redevelopment Agreement and the First Amendment may be referred to herein as the "Development Agreement") concerning redevelopment of the Project Site. Capitalized terms which are not otherwise defined herein shall have the meanings assigned to them in the Development Agreement.

C. Section 7.9 of the Development Agreement provides for assignment of the obligations, covenants, and agreements of the Developer under the Development Agreement to third parties, subject to the consent of the UG. Developer desires to transfer and sell a portion of the Project Site to Transferee, which portion is more specifically described in Exhibit C attached hereto (the “Transferee Property”), and in accordance with this sale, Developer desires to assign certain obligations, covenants, and agreements in the Development Agreement to Transferee in accordance with Section 7.9 of the Development Agreement. The UG hereby consents to the sale of the Transferee Property to Transferee subject to the terms and conditions of this Assumption more fully set forth herein.

D. The parties desire to enter into this Assumption so that the Transferee shall acknowledge, assume and agree to perform those obligations, covenants and agreements of the Developer under the Development Agreement, and as the same pertain to the operation and financing of the Transferee Property.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration,
the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Incorporation of Recitals.** The parties understand and agree that the Recitals set forth above are hereby incorporated as though more fully set forth herein.

2. **Term of Agreement.** This Assumption shall commence upon the Effective Date and shall terminate upon the expiration of the Agreement (the “Term”).

3. **General Acknowledgement and Assumption.** Transferee hereby acknowledges, assumes and agrees to perform each and every obligation, covenant and agreement of the Developer under the Development Agreement set forth below, but only to the extent that the same shall pertain to the operation and financing of the Transferee Property, each of which is hereby incorporated as though more fully set forth herein and Transferee hereby understands and agrees that the UG may enforce the same directly against Transferee. Without limiting the generality of the foregoing, the parties hereby specifically agree that Transferee shall only be obligated to assume such obligations, covenants and agreements of the Developer expressly set forth in Section 4 of this Assumption immediately below.

4. **Specific Acknowledgement and Assumption.** Transferee specifically acknowledges, assumes and agrees to perform the following obligations, covenants and agreements set forth in the Development Agreement applicable only to the Transferee Property, as modified in certain instances below:

   (a) All of the terms and conditions in Article I (Definitions and Interpretation).

   (b) All of the terms and conditions in Section 4.2(d) (Initial Bond Refinancing), 4.2(f)(i) (Conditions Precedent to Bond Issuance), 4.2(g)(iii) (Other Provisions Regarding Bonds), and 4.4(i) (Document of Sales Taxes for the District). Without limiting the generality of the foregoing, Transferee – as the owner of the Transferee Property - hereby specifically agrees that it shall fully cooperate with the Initial Bond Refinancing.

   (c) All of the terms and conditions of Article VII (Use and Operation).

   (d) All of the terms and conditions set forth in Article IX (Default and Remedies).

   (g) All of the terms and conditions set forth in Section 10.01 (Waiver of Breach) through Section 10.15 (Run With the Land), inclusive. However, the parties hereby understand and agree that the notice address for the Transferee in Section 10.12 (Notices) shall be replaced with the following:

   **To the Transferee:**

   Hammar, Inc.
   c/o Samuel Marcus
   810 Shelby Street
   Frankfort, KY 40601
(h) All of the terms and conditions set forth in Section 3 of the First Amendment, including without limitation, subsection (a)(Consent to Additional CID Sales Tax Portion), subsection (b)(Consent to CID Assessments), and subsection (c)(Consent to Additional CID Assessments). Without limiting the generality of the foregoing, Transferee hereby specifically agrees that the Transferee, and its successors and assigns, hereby consent to (and agree that the Transferee Property shall be subject to) any Additional CID Sales Tax Portion, CID Assessments, and/or Additional CID Assessments as described in Section 3 of the First Amendment, regardless of the benefits to be received by Transferee or any owner of property within the District, and Transferee hereby agrees to fully cooperate with the UG and Developer in the imposition of the same. Transferee further agrees that it hereby waives (i) any and all right to prepay the CID Assessments and/or the right to challenge the method of assessments for the CID Assessments, unless such method is inconsistent with the terms of Section 3(b) of the First Amendment, and (ii) any and all right to prepay the Additional CID Assessments and/or the right to challenge the method of assessments for the Additional CID Assessments, unless such method is inconsistent with the terms of Section 3(c) of the First Amendment.

Each of the foregoing provisions is hereby incorporated by reference and Transferee hereby understands and agrees that the UG may enforce the same against Transferee in connection with the Transferee Property only. Further, the parties understand and agree that if and to the extent the various exhibits attached to the Development Agreement are referenced in the obligations that are acknowledged and assumed by the Transferee, such exhibits are hereby incorporated by reference as though more fully set forth herein.

5. Future Impact of Developer Actions. The parties agree that no future act or omission of Developer in the exercise of its rights, duties, and obligations under the Development Agreement shall affect the Transferee’s rights or obligations under this Assumption.

6. Release of Developer. The UG hereby specifically agrees to release the Developer from the obligations, terms and conditions assumed by the Transferee set forth in Section 4(a) through (g) of this Assumption, but only to the extent that the same pertain to the Transferee Property. Except as to the specific obligations assumed by Transferee in Section 4(a) through (g) of this Assumption for the Transferee Property, the Developer hereby understands and agrees that Developer remains responsible for all of the terms and conditions of the Development Agreement and for the balance of the Project Site. Additionally, nothing in this Assumption shall be deemed to release the Developer from the provisions pertaining to the First Amendment, including those described in Section 4(h) above.

7. Estoppel. The UG and Developer hereby acknowledge and agree that, to the best of their respective actual knowledge, without any duty of inquiry: (a) the Development Agreement is in full force and effect, (b) the Development Agreement, as it relates to the Transferee Property, has not
previously been assigned, modified or amended, except as specifically set forth herein, (c) no uncured default, event of default or breach by Developer or any other party exists under the Development Agreement, (d) no facts or circumstances exist, which, with the passage of time, will or could constitute a default, event of default or breach under the Development Agreement, and (e) the UG has not previously made any claim against Developer alleging Developer’s default under the Development Agreement.

8. Rights of Successors; Obligations Run With the Land. The benefits and obligations hereunder shall create mutual benefits and servitudes running with the land. This Assumption shall bind and inure to the benefit of the parties hereto, their respective heirs, representatives, lessees, successors and assigns. The singular number includes the plural and the masculine gender includes the feminine and neuter.

9. Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this document nor in any way affect the terms and provisions hereof.

10. Counterparts. This Assumption may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

[Remainder of page intentionally left blank. Signature pages immediately follow.]
IN WITNESS WHEREOF, the UG, Transferee and Developer have duly executed this Assumption pursuant to all requisite authorizations as of the date first above written.

LEGACY WYANDOTTE, LLC,
a Kansas limited liability company

By: __________________________
Name: Dan Lowe, Manager

“Developer”

STATE OF __________________  )
) ss.
COUNTY OF __________________ )

On this _____ day of ____________, 2015, before me personally appeared ____________, to me personally known, who being by me duly sworn did say that he/she is the Manager of Legacy Wyandotte, LLC, a Kansas limited liability company, and that said instrument was signed and delivered on behalf of said limited liability company and acknowledged to me that he/she executed the same as the free act and deed of said limited liability company.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

______________________________
Notary Public
Printed Name: __________________

My Commission Expires:

______________________________
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/
KANSAS CITY, KANSAS

By: ________________________________
Name: ________________________________
Its: ________________________________

The "UG"

STATE OF KANSAS )
) ss.
COUNTY OF WYANDOTTE )

On this _____ day of ________________, 2015, before me, personally appeared
__________________________, personally known, who being by me duly sworn did say that he is
the _________________ of the Unified Government of Wyandotte County/Kansas City, Kansas, that
said instrument was signed on behalf of said Unified Government, and acknowledged said
instrument to be the free act and deed of said Unified Government.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my
office in Wyandotte County, Kansas the day and year last above written.

____________________________
Notary Public
Printed Name: ________________________________

My commission expires:

____________________________
HAMMAR, INC.,
a Kentucky corporation

By: __________________________  
Samuel Marcus, President

Date of Execution: _____________

STATE OF ____________  )
) ss.
COUNTY OF ____________ )

Now on this ______ day of July, 2015, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, came Samuel Marcus, President of Hammar, Inc., a Kentucky corporation, on behalf of said corporation, who is personally known to me to be the same person who executed the within instrument and who duly acknowledged the execution of the same to be the act and deed of said corporation, duly authorized by its Board of Directors.

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

________________________________
Notary Public

My Commission Expires: ________________

Notary Public
Printed Name: _______________________

My Commission Expires:
Staff Request for Commission Action

Type: Standard
Committee: Economic Development and Finance Committee

Date of Standing Committee Action: 9/14/2015
(If none, please explain):

Proposed for the following Full Commission Meeting Date: 10/1/2015
Confirmed Date: 10/1/2015

ChangesRecommendedByStandingCommittee(NewActionFormrequiredwithsignatures)

Date: 8/31/2015 Contact Name: Marlon Goff Contact Phone: 5545 Contact Email: mgoff@wycokck.org Ref: Assignment fee paid by Health Care REIT to the U.G.

Item Description:
Ordinance O-25-14 was approved authorizing the issuance of $15M in IRB's for construction of the Mainstreet Skilled Nursing Facility at 8900 Parallel Pkwy. The project also features a tax abatement and expected to create 100 new full-time jobs.

Construction at the site is nearing completion. As part of their business model, MS-Kansas City, LLC as owner of the facility will sell the complex to the real estate investment trust Health Care REIT, Inc. Health Care REIT, Inc. has a market capitalization of $24 billion. The Unified Government must grant consent to the assignment of the performance agreement associated with the IRB PILOT.

Action Requested:
Approve a resolution granting consent to the assignment of the base lease & performance agreement from MS Kansas City, LLC to Health Care REIT, Inc. as part of the Mainstreet Skilled Nursing Facility.

Publication Required

Budget Impact: (if applicable)

Amount: $5,000
Source:
- Included In Budget
- Other (explain) Assignment fee paid by Health Care REIT to the U.G.
RESOLUTION NO. ______________________

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (“Unified Government”) approved Ordinance No. O-25-14 on April 10, 2014 to authorize the issuance of Taxable Industrial Revenue Bonds (MS Kansas City, LLC Project), Series 2014 in an aggregate principal amount not to exceed $15,000,000 (“Bonds”) for the purpose of (a) acquiring, constructing and equipping a commercial project for MS Kansas City, LLC (“Company”) and (b) paying certain costs of issuance as further described in the Bond Indenture between the Unified Government and BOKF, N.A. as Bond Trustee and Lease Agreement (“Lease”) between the Unified Government as lessor and Company as lessee; and

WHEREAS, the demised property is commonly known as The Healthcare Resort of Kansas City located at 8900 Parallel Parkway, Kansas City, KS 66112 (the “Property”), as described in Exhibit A attached hereto; and

WHEREAS, the Company leased the Property to the Unified Government pursuant to the Base Lease Agreement (“Base Lease”) dated as of June 1, 2014, by and between the Company as lessor and the Unified Government as lessee, which Base Lease granted the Unified Government a leasehold interest in the Property, as evidenced by that certain Memorandum of Base Lease Agreement dated as of June 1, 2014, filed for record July 14, 2014 and recorded as Document No. 2014R-08811 in the office of the Register of Deeds of Wyandotte County, Kansas; and

WHEREAS, the Lease dated as of June 1, 2014 by and between the Unified Government as lessor and the Company as lessee, relating to the Bonds, granted the Company a sub-leasehold interest in the Property, as evidenced by the Memorandum of Lease Agreement dated as of June 1, 2014, filed for record July 14, 2014 and recorded as Document No. 2014R-08812 in the office of the Register of Deeds of Wyandotte County, Kansas; and

WHEREAS, the Unified Government and the Company entered into the Performance Agreement dated as of June 1, 2014 related to the Bonds; and

WHEREAS, the Company has conveyed fee simple title to the Property to Health Care REIT, Inc. (“Assignee”) and now desires to assign all of its interests in and obligations under the Base Lease, Lease, and Performance Agreement (the “Rights and Obligations”) to Assignee, and Assignee wishes to assume the Rights and Obligations; and
WHEREAS, Section 6.8 of the Lease and Article IV of the Performance Agreement allow for assignment of the Company’s Rights and Obligations to third parties, subject to the consent of the Unified Government and Bondowner; and

WHEREAS, the Unified Government has agreed to consent to the assignment of the Company’s Rights and Obligations to Assignee subject to the terms and conditions of the Assignment and Assumption of Base Lease, Lease, and Performance Agreement.

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

Section 1. The Board of Commissioners of the Unified Government hereby consents to the assignment of the Base Lease, Lease, and Performance Agreement by the Lessee to the Assignee pursuant to the Assignment and Assumption of Base Lease, Lease, and Performance Agreement between the Company and Assignee in substantially the form presented. The foregoing consent is contingent upon the satisfaction of all other requirements for assignments contained in the Lease.

Section 2. The Mayor/CEO of the Unified Government is hereby authorized and directed to execute in the name of the Unified Government as the voluntary act of the Unified Government the Assignment and Assumption of Base Lease, Lease, and Performance Agreement by and between the Company and Assignee, and all other documents and agreements contemplated by this document in substantially the form presented to and reviewed by the Board of Commissioners, with such changes therein as shall be approved by the officers of the Unified Government executing these documents, such officers’ signature thereon being conclusive evidence thereof.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT THIS 24TH DAY OF SEPTEMBER 2015.

____________________________________
Unified Government Clerk

Approved as to Form:

____________________________________
Unified Government Counsel
Exhibit A

LEGAL DESCRIPTION
A leasehold interest in:

All of Lot 1, MAINSTREET SENIOR LIVING KCK, a subdivision of land in Kansas City, Wyandotte County, Kansas, according to the plat recorded November 14, 2013 as 2013R-17164 in Plat Book K-043.
ASSIGNMENT AND ASSUMPTION OF BASE LEASE, LEASE, AND PERFORMANCE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF BASE LEASE, LEASE, AND PERFORMANCE AGREEMENT (the “Assignment and Assumption”) is made as of the __ day of __________, 2015, by and between MS KANSAS CITY, LLC, an Indiana limited liability company (“Assignor”), and HEALTH CARE REIT, INC., a Delaware corporation (“Assignee”), whose mailing address is 4500 Dorr Street, Toledo, OH 43615-4040.

WHEREAS, the demised premises is commonly known as The Healthcare Resort of Kansas City, 8900 Parallel Parkway, Kansas City, KS 66112 (the “Property”) and is described as set forth in “Exhibit A” attached hereto; and

WHEREAS, that certain Base Lease Agreement (the “Base Lease”), dated June 1, 2014, by and between the Assignor, as lessor, and the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”), as lessee, relating to $15,000,000 (Aggregate Maximum Principal Amount) Unified Government of Wyandotte County/Kansas City, Kansas Taxable Industrial Revenue Bonds (MS Kansas City, LLC Project) Series 2014 (the “Bonds”), granted the Unified Government a leasehold interest in the Property, as evidenced by that certain Memorandum of Base Lease Agreement dated June 1, 2014, filed for record July 14, 2014 and recorded as Document No. 2014R-08811 in the office of the Register of Deeds of Wyandotte County, Kansas (the “Base Lease Memorandum”); and

WHEREAS, that certain Lease Agreement (the “Lease”), dated June 1, 2014, by and between the Unified Government, as lessor, and the Assignor, as lessee, relating to the Bonds, granted the Assignor a sub-leasehold interest in the Property, as evidenced by that certain Memorandum of Lease Agreement dated June 1, 2014, filed for record July 14, 2014 and recorded as Document No. 2014R-08812 in the office of the Register of Deeds of Wyandotte County, Kansas (the “Lease Memorandum”); and

WHEREAS, that certain Performance Agreement (the “Performance Agreement”), dated June 1, 2014, by and between the Unified Government and Assignor relating to the Bonds; and
WHEREAS, Assignor has conveyed fee simple title to the Property to Assignee by separate instrument, and now wishes to assign all of its interests in and obligations under the Base Lease, Lease, and Performance Agreement (the “Rights and Obligations”) to Assignee, and Assignee wishes to assume the Rights and Obligations.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment. Assignor hereby sells, assigns, transfers and conveys to Assignee all of the Rights and Obligations.

2. Assumption of Obligations. Assignee, by its execution hereof, hereby assumes all of the Rights and Obligations, and agrees to perform and observe all obligations that are a part thereof.

3. Assignor Indemnity. Assignor hereby agrees to save, defend, indemnify and hold harmless Assignee, Assignee’s agents and their successors and assigns from and against any and all claims, losses, liabilities and expenses, including reasonable attorneys’ fees, suffered or incurred by Assignee by reason of any breach by Assignor of any of Assignor’s covenants or obligations as part of the Rights and Obligations, prior to the date hereof.

4. Attorneys’ Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Assignment and Assumption, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including the actual attorneys’ fees and costs.

5. Release. The Unified Government hereby releases Assignor from any obligations that are part of the Rights and Obligations, as of the date hereof.

6. Notice. All notices, requests and other communications to Assignor under the Base Lease, Lease, and Performance Agreement shall hereafter be to Assignee at the following addresses:

To the Assignee at:

HEALTH CARE REIT, INC.
4500 Dorr Street
Toledo, OH 43615-4040
7. **Counterparts.** This Assignment and Assumption may be executed in any number of counterparts each of which shall be deemed an original, but all of which together shall constitute the same instrument.

8. **Applicable Law.** This Assignment and Assumption of Lease shall be governed by and construed in accordance with the laws of the State in which the Property is located without reference to the principles of conflicts of law.

9. **Successors and Assigns.** This Assignment and Assumption shall bind and inure to the benefit of the parties hereto, their heirs, successors and assigns.

10. **Recording.** The parties hereto agree that this Assignment and Assumption shall be recorded against the Property in the office of the Register of Deeds of Wyandotte County, Kansas.

11. **Recitals Incorporated.** The above Recitals are hereby incorporated into this Assignment and Assumption in full and form an integral part hereof.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURE PAGES FOLLOW]
IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption of Lease to be effective as of the day and year first above written.

ASSIGNOR:

MS KANSAS CITY, LLC,
an Indiana limited liability company

By: Mainstreet Asset Management, Inc., an Indiana corporation
Its: Manager

By: ____________________________
Name: __________________________
Title: __________________________

ASSIGNEE:

HEALTH CARE REIT, INC.,
a Delaware corporation

By: ____________________________
Name: __________________________
Title: __________________________
STATE OF INDIANA  )
              ) SS.
COUNTY OF HAMILTON  )

BE IT REMEMBERED, that on this ___ day of __________, 2015, before me the undersigned, a Notary Public in and for the County and State aforesaid, came ______________, the ___________________ of Mainstreet Asset Management, Inc., an Indiana corporation, the Manager of MS Kansas City, LLC, a limited liability company, organized and existing under the laws of the State of Indiana, who is personally known to me to be such officer, and who is personally known to me to be the same person who executed, as such officer, the within instrument on behalf of said company, and such officer duly acknowledged the execution of the same to be the act and deed of said company.

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

[SEAL]

Notary Public

My commission expires ____________________.
STATE OF _________________)  
) ss.  
COUNTY OF _______________)  

BE IT REMEMBERED, That on this ___ day of ______, 2015, before me, the undersigned, a Notary Public in and for said County and State, came ________________ of Health Care REIT, Inc., a Delaware corporation, who is personally known to me to be the ______________ of such corporation, and who is personally known to me to be the same person who executed, as such ______________, the within instrument on behalf of said corporation, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.  

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

___________________________________  
Notary Public

My appointment expires:
Exhibit A

LEGAL DESCRIPTION
A leasehold interest in:

All of Lot 1, MAINSTREET SENIOR LIVING KCK, a subdivision of land in Kansas City, Wyandotte County, Kansas, according to the plat recorded November 14, 2013 as 2013R-17164 in Plat Book K-043.
CONSENT TO ASSIGNMENT

I, the undersigned, a duly authorized representative of The Unified Government of Wyandotte County/Kansas City, Kansas, the Landlord of the Lease referred to in this Assignment, hereby consent to the Assignment and Assumption entered into between MS Kansas City, LLC to Health Care REIT, Inc. dated ________, 2015, including, without limitation, Section 6 (Release of Assignor) thereof.

Dated: ____________, 2015

LANDLORD:

The Unified Government of Wyandotte County/
Kansas City, Kansas

By: ____________________________
Name: Mark R. Holland_____________
Title: Mayor______________________

STATE OF KANSAS)
) ss.
COUNTY OF WYANDOTTE)

BE IT REMEMBERED, That on this ___ day of ________, 2015, before me, the undersigned, a Notary Public in and for said County and State, came Mark R. Holland of The Unified Government of Wyandotte County/Kansas City, Kansas (the “UG”), who is personally known to me to be the Mayor of the UG, and who is personally known to me to be the same person who executed the within instrument on behalf of said UG acknowledged the execution of the same to be the act and deed of the UG.

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

___________________________________
Notary Public

My appointment expires:

50789663.2
The Unified Government (“UG”) Economic Development Department has created a new incentive pilot program called the “UG Small Business Incentive Pilot Program”.

The Pilot Program will promote a city-wide incentive, but especially for areas like the downtown corridor and older urban areas of Wyandotte County, by providing grants to small businesses to assist with start-up inventory, marketing, and other operating costs. The Pilot Program will also assist existing businesses with costs related to repairing/renovating store fronts in order to attract new businesses.

Action Requested:
1. Presentation of the UG Small Business Incentive Pilot Program Plan
2. Forward to the full commission meeting date September 24, 2015

Publication Required

Budget Impact: (if applicable)

Amount: $
Source:
- [ ] Included In Budget
- [ ] Other (explain)
Memorandum

TO: Economic Development & Finance Standing Committee Commissioners

THROUGH: George Brajkovic
Economic Development Director

FROM: Charles A. Brockman, Analyst
Economic Development

DATE: September 1, 2015

RE: Unified Government ("UG") Small Business Incentive Pilot Program

The Unified Government ("UG") Economic Development Department has created a new incentive pilot program called the “UG Small Business Incentive Pilot Program”.

The Pilot Program will promote a city-wide incentive, but especially for areas like the downtown corridor and older urban areas of Wyandotte County, by providing grants to small businesses to assist with start-up inventory, marketing, and other operating costs. The Pilot Program will also assist existing businesses with costs related to repairing/renovating store fronts in order to attract new businesses.
UG Small Business Incentive Pilot Program Plan
TABLE OF CONTENTS

Preface 1

Section 1 – Pilot Program Goal 2

Section 2 – Pilot Program Target Area 2

Section 3 – Pilot Program Strategy 2

Section 4 – Pilot Program Funding Source 2

Section 5 – Pilot Program Application Procedure 3

Section 6 – Pilot Program Grant Approval and Award 3

Section 7 – Pilot Program Oversight 3

Exhibit A – Grant Application

Exhibit B – Point Matrix

Exhibit C – Approval Process
Preface

In recent years, there have been significant changes in Kansas City, Kansas, including public infrastructure improvements, a new transit hub, and new businesses. In order to encourage continued growth, the Unified Government of Wyandotte County/Kansas City, Kansas (“UG”) Economic Development Department is implementing the UG Small Business Incentive Pilot Program (“Pilot Program”). The Pilot Program is city-wide and will provide grants to small businesses to assist with start-up inventory, marketing, and other operating costs. The Pilot Program will also assist existing businesses with costs related to repairing/renovating store fronts in order to attract new businesses.
SECTION 1 – Pilot Program Goal

The Pilot Program will promote a city-wide incentive, but especially for areas like the downtown corridor and older urban areas of Wyandotte County, by providing grants to small businesses to assist with start-up inventory, marketing, and other operating costs. The Pilot Program will also assist existing businesses with costs related to repairing/renovating store fronts in order to attract new businesses.

SECTION 2 – Pilot Program Target Area

The Pilot Program will focus on all areas of the city that have businesses in need of start-up costs or businesses that need store front repair/renovation.

SECTION 3 – Pilot Program Strategy

The Pilot Program strategy is to promote small business activity for the target areas through one-time grants to applicants.

The UG typically will provide grants of $2,500 to $10,000 to applicants in need of one or more of the grant types listed below. The UG has discretion to award grants in excess of $10,000 up to $25,000.

Types of grants:

1. Lease/Rent (up to 6 months),
2. Renovation costs (sheetrock, flooring, painting, etc.),
3. Façade repairs (painting, sealing, etc.),
4. Inventory costs (office supplies, miscellaneous equipment, etc.), and/or
5. Other start-up and operating costs (marketing, etc.).

SECTION 4 – Pilot Program Funding Source

The initial funding source for the Pilot Program is the 2015 Amended and 2016 Proposed Budgets. Subsequently, a percentage of the UG Industrial Revenue Bond ("IRB") issuance fees will fund the Pilot Program. The chart below provides an example of how IRB issuance fees could replenish Pilot Program funds.

<table>
<thead>
<tr>
<th>IRB Issuance Fees</th>
<th>UG Maintains</th>
<th>Program Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>$25,000.00</td>
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<tr>
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<td>3rd</td>
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<tr>
<td>4th</td>
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</tr>
<tr>
<td></td>
<td>$25,000.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

capped at $50,000
SECTION 5 – Pilot Program Application Procedure

1. Obtain an application from the UG Economic Development Department. See EXHIBIT A.

2. Submit completed application and related documentation to the UG Economic Development Department located at 701 North 7th Street, Suite 421, Kansas City, Kansas 66101.

3. Submit documentation for each of the following types of grant requested:
   - A copy of the lease/rent agreement,
   - Renovation cost,
   - Façade repair cost,
   - Inventory cost, and/or
   - Documentation of other start-up or operating costs.

4. Submit a business summary along with the completed application and supporting documentation.

5. The UG reserves the right to request additional information, make additional stipulations, and/or deny the application.

SECTION 6 – Pilot Program Grant Approval and Award

The Economic Development Department will review and score applications based upon a point matrix system. See EXHIBIT B. The review and approval process will proceed utilizing the internal controls depicted on EXHIBIT C.

Applicants will be notified of eligible status within two (2) weeks of application submission. Disbursement of grant funds will typically occur two (2) weeks after notice of award.

Within thirty (30) days of expending grant funds, applicant must submit receipts to the Economic Development Department to verify costs for lease/rent payments, renovation, façade repair, inventory, start-up, and other operations up to the amount of the grant award.

SECTION 7 – Pilot Program Oversight

The Pilot Program will have an oversight board consisting of members from the UG, Downtown Shareholders, Wyandotte Economic Development Council, and local businesses. The board will meet in April of each year to review the Pilot Program progress.
EXHIBIT A

Small Business Grant Application

Procedures:

1. Applicant must submit a completed application and supporting documentation to be eligible for a grant.

2. Submit documentation for each of the following grant types requested:
   - A copy of the lease/rent agreement (up to 6 months),
   - Renovation cost (sheetrock, flooring, painting, etc.),
   - Façade repair cost (painting, sealing, etc.),
   - Inventory cost (office supplies, miscellaneous equipment, etc.), and/or
   - Other start-up and operating cost (marketing, etc.).

3. Submit a business summary.

4. The UG reserves the right to request additional information, make additional stipulations, or deny the application.

5. Eligible grant amounts are based on a point matrix system and may be a combination of the above fund types depending on need.

6. Applicants will be notified of eligible status within two (2) weeks of application submission.

7. Disbursement of grant funds typically occurs two (2) weeks after notice of award.

8. Within thirty (30) days of expending grant funds, applicant must submit to the Economic Development Department receipts for lease/rent payments, renovation cost, façade repair cost, inventory costs and/or other start-up cost up to the amount of the grant award.
**Application Information:**

Date ________________ ____, 20___

Name __________________________ Phone ____________

Company Name __________________________ Phone ____________

Mailing Address ____________________________________________

Business Address ____________________________________________

Business Inception Date: _________________

Type of Business:  A. _____ Retail   B. _____ Office   C. _____ Other

If other, please describe: ____________________________________________

Grant Amount:  A. _____ $2,500   B. _____ $5,000   C. _____ $10,000   D. _____ Other

If other, what is the amount:  $ _______

Grant Type:  A. _____ Interior Rehab   B. _____ Façade work   C. _____ Inventory
D. _____ Lease/Rent   E. _____ Other

If “Other”, describe how the grant money will be used (be specific):

________________________________________________________________________
________________________________________________________________________

**Applicant:**

By signing below, the applicant agrees to adhere to all procedures in this application:

Submitted by: ______________________  __________________________  ____________ ___, 20___

(Print name)                      (Signature)                      (Date)

**DO NOT WRITE BELOW THIS LINE - FOR OFFICE USE ONLY**

Date application came into this office: ________________ ___, 20___

Application completed in full and all documentation is attached: Yes ____ No ____

Staff initials ____
EXHIBIT B

Point Matrix

Applicant-

1. Requirements

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Completed Application</td>
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<td></td>
</tr>
<tr>
<td>b. Supporting Documentation</td>
<td>Required</td>
<td></td>
</tr>
<tr>
<td>c. Referral Write-up or Business Summary</td>
<td>Required</td>
<td></td>
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</table>

Comment:

2. Available Points

<table>
<thead>
<tr>
<th></th>
<th>Max Pts.</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. New Business</td>
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<tr>
<td>b. Existing Business</td>
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<td></td>
</tr>
<tr>
<td>c. Building Purchased</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>d. Lease/Rent</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>e. Façade repair</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>f. Interior renovation</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>g. Inventory</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>h. Other start-up cost</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>i. Investment amount $0-$10,000</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>j. Investment amount $10,000-$50,000</td>
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<td></td>
</tr>
<tr>
<td>k. Investment amount $50,000 and up</td>
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<td></td>
</tr>
<tr>
<td>l. Number of employees the first year – one point per employee up to 10 employees</td>
<td>1 - 10</td>
<td></td>
</tr>
<tr>
<td>m. Wyandotte County employee residency</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

Comment:

____ points

Score Range and Potential Grant Eligibility:

1 – 5 points = $2,500
6 – 10 points = $5,000
11+ = up to $10,000

The grant amount awarded is directly tied to the business need. For example, if an applicant scores 11+ points but documentation only shows a need for $5,000, then the grant will be $5,000. Any increase above the need must be documented. The UG has discretion to award grants in excess of $10,000 up to $25,000.
EXHIBIT C
Approval Process

Application and Documentation Submittal

Yes
Staff reviews and forwards to Eco. Dev. Director for approval for grant funding
Staff forwards to County Administrator for approval
Staff forwards to Finance Department for approval and release of grant funding

Are the application and all required documentation completed for review?

No
Contact Applicant for more information
Application and documentation is completed for review
Send notification to Applicant of status
2nd submittal of application and documentation
Denied application