I. Call to Order / Roll Call

II. Approval of standing committee minutes from September 10, 2012.

III. Committee Agenda

Item No. 1 - RESOLUTION: MASTER LEASE PURCHASE AGREEMENT

Synopsis:
A resolution authorizing the UG to enter into a third amendment to Master Equipment Lease Purchase Agreement dated October 20, 2008, between Banc of America Public Capital Corp. and the UG in connection with paying the costs of acquiring and installing certain equipment, submitted by Debbie Jonscher, Finance.

Tracking #: 120268
**Item No. 2 - RESOLUTION: SET HEARING FOR METROPOLITAN REDEV. DISTRICT**

**Synopsis:**
A resolution setting a public hearing date for November 15, 2012, to consider the Metropolitan Avenue Redevelopment District Project Area 1 redevelopment project plan, submitted by George Brajkovic, Economic Development Director. Argentine Betterment Corporation (ABC), the developer, has requested consideration of TIF structure changes for the $3M grocery store project.

Tracking #: 120269

**Item No. 3 - RESOLUTION: SET HEARING FOR PUBLIC LEVEE REDEV. CREATION**

**Synopsis:**
A resolution setting a public hearing date for November 15, 2012, to consider the creation of the Public Levee Redevelopment District, submitted by George Brajkovic, Economic Development Director. The Industrial Realty Group (IRG) has presented a plan for the management and subsequent redevelopment of the UG's Public Levee operations located in Fairfax. The proposal calls for the creation of a TIF district and subsequent use of IRBs.

Tracking #: 120270

**IV. GOALS AND OBJECTIVES**

**Item No. 1 - GOALS AND OBJECTIVES**

**Synopsis:**
The Unified Government Commission conducted a strategic planning process resulting in specific goals and objectives adopted by the commission on May 17, 2012. Commission has directed that the goals and objectives appear monthly on respective standing committee agendas to assure follow-up and action toward implementation.

1. Economic Development: Foster an environment in which small and large businesses thrive, jobs are created, redevelopment continues, tourism continues to grow, and businesses locate in the community. - **Home Builders' meeting**
2. BPU regarding waiving utility fees for electricity and water for single-family new construction. (Not for October discussion.)
3. Re-establishing the Port Authority. (Not for October discussion.)
V. Adjourn
The meeting of the Economic Development and Finance Standing Committee was held on Monday, September 10, 2012, at 6:00 p.m., in the 6th Floor Human Resources Training Room of the Municipal Office Building. The following members were present: Commissioner Holland, Chair; Commissioners Maddox, McKiernan, Barnes, Kane, and BPU Board Member David Alvey.

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

II. Approval of standing committee minutes from August 13, 2012. On motion of Commissioner McKiernan, seconded by Commissioner Kane, the minutes were approved. Motion carried unanimously.

III. Committee Agenda:

Item No. 1 – 120248…Communication: Comparison of fund balances and goals

Synopsis: Information comparing the 2011 audited fund balances with policy goals, submitted by Rick Mikeskic, Accounting Director, and Lew Levin, Chief Financial Officer.

Rick Mikeskic, Accounting Director, said in May we came before this group and earlier than May, but in May we ended up with the full commission and the full commission approved the fund balance policies. The primary goal of the fund balance policies is to ensure that there’s going to be adequate liquid resources available in the event that we have some sort of unforeseen circumstance or occurrence that comes up. What we have done is we have put together now that we have audited 2011 financial figures—we have put together a table which if you don’t have before you, I have extra copies I can pass around. I would encourage if you don’t have a color
Very briefly, I’m going to kind of explain what we have before you tonight. In the first column, you have the titles of the various budgets. The General Fund, Special Revenue Fund, and the Debt Service Fund. The second column is the policy goals. These are the goals that were stated right here in the approved policy. There’s a block in 2011 and 2011 has the Fund Balance column. It shows the expenditures and transfers out during 2011. The third column is probably the most important column that has the various colors in it. It’s the percentage. It shows the Fund Balance as a percentage and it takes that calculation which needs to be compared to the goals that are stated in the policy, which we have listed. If it’s a red figure, then it’s under the goal. If it’s a blue figure, it is exceeding the goal. If it’s a black figure, it’s in the range of the goals that were listed. Quite quickly, visually you can see that the General Fund is under the goals that were stated in the Fund Balance policy. The vast majority of the Special Revenue funds are meeting or exceeding the balances. The Debt Service Fund in 2011 exceeds the balance that’s listed as the goal.

Over to the right for historical reference, we prepared and presented the same information from 2010 so you can get a direct view of where we were in 2010 to where we are in 2011. You can see that there have been some improvements in some of those figures from the prior year.

The last thing I want to address is up to now, I’ve been focusing on the budgetary basis. I presented, again, just for informational purposes. Budgetary basis is one type of accounting. GAP basis is a different type of accounting. They are both very important. Both used by different people that’s why those are presented that way. If you look at the GAP basis for the General Fund, you will see that the fund balance is quite a bit higher and much closer to the 10% goal.

Chairman Holland asked can you explain in a sentence or less why that is. Mr. Mikeskic said the number one reason is because there’s a difference in budgetary basis and GAP basis on how revenue and expenditures are recognized. They’re recognized at different times under both basis. In other words, something recognized as revenue under GAP isn’t recognized under budgetary as revenue.

Commissioner Barnes said I need some explanation on several lines here, but I want to start out with the Environmental Trust Fund. How is it that you can deplete a fund source and then you
be 14.8% above that fund source that you depleted? I know we’re talking about goals. I don’t remember when the goals were set on the Environmental Trust Fund. We just took the $4 million and it went away and now we are rating it as if we’re doing well by putting one-fourth of the money back into the fund. Can you explain what’s going on there?

Mr. Mikeskic said what I can explain on the Fund Balance policy is the idea behind the goals that are set in the Fund Balance policy is to help ensure against unforeseen circumstances that may cause your spending it. The Fund Balance policy is based upon the expenditures out of that fund. Chairman Holland said the question is you’re aware that we borrowed $4 million a few years ago out of this account to pay the bills and we have not yet replenished that account. Your basis of this is simply on the expenditures for the year, not based on the bank account. Mr. Mikeskic said that is correct. Commissioner Barnes said I don’t know if you’re the one I need to talk but one, if there is a goal in repaying that fund, I’d certainly like to have that Mister Chairman. Chairman Holland said I don’t think we have a goal. Commissioner Barnes said I want to correct you that it was not a loan. We took the money out of the Fund Balance with no intent or no plan to pay it back. I don’t know where in the country you can get a loan and don’t tell them how you’re going to pay it back. I will continue to revisit this issue until we find some resolution as to what our exact plans are in putting those monies back. Not only putting them back—if I had known that you could raid $4 million from that account just because, then I have a whole lot of plans for Garland Park that I could have spent at least a half of million dollars in Garland Park and we still can right now.

I really would like to have a simple explanation as to how can we access those funds to address the concerns at Garland Park. If somebody can give that to me. I just want an A, B, C. How can I access those funds so we can get something done in Garland Park? Chairman Holland asked do you want an answer to that right now or do you want…Commissioner Barnes said I’d like to have something in writing because my memory is getting bad. If they can put it in writing for me, I’d certainly appreciate that. I’d like to distribute it to people that were asking me the question. I just feel really unfortunate not being able to give them a proper response.

Commissioner Barnes said the other thing is that you have 208.7%, I’m looking in the percent of—what’s the EXP stand for. Is that expectations? Mr. Mikeskic said expenditures. Commissioner Barnes said you’ve got 208.7% on the court trustees. You have 291.6% in the
jail commissary. Can you tell me what’s happening with those extreme percentages there? **Mr. Mikeskic** said the fund balance that you see in those particular lines is basically more than the entire amount that was spent during the given year. In 2011 for court trustees, there was $360,000 roughly of expenditures. At the end of the year, there was $750,000 still left in the fund which basically means there’s quite a bit of money left in that fund considering the expenditures that went out of the account. **Chairman Holland** asked can those funds be transferred or are they required to stay in that fund? **Mr. Mikeskic** said that’s Special Revenue funds. By nature, they’re earmarked for the specific needs of that fund. The same thing with the jail commissary where the expenditures were only $50,000 during the year in 2011, and there was $149,000 roughly in the fund balance at the end of the year.

**Commissioner Barnes** asked do you know if there is a line item allotment in our budget that comes from the county budget for this or is it self-sustainable. Is this a self-sustaining program itself? **Mr. Mikeskic** said off the top of my head, the court trustees, I can’t say for sure. The jail commissary is related to revenues. It’s not funded in any way by the General Fund that I’m aware of. It is funded based upon the commissary activities that happen through the third party vendor in the jail. The monies that come from that are earmarked for the direct benefit of the inmates. **Commissioner Barnes** said I know I’m thinking like Commissioner Holland also, we just need to know how we can tap into those funds in some kind of way to aid or assist with some other activities over at the jail. If you can give us some type of creative thought in being able to do that, we certainly would appreciate it. It doesn’t have to be now, but we certainly would like to explore that possibility.

**Chairman Holland** said my only suggestion on this sheet is that it would be helpful to me on the General Fund to have a subtotal for that group; and for the Special Revenue funds, to have a subtotal section for that group; and the Debt Service Fund, to have a subtotal group and then to have—I know the overall doesn’t matter as much because they’re all individual funds, but to have an overall piece but a subtotaling of each of those categories, I would find helpful. **Commissioner McKiernan** said it would be interesting to see the other two similarly totaling.

**Mr. Levin** said if you would like me to respond at all to…**Chairman Holland** said well, he said in writing. **Commissioner Barnes** said we can talk about it if you want to talk about it, but I’d still like to have it in writing. **Mr. Levin** said okay.

**September 10, 2012**
Commissioner McKiernan said I was just curious. Your recommendation—because you displayed both budgetary and GAP basis for this. I’m assuming that we would really want to achieve our goals on a budgetary basis. That would be the ideal? Mr. Levin said I’d like to achieve it both ways. The budgetary basis is important because that’s where we budget on a day-to-day basis to have the level of expenditures that we have on an annual basis. You see in 2011, was $166 million and our fund balance was just $4.7 million. If we had incurred either a significant expense or had a shortfall in revenues, we have a narrow margin. GAP basis is important because our credit agencies, they look at our financials on a GAP basis. They’re looking closely. They want to see us at that 10% or more level. When we have calls with them, and I actually have some calls scheduled this week, they’ll have looked at our yearend financials and they’ll ask if we’re making progress toward that 10% goal.

Commissioner McKiernan said I noticed there’s a positive upward projector. For example, on GAP basis for General Fund, there’s an upward projector from 10 to 11. In addition to the percentage, do they take factors like that into account? Mr. Levin said correct.

Commissioner Barnes said I know we’re using the term GAP basis, but that’s the General Accounting Association so forth. If you could spell that out because we have some commissioners that are not familiar with that. Mr. Levin said okay.

Commissioner Barnes said then going forward, for a fund to have 300% more than what they really need in there, whether it requires legislation or some type of education as to how we can tap into it, we really need to explore that possibility. We’re trying to make some improvements over at the jail and to have a couple of hundred thousand dollars sitting around that we can’t touch only for guys to go buy popcorn and peanuts, something is wrong with that policy. We really need to look at what would be the possibilities of making those funds a little bit more flexible in the future. Mr. Levin said I think there might be a little more flexibility with the jail commissary as long as our expenditures are related to improving I’ll say conditions or activities for the inmates. The court trustee monies are really governed by state statutes. They receive fees for their services and they’re limited. There are real strict limitations on how those monies can be expended. We did have a conversation with the chief judge last year and we were looking for...
some latitude on maybe how we could use those monies, but he was very firm on our ability to even access those monies for a minimal amount.

**Commissioner Barnes** said I don’t want to be going back and forth on this, but they get requests on our budgets for programs that they implement across the street and we have very little flexibility—I know we dealt with locks last time, a request for some locks. I forget what the exact amount was, but it was over $50,000 that was requested for locks in the jail. Here we’ve got $200,000 lying idle. We need to be able to connect the dots in some kind of way, form, or fashion. I know we dealt with the carpet over there in some of the courtrooms. It was an issue. We were scraping the bottom of the barrel trying to make those things happen when we were going back and forth over line item issues, and then we have a surplus of monies sitting here that could possibly be used. I just think that we need to be creative even if we have to take it to our legislators and say we need to update or upgrade our approach to this and make it part of our legislative agenda and present it to them and say we need to make some changes because we’ve got a surplus of money that’s just sitting here. At this rate—and I’ll end it here—but at this rate last year in 2010, it was 196.3% above and now it’s up to $208,000 so that’s like it’s going to be going up about 15% each year. In a few more years, it’s going to be 400%.

**Chairman Holland** said this is not an actionable item. This is a report for the finance team. Is there anything else that we need to hear about this report? **Mr. Mikesic** said no, I have nothing else.

**Chairman Holland** said I’m going to move an agenda item up. It was the last item on our agenda, the Public Agenda-the appearance of Baptist Ministers Union of Kansas City, KS. I’m going to move that item next and we’ll ask them to please come forward.

V. Public Agenda

**Item No. 1 – 120223…Appearance: Baptist Ministers Union of KCK**

**Synopsis:** Appearance of Rev. Robert Milan and Rev. Jimmie Banks, Baptist Ministers Union of KCK, to express their desire to have UG funds allocated to address serious issues in the northeast area of the county. They are interested in programs and plans which provide employment opportunities, job training, improved housing stock, and recreational facilities. Further, they would like to see this area benefit from the county’s newest revenue sources.

**September 10, 2012**
Rev. Robert Milan, Jr., 7941 Roswell Ave.; and Rev. Jimmie Banks, 4008 N. 110th St., pastor of the Strangers Rest Baptist Church, appeared. Rev. Milan said as pastor of the Greater Faith Missionary Baptist Church KCK and also the president of the KCK Baptist Ministers Union, we’re here along with Pastor Banks to express as spiritual leaders—let me back up a minute—as spiritual leaders of this community—some necessary concerns and we bring some concerns to this board concerning things in our community. I say in our community, the individuals that we pastor. Many are on the agenda to express the desire that UG funds be allocated to address special needed items in the “northeast” area. I know that pertains to a large area, but if I could be specific, east of 635—that special funding be allocated if possible.

Now let me kind of break that down. It says the interest is on programs, plans to provide employment opportunities, job training, housing stock, recreational facilities and slash if you want to include that healthy food facility pertaining to shopping. What we would like to say tonight is that we would like to see this area benefit from the county’s newest revenues and resources that are coming into this county especially out west. All of us can realize that there’s a great happening out west. I have no problem with that. I live out west as Pastor Banks live out west, but we pastor people. A lot of individuals live east of 635 and when you see what’s going on and what is brought to us from our congregates and parishioners, it seems like enough is not being done with the resources and we know resources are coming into this town from taxes and other significant developments.

I’m saying this to say that when I say opportunities, we’re speaking about individuals from minority contractors. I know a few houses are going up in certain areas and that’s fine. I have no problem with that. We people need to have a decent place to live. But stretching that other than further, me, personally, as being a product of this community for 59 years, I have no problem with seeing several Dollar stores going up. That’s fine, but this area needs more than Dollar stores to be sufficient, to be all that it can be. When we talk about recreation, those types of things that need to be provided and job training and other opportunities. That’s basically our main reason for being here. Pastor Banks would probably like to share as well to be in line. We’re on the same page although he’s at Strangers Rest on 5th and Stewart. Amen. I’m on 32nd and Garfield, but we’re in the same environment, the same community, we’re all still east of 635.

Rev. Banks said to echo what Rev. Milan has said, I’m also a transplant. I’m an immigrant from Mississippi and came here when I was 10 years old. My father pastored a church in the northeast

September 10, 2012
area on 5th Street and I pastor a church now two blocks down the street from where I grew up as a kid.

We collectively as the Baptist Ministers Union represent about 32 congregations in this community and we’re linked to other denominations which have basically the same interests we have in the area of quality of life; quality schools, and I see representatives of the school board here. Jobs, job training, recreation, quality housing—we’ve got a lot of infill possibilities in our communities and we’d like to see some actions generated toward that end. We’re not combative as much as we are coming asking how do we work in a partnership to accomplish these things. He talked about the basic needs of a place where our residents can buy good healthy food, vegetables, a full complement of the basic food groups that everybody wants to have to feed their family.

Those are challenges that we face and our congregants look to us for support and for direction and being correct biblically, we look to our leaders to be responsive to the needs that we articulate to you. Basically, this is just an entrée on our part to say we know there are a lot of things going on. We don’t want to be left out. We want to be included. We want to be involved. If there are opportunities as we move further in this process of trying to do some needed things in our community, we want to work collectively with you to do that.

Chairman Holland said I appreciate that. In looking at this, I know there are a number—we have embarked upon a strategic planning process last year that really is just getting underway this month. In August, I guess, we had our first meeting after the budget where we started looking at the strategic plans. In looking at the items that you’ve raised, we need your partnership in these areas. As a Unified Government body, we’re deeply concerned about grocery stores in the northeast. We have managed to partner in building a number of grocery stores and there’s none more pressing than in the northeast. I would personally, and I know as we’ve talked about this extensively, would welcome any partnership opportunity in getting a grocery into the northeast.

The housing stock, we just spent our last meeting—in fact, I’ll give you a copy of this map, talking about Land Bank and other UG owned properties and strategic planning around vacant areas and where we can do infill and where we need to do restart development. It’s a high priority for this commission, for this body and your input—we’re on the ground floor and your
input on the ground floor would be very helpful. We were just talking about how to get citizen input into that conversation. So I think there’s opportunity for that as well.

The recreational facilities, I’m delighted to have that on your list because I have been very frustrated with the lack of recreational facilities. How we get that done, it’s going to be a community partnership and look forward to that.

I will throw in as well, and since you’ve given this opportunity to say, I’m using all of my community neighborhood improvement dollars, the CNIP dollars, $422,000 I believe each commissioner was allocated—I’m committing all of mine to parks and recreation over the next four years. I want to see playgrounds in the ground in all the neighborhoods. I just received this week an assessment of all the playgrounds in Kansas City, KS. So I want to invite each of my fellow commissioners to consider one park in each of your districts that you might transform with your CNIP dollars as well. So I think that’s one area that I appreciate that opening.

What I want to do is take this list and make sure that it’s plugged into each of the strategic planning, both in these two subcommittee as well as the other two that meet on the other Monday nights because employment opportunities would fall here with Finance as well as the job training. The housing stock would fall with the meeting earlier today with the Community Development Block Grants. I think we have Healthy Communities, which I think all of them are going to fall on these Monday nights if I’m reading that correctly.

**Commissioner McKiernan** said I really appreciate you being here and I totally agree with you that we really have a need and could benefit from some special programs, but I want you to help strategize with us on how we strike a balance. Any new revenues that come in, to broadly benefit the people that are in the city and county compared against the benefit we get from special programs. I think any of us who sat through the budget realize that we are seriously underfunding our basic city services and we’re deferring tens of millions of dollars of infrastructure improvements: streets, sidewalks, alleys, and other infrastructure that would really benefit across the broad community. So I think we need to really look at the pros and cons and strike a balance between using new revenues on a broad basis versus a targeted basis realizing we’re going to get benefit from both and kind of honing in on where we really believe the balance point would benefit most everyone.

**September 10, 2012**
Rev. Banks said the only response, and it’s not a counterpoint, but the way we look at things and our history and our experiences is that there has been previously and currently exists an imbalance. Commissioner McKiernan said right. Rev. Banks said so there ought to be some effort generated to address that and then we can start talking about a parallel, level playing field, so to speak.

The other thing is we know that there’s development going on. We know there’s construction going on. The people that we represent, whenever they see something new going up, they’re interested in who’s building it and they’re interested in the makeup of the crews. These types of things cause us to raise questions and that shouldn’t be an area that has to be questioned. I think equal an opportunity—everybody needs work. The process that you use ought to be sensitive to those perceptions in our community.

Commissioner Kane said I agree with you 100% on the work being done in Wyandotte County. You can ask Jason Banks on that. We had a meeting here one day and the group wasn’t following it even closely. So we since worked with them, but it should always be take care of our own first. It won’t work if the school district isn’t with us, the community isn’t with us because working together we’ll get a lot more done. I appreciate you guys being here. We have to listen. We should listen. I’m going to go back again, the work should as much as possible should come from this city.

Commissioner Barnes said I have a question. I don’t like to use this word, earmarking, but I’m glad you brought that up about the balance. I’m with Pastor Banks wholeheartedly on the balancing, but all so often it’s been an imbalance. I want to put this word right and I know it might be difficult to do, but at times, don’t you feel—when I say you all, don’t we feel that some earmarking is necessary? Something definitely needs to go there or needs to be done, and we need to shift to place emphasis on here instead of trying to balance it if there’s a great need here.

Commissioner McKiernan said we had a conversation in the meeting we just wrapped up about the very need for creating some special funds exactly in that area. Absolutely. Rev. Milan said if this is bleeding, it does me no good to work on this arm. This arm might be aching, but this one is bleeding. That’s what I’m trying to say.
Commissioner Barnes said unfortunately, this is a discussion rather than an action item. I would like to see that partnership with the NBRs, the CDCs, and the Chamber coming back to the table and say we are suggesting an action item on job training. We are suggesting an employment opportunity and that would be an action item. This is no disrespect to my fellow commissioners who have spent a lot of time in the strategic planning sessions and the frustrations that I’m hearing Rev. Banks and Rev. Milan is that you’re hearing this on Sunday mornings and the people that you’re talking to are saying too much is too much and enough is enough and what are we doing to address it. We’re hearing this thing over and over again. I’ve been on this commission, and I’m almost even ashamed to say how long I’ve been here now. I used to be proud to say it. I’m ashamed to say it because of the lack of progress that has been made. Guys that knew me ten years ago, I was just a cool, calmest guy in the world. I’ve become bitter and I’ve become bitter because I’ve seen that nothing happens over and over again. I’ve seen the game being played of keeping us busy, keeping us occupied, and issues never getting addressed and I’ve turned into a bitter person. I really have. I’ve turned into a bitter person because I’ve looked capable people in the eyes knowing that they’re capable of doing this and performing the task that’s necessary to turn it around and not do it. That’s made me bitter and I’m not a bitter person, but I hate to be BS’d by professional people that has the ability to address it and refuse to do so for whatever the reason is. I applaud your efforts in coming and bringing these issues forward, but this is but a conversation. When the conversation is over with, thank you for your input and not a damn thing is going to get done.

When you come back to the table, come back to the table requesting an action item be taken on job training, request that an action item be taken on employment opportunities. Given all due respect, we are dealing with improved housing issues. That’s a big issue to get your hands around and stuff like that. Right now, when you go to talk about job training, we’ll put a job out and we require that you have experience. That can be fixed overnight. All you’ve got to do is say you know what, we’re going to have a trainee position and that trainee position is going to lead that person into that job. We have people who circumvent the process by giving people experience when they know they’re going to get the job. When somebody off the street walks in, they’re not going to get the job. Those kinds of practices—if we really want change, we have to come in here and say we want an action item and the action item could be Rev. Banks, Rev. Milan, we’re asking that you guys come up with an action to address this right here and not spend 25 years talking about it.

September 10, 2012
Job training ain’t nothing new, Rev. Banks. I asked about it two weeks after I got elected. Employment opportunities, fought for it two weeks after I got elected. Still ain’t happen 18 years later. It ain’t because I haven’t asked for it. It’s not because Ernie Lewis didn’t ask for it. It’s not because other commissioners representative from our district didn’t ask about it; it hasn’t happened. The professional people that are charged to do the task that have been asked or requested of the elected officials have not performed those duties and it hasn’t been done and I’m a bitter man because of that. A very loving man, but I’m bitter right now.

Rev. Banks said the only response I have for that, and it’s really not a response it’s more of a statement, we didn’t come here ready to do your job. Commissioner Barnes said I understand.

Rev. Banks said you have some elected responsibilities, some fiduciary responsibilities that you’re duty sworn to take care of. We came as citizens representing a group to lay our perceptions of needs impacting our community. We want to be involved in the positive aspects of how that’s done. We don’t have technical expertise. We don’t have administrative support. All we have are the desires and needs of the people at heart. We’re depending on you, you elected people with all of this technology, with your solomonic wisdoms to help us accomplish what needs to be done. That’s what you were elected to do.

Rev. Milan said how we can help—we mentioned the word a while ago—help in the partnership, there is no secret pass that we have the mouthpiece. Talk about Google. Let’s go with it. How can we help and partner with you all to say what we need to do to get this thing done. Go with spiritual leaders like Casablanca, we don’t have the technology, the tools, the hammers, saws and all to do that.

Commissioner Barnes said lastly and I’d like to go on record and I’ll request that the clerk give you a copy of this statement that what I’m asking of you is follow-up and ask for the status of employment opportunities. Where are they six months from now? Ask for the status of job training six months from now. Ask for the status of job training six months from now. Ask for the status of improved housing stock six months from now. Ask for the status of recreational facilities six months from now. I can give you the answer today, but I dare you to ask. I dare you to follow up with this conversation six months from now. The reason I ask you to do that is that when you are in the minority, not by skin color but by in your thought process, when you’re in the minority there and you come to the table, I
welcome that opportunity. Somebody else is thinking like I am and somebody else is passing the word on to the elected body that this is what our community is requesting. There ain’t nothing new on here that hasn’t been requested already. Whether it happens or not, I think speaking in stereo maybe secures us the process of when the issue comes up again we might think about it.

This particular elected body of people, I feel very great about. I feel good about them. They’ve been more attentive to the process and for a minute there I thought Mr. McKiernan was playing to me, but we think alike on a lot of issues. Commissioner Holland, I never had a disagreement with this gentleman right over here. I can go to him and talk. I’m really happy with this body, but I think they have to hear it from other than myself. You guys bringing the issue forward, God bless you for doing so. I thank you for doing so. The only thing I would ask you to do is to check on the status of it and that will help keep us on track to say—the elected body to say how are you guys doing on the issues that we brought forward.

Chairman Holland said what I’m also going to ask the clerk to do is as we move and put on this agenda for our two standing committees, these very items that you have asked to be involved in, I’m going to ask the clerk to notify you of each of those meetings so that you can be involved in the dialogue and to be here as some others have been. I think that would be helpful if you could send representatives if you, yourselves aren’t able to be here. If you could send someone from your team to each of those as a conversation partner, I think that would be very helpful.

Rev. Banks said I want to acknowledge the fact that Pastor Turner was here, but he had a mandatory birthday party he had to be at, and Dr. Backus. They’re also members of our civic group for the union and we all thank you for this opportunity.

Chairman Holland said I’m not going to take comment from the public for this reason, this was a public hearing. This was their time. This was the pastors’ time and so I’m going to close this session with this.

Chairman Holland said the next item I’m going to move to—we’re a little out of numerical order. We’re going to take Item No. 4-the Metropolitan Avenue TIF project revisions now and then we’ll take the rest of them in numerical order.

September 10, 2012
Committee Agenda

Item No. 4 – 120255…Information: Metropolitan Avenue TIF Project Revisions

Synopsis: Information regarding the development team for the Metropolitan Avenue TIF District request for revisions to the existing development agreement for Project Area 1, submitted by George Brajkovic, Economic Development Director. The project contemplated the use of TIF, UG RLF, and CID.

Doug Bach, Deputy County Administrator, said this item came before the commissioners several months ago. We set out the program so we could work toward a grocery store project that the Argentine Betterment Association and ANDA were working on in the Argentine area at 21st and Metropolitan. The item that we brought before you and we had approved by the commission and moved forward was essentially one where we created the TIF district in the area and with that, we had a CID with it as well. Both instruments for the collection of the public property tax and sales tax were done so that they would go back and create or have some private financing in place. They felt at that time that they could put that private financing in place and it would get the sales tax, property tax revenue and take it as a pay-as-you go basis over time so there was no bond issue structure done in connection with this project. In a sense, from our perspective as we went through and evaluated, that really puts us in a risk-free standpoint. You can look at it and say what’s the impact on other grocery or similar stores in our community, analyze them and say there will be some, I guess if you want to call it, negative impact on that but we’re creating a new opportunity in a new area for our residents.

As they got out and furthered themselves in the financial world, they found that was a little more difficult for them to get that private financing and that’s where we brought back discussion today. First I want to describe, we’re not looking for an action or a vote from the commission today. We really brought this item forward to you for direction, discussion on the item as we go through it. Korb Maxwell, the developer, is here and he’s going to talk a little bit about the dilemma that they’re in as well as George Brajkovic and we’ll explain our situation.

I think one of the things as we listen to this is that we kind of have a comparison of the other grocery store projects that we’ve done in our community where when we’ve made that decision to step out and step behind some of these different store projects relating back to the Happy Foods store where we did a TDD on that store and we looked at the new sales tax revenues that were coming into our community. In that case, we didn’t do a specific bond issue
to the project. We kind of said we think it will generate about this amount of money. It will be close to it and we did our own bond issue, gave them the money, and moved forward with the project and that flowed from there.

Prescott Plaza was probably a good example of another project where we came and looked at an area that was in dire need of some improvement. I think everybody knows the day we went in and demolished and cleared the spot, we had already made a great investment to improve the area. Chairman Holland said you could have planted it to corn and improved that area. Mr. Bach said on the upside, a great development has come out of this, but it’s another project where in this case, we went forward, we issued bonds and looked back to the project to generate revenue to come back into our area.

Wyandotte Plaza which is one we had just done. Close to these, probably not the same level of a comparison in the sense that Wyandotte Plaza is a $28 million project. The bond issue we did with financing amounted to about $8.8 million so our coverage ratio when we looked at that project is one where we’re close to two times coverage ratio and we have some known generating factors of revenue coming back in and the creation of a CID on top of it. It was one where it’s similar because it’s in that category of projects, but it’s new. I go back through all of these as we start to look at Argentine because really in going through this with Lew, and we’ll talk about this as we move the project. We can look at it and say where are we at. It’s a higher level of risk really when it comes to it. So when you look at this, you have to evaluate it. It’s a policy decision. It’s not one where we’re going to sit here and say yes we’re highly confident you’re never going to have to pay on this. We’re paying a little bit to make the cover when we look at month to month to what happens to Happy Foods. We have times at Prescott that’s where it is, but it seems to keep ramping up and keep getting closer to it. I’m not really here to come in and say where are we dollar for dollar, but we knew that in those projects going into them. We didn’t look at it and say boy it’s just going to cover everything; whereas in Wyandotte Plaza we look at that and we came to you and said we’re pretty confident unless everything just flips upside-down we’re never going to put a dime of any other dollars in to this project. It covers itself. It will cover itself in the future and if it goes bad it should still cover itself. That’s kind of the difference where this is one—well it really just comes down to that perspective. It’s a policy decision as you look at it and we look at it and try to give you information back to help in this decision. With that I’d like to turn it over to Korb at this time who is representing the developer and he’s going to talk a little bit about the situation they have and we’ll go from there.

September 10, 2012
Korb Maxwell, Polsinelli Shughart Firm, said I am appearing on behalf of the Argentine Betterment Corporation, said I want to thank the commission for all of the hard work they’ve done on this project. This body has seen our firm working on many projects throughout Wyandotte County time and time again. Usually they have seven, eight, nine figures involved with them and this has been a project that is a little $3 million project but I think it means a lot. I think it can set policy and help this area move forward and probably help—create a model for a lot of the other areas of Wyandotte County in moving forward with more urban grocery.

You were very kind to approve the TIF that we brought forward in front of this body approximately six months ago. What we’ve come here today is with now almost two years now at work on this project and six more months of knowledge about their working in the market we’ve had a lot of good things happen. We continue to have a committed tenant. We have a signed lease with them in Save-A-Lot food stores. They are ready to move forward. They want to move forward. We have a great partner in the UG. We have raised a lot of money from non-profits out there that brings the equity into this transaction, but unfortunately the one thing we have not been able to do in any of this, and a lot of this goes in part to what you were just discussing with the ministers, was we have not been able to bring financing to this.

What we need assistance with is to monetize the incentives you have already put in. You have been good enough to grant us tax increment financing in a CID but we have gone out and beat the door of non-profit lending institutions. We have beat the door of regular commercial banks in this community and otherwise. We have talked to labor organizations. We have talked to a wide variety of groups enumerable and everybody has been very helpful and has wanted to help but frankly what has been said at the end of the day is we can’t monetize this under the terms of your pro forma out there because urban grocery in Wyandotte County is just too risky to do that deal. They don’t have the policy side behind it. They don’t have the other benefits that we can talk about around this room that they don’t see that when you just have green eye shades on and are looking at dollars and cents out there. We think this does make sense. We think we can bring it to an acceptable level of risk for the Unified Government, for the developer, for everyone else involved. I do think it can be a successful project but I need the Unified Government’s help to be able to get that done. It’s really not that we need any more revenue from what has already previously been committed but we do need the ability at least in the short term meaning until we get this thing up operative, constructed, and rolling along that we definitely need the UG to help us monetize these incentives out there.

September 10, 2012
**Commissioner Kane** said you and I know that if you put that grocery store in the northeast or if you put it over where you want to put it it’s going to work. Absolutely the people over there have to walk to the post office which they want to close, but there are still some requirements and you’re 100% right that you guys have reached out everywhere you possibly can to get financing and just come up a little bit short. In my mind though we’re still going to want the prevailing ways, minority owned business, local owned business to get this done. At the end of the day it’s all going to work out. I wish everybody would work as hard as you have just to make this one little project go. It’s only $3 million because that’s what it takes. It takes the little ones to get to the big ones. When we get done over here we need to start looking at some other places with those folks too. You need to tell them hey these guys worked with us over here how about if we get over on the northeast side and work with them.

**Mr. Maxwell** said I think you’re right Commissioner Kane. This isn’t total satisfaction today but just to tell you. You may have read in the paper that Truman Hospital over in Kansas City, MO, wants to create a grocery store. I’ve been working with that group now on creating the same deal. That’s not the exact same analysis because obviously it’s not in Wyandotte County but these little projects like this do end up creating more work out there. I know Doug and George and the UG has RFPs out about other groceries stores. I think urban grocery is a hot issue. I really take that to heart that I think there are other deals to be done and you know that we’ve discussed lots of things in this project, but nothing that you see in this proposal would be anything about lessening the commitment prevailing wage or lessening the commitment to local minority or women and businesses out there. We remain with those commitments and we’re going to get it done. We just need to come back and try just get some help with this financing. **Commissioner Kane** said we appreciate that. **Mr. Maxwell** said thank you.

**Commissioner Barnes** said I know you mentioned M/B/E, W/B/E, and L/B/E but didn’t our policy exclude this development type from that. Didn’t they ask for exclusion from that in the beginning? **Mr. Maxwell** said we did not Commissioner Barnes. We actually, in the middle we were trying to look at the financing gap we had there. We discussed would that be something that could make the cost of the project go down and given a hard look at it. We didn’t think that was the appropriate way to go at all and so we have never made that request formally of the UG in any form or fashion. **Commissioner Barnes** said I support the statement Mr. Kane has made. I think that whatever we do going forward and I’m just interested in the fact to say whatever we
do going forward on this right here that policy be applicable other places. I’m not necessarily
tying their hands to say you’re the one, but if it works there and the process is in place, and I
guess here’s my little rant again, a lot of times what’s accessible in Argentine has not been made
accessible in other areas in our community. All I’m saying is if we allow it to happen here, I
want it to be on the table elsewhere period. That’s my greatest concern and if we got the L/B/E
M/B/E, W/B/E in let’s move forward on it. I don’t have a problem with that just as long as this
is not a special case in a special place and we can do the same thing elsewhere. Mr. Maxwell
said it’s not Commissioner Barnes. Commissioner Barnes said well I know you can’t say that.
Mr. Maxwell said I can’t speak to those pieces to the L/B/E M/B/E, W/B/E we expect to work
with Mr. Banks on it and be in full conformance with it all the policies and plans of the UG.

Commissioner McKiernan said I just want to make sure that I understand you. When you say
we need to monetize, what that really means is issuing general obligation bonds to be paid
through the real estate and the sales tax increments. UG issues general obligation bonds to be
repaid through sales tax and property tax increments. Mr. Bach said I think what we indicated
in the handout we gave to you, we noted general obligation bonds. Our negotiating position with
them would be special obligation bonds would be our commitment and then we’d probably ask
that we have the flexibility since we realize we’re taking on a level of risk with it after consulting
with Lew that we probably have the latitude if we think GO is the best way to do it because we
can get a better interest rate that we do it that way. I think to the developer in the end their
course is if we can generate the money whether we do special or general they don’t really care,
but we won’t commit ourselves to do more than special obligation bonds and then we’ll choose
which tool is the best one for us when we go to financing based on the situation that we’re in.

Commissioner McKiernan said the general recommendation is general is special revenue
obligation bonds to acquire the capital you repay through property tax increments, sales tax
increments and then the revolving loan fund would just disappear as a part of the equation to be
replaced with simply a development agreement now drawn between the UG and Argentine
Betterment. That development agreement would not include the $450,000 from the revolving
loan fund. It would simply now be to the specifics of the bonds and the repayment of those
bonds. Mr. Bach said the revolving loan fund goes away in this deal. It doesn’t work. The
differences of the types of corporation we have to deal with and the restrictions put on it, the

September 10, 2012
revolving loan fund is a fun one. We can’t utilize it for this project. Mr. Maxwell said we believe that we can find—we’re working with a non-profit lender. We’ve gone back and forth on this multiple times. We do think we have a non-profit lender that will make that loan for the CID so we’re not going to need bonds on the CID portion of this. We’re really just looking at the TIF itself, the real estate tax increment and the sales tax increment components there that we need that help to monetize those funds up front.

Commissioner McKiernan said we can talk numbers later, but I’m just curious about the length and the term and the amount of the bonds. Mr. Bach said essentially kind to give you kind of a globe on what we would bring back from a package like this. We’re talking about a twenty year program which is what they had asked for before. As Mr. Maxwell said, they’re not asking for more. They are not looking to change the deal. The amount of money that was listed there before is still. The good thing about it too is they’re not asking for us to monetize the CID revenue. That’s coming through a separate non-profit corporation we think will work. That’s a good sense. Now we’re looking at the property tax and the sales tax. The property tax is a pretty secure one in the sense that it’s going to come. I don’t want to say regardless for 20 years. Things can happen, but a couple of things we will require in any development agreement and I think as we look at the broad policy, that’s why we really wanted to get this out here. We think when we open up policy like this; it opens it up to every project. As Commissioner Barnes was saying, this can serve as a model. We always have to tweak models and work on them, but it can work that way. We will require them that they have all the money demonstrative in place that builds a project. Since they’re a company we can’t necessarily say well you’re going to guarantee and we’re going to go get some kind of personal guarantee from them. There’s not much to go get but they can have all their private loans lined up, everything in place, so the day we issue private money or our public money into the deal we know they’re going to have all their private money so the store gets built. If the store gets built then we’ve got something to collect property tax off. They also have a firm deal with the operator in Save-A-Lot that they’re going to open up and operate that store and they have a lease for ten years. We’d rather it be twenty since we have a twenty year deal, but that’s really the best they’ve been able to get done with it. It’s a good deal going into it when you say we’re going to put $1.6 million into this deal up front. You know there’s going to be $3 million spent on the deal because all of their money is dedicated to the project. It’s going to open—and that doesn’t count.

September 10, 2012
The private developer is going to put another $1.2 million about or so. They’re putting their money into the store to get it opened all the shelving units and the TI basically inside operating it so it’s getting open and its operating and they have a ten year lease out there. There that moves you over to the sales tax side of the equation. You feel like okay you’re going to be collecting revenue stream in for a number of years. It’s not a scenario where we come to you and say we’re just coughing our money out there and we’ll see what’ll happen. You’re going to get a store built and you’re going to get a store opened and operating in the community. That’s going to be a sure thing in the deal and then we move down the road from there and kind of analyze it. After that, it’s like well, we can feel pretty good about ten years. Year 10-20 maybe not as good but we don’t take a 20 year time period. If we had a 1.5 coverage we wouldn’t worry about as much. It’ll be lower but there could be a few years out there and really probably when it gets down to a financial risk, I don’t want to say only but you’re only talking a few $100,000 that really gets in that risky area.

**Commissioner McKiernan** said as we look to transfer this model into other potential development opportunities we have a model for what they have brought with them to the table that could be or maybe should be emulated by other groups that are looking to bring similar proposals to the table. **Mr. Bach** said and we have positions in the development deal as well. There’s another lot that sits on this parcel. If it opens and they put it—let’s say they get a little convenience or fast food or some store like that in place well it’s now part of the TIF so we’ll get the property tax and the sales tax off of that store as, as the non-profit, we’ll get the CID off of it. We’re not counting any of that revenue today. They don’t have any development that they’re saying we’re going to open there, but that gives us a little bit of extra so we take positions on a things like that. Just like the bank is taking a position on different portions too.

**BPU Board Member Alvey** said I guess my concern is knowing the location right off 18th Street on Metropolitan and knowing that they have done the plan at Prescott Plaza and that is going well and it’s generating revenues and its working to make that happen and we also have the thing at Shawnee Plaza which is not listed here but I know it does have the CID, it’s the 1% which I pay the tax on that every time I go in and happy to do it for the neighborhood. I also know that if you jump on the freeway you’re just a hop away from the Aldi’s in Roland Park and the Price Chopper. When private money doesn’t pursue these or does not jump in with both feet, there’s a

_Sevenober 10, 2012_
reason why they don’t. If you said as they’re willing to go into a 10 year operating agreement and not 20 would 10 be within range. Is 20 more likely in this kind of a deal? If there’s a reason why—what I would not want to see is that sure we can go down this road and do the deal but maybe the greatest risk would be a couple hundred thousand dollars. If it’s not going to be sustainable then it makes it makes it more difficult to do a deal in the northeast if you know what I’m saying. If the stretch is made and the risk is taken and it does not turn out because of the market research, the market research is showing that it may not work, does this compromise in fact the ability to do another program project like this someplace else. Maybe that can’t be answered here. What my concern would be let’s not—we need to be careful with this which is why you’re bringing it forward. There may be other policy reasons for doing this that is to serve the community. A lot has already happened. If we’re getting communication from folks saying we’re not really sure about this, the private money needs to be there and the private investment needs to be competent it’s going to pay off. Maybe I’m missing something and it’s not coming up.

Mr. Maxwell said let me try commissioner because you bring up really good points. These were points we touch one a little bit and I didn’t give the full presentation that I did last time. Really where this all started and where this came about is Save-A-Lot in their interest in the area. Save-A-Lot’s a very interesting retailer. They come in to areas—I think many know that the commissioner from this area had tried for five, six, seven years to get a grocery store to come into this neighborhood and had called every single list and every single grocer throughout the whole nation and could not find no interest and finally found some interest in Save-A-Lot that Save-A-Lot would come in. Save-A-Lot has a unique business model and their business model is to charge about 40% less on the cost of their goods and food than a regular grocer does out there. They thought it would be a fantastic fit for the Argentine neighborhood but one of the ways they are able to charge that lower amount is that they go in and find real estate that they can pay a very limited amount.

What they go look for is a 15,000 sq. ft. floor play of an old building or something out there sort of a run-down center that they can pay $3 or $4 a sq. ft. bring it in and set up. The problem was with this particular neighborhood, and I’ll think we’ll find this in many other neighborhoods in Wyandotte County, is none of the physical building stock actually laid out. We looked at every single possible building in the Argentine neighborhood and we couldn’t find any place where that 15,000 floor play could go into an existing building. So what does that
mean? To be able to do a deal we still have to build them a new structure. The problem is in their calculus that doesn’t change their model at all to say that then they can pay us additional rent per sq. ft. They still will only pay this dollar per sq. ft. So the gap was created. We have to build them a brand new building and they’ll still only pay basically about $5 per sq. ft. in rent so that created sort of a pro forma gap that came to my initial ask to Doug/commission to say we need to be able to use tax increment financing and thus started this sort of saga of going around to banks and banks after you guys committed the tax increment financing to try to figure out a way to monetize it. So now we come with the next question of monetization.

To the second point of the neighborhood and sort of and I think you really hit on it. The market research of Save-A-Lot and then sort of some of it subjective some of it from the neighborhood itself, but really the market research from Save-A-Lot itself is where you will end up taking sales from is the Price Chopper and Aldi in Roland Park. Save-A-Lot is set up to compete with those retailers and that’s why they want to go into this neighborhood. I don’t believe in the discussions I’ve had that this is not going to have a major effect on Prescott Plaza in any form or fashion. I’ll let Doug, Lew or George speak to that more but the research we’ve seen from Save-A-Lot and the research we’ve seen from others this is really about, as Commissioner Kane said, capturing those folks without cars that walk in this neighborhood that are buying groceries daily if not every other day and trying to capture more sales for Wyandotte County here as well as improve the neighborhood. I hope that’s somewhat helpful. I really do think we have looked at this and this will serve as a positive model if we get this building up and going and we start seeing grocery sales here. I think this is a model for Save-A-Lot or other grocery retailers to say just like what’s happened with Prescott Plaza urban grocery works. This is an area, this is the next frontier that we need to be going into not just always green-filled sites further and further south, west or wherever it would be.

BPU Board Member Alvey said that was extremely helpful. Thank you. I’ll have to tell you from my personal experience because when the ads come out on Tuesday on the way home, I stop at Price Chopper, Henhouse whoever has the deals that’s where I go and I go to Aldi’s because it’s on the way home and if I have to go up to my sisters I stop at the Aldi’s on State wherever it takes me, but Save-A-Lot—I come out State Avenue but I don’t come that way I work out south. There will be people and I will be shopping at Save-A-Lot if it comes that close. It’s just as simple as that. It’s good to hear that that’s the market dynamic for them and I

September 10, 2012
appreciate your explanation that it’s not going to be that you had to build a new building that you can’t do—they can’t follow their normal business plan and had to get a new building.

**Commissioner Barnes** said I had to give you an A+ on that explanation. The little knowledge I do have when it comes to these retail buildings you have to understand the footprint and the fingerprint of what they actually need and what they are asking for when they come into our community. The good part about northeast is that there was a study and Associated Wholesale Grocers conducted that study. They were the ones that advised us where it would work and how it would work. That was a huge plus there. They gave us the footprint and the fingerprint that was needed to make it successful there. When I was talking about what was happening here I’m not talking about a cookie cutter process.

I was really talking about the flexibility that we’re using to make this project work. I would like to have that same flexibility to make a project work in the northeast. What I don’t want to happen is that we put this here and this becomes a rigid blueprint that we have to follow because it’s not going to work on my side of town if we have to follow everything; dot every i twice and cross every t twice. When I’m talking about utilizing a model I’m talking about the model flexibility that we utilized here. I don’t want to say well no, they didn’t quite do it that way over there so we can’t do it, I’m just saying remember the flexibility. We came to the table with a plan and we’ve got all celebratory over making this thing work and then we come back and say well it’s not going to work that way we have to do this right here and you guys are working hard and I applaud you. I just want you to work just as hard when it comes to the store on the north end.

**Chairman Holland** said help me—what’s the rule of the Argentine Betterment Corporation? **Mr. Maxwell** said they will truly be the developer owner, operator of the capital improvement that is constructed here commissioner. The 15,000 sq. ft. grocery store will be owned by Argentine Betterment Corporation. **Chairman Holland** said this is a corporation that doesn’t have any experience doing this. My question is—to my knowledge I don’t think they’ve ever built or ran a grocery store before. There was another organization set up to do that which was… **Mr. Maxwell** said Argentine Commercial Inc. **Chairman Holland** asked what happened to Argentine Commercial Inc. **Mr. Maxwell** said it honestly became an issue that Argentine Commercial Inc. was going to be a for profit escort out there commissioner and we got into an
issue of having a for profit corporation. That a for profit corporation could not end up taking
many of the grants that were raised for this project. The land was sold below its appraised value
cost to Argentine Betterment Corporation. All of those things could not occur if it was a for
profit corporation so it needed to be switched to a not-for-profit corporation. This neighborhood
had the Argentine Betterment Corporation there that was able to take up that ability and do that.

**Chairman Holland** said Doug, answer me this question. What real role will ABC have? **Mr. Bach** said they are the non-profit entity that is the owner of this company. We all knew when we
started the project that and it was a big push behind this, but due to issues regarding
commissioners’ relationship with them, they could not be in a position where they could ever see
a profit. They are in a role where they can contribute money into the project but it can never go
back the other way. If for some reason this project does fantastic and becomes of great value
then ABC is the one could ultimately be the recipient of that. That’s my straight answer as to
how that’s going to work. That’s how this is going to function for us. ABC is down there from
that standpoint.

**Chairman Holland** asked does ABC have any employees. **Mr. Maxwell** said they have an
executive director. Tim Russell was here just a minute ago but he had to leave for his board
meeting. **Chairman Holland** asked is that a paid position. **Mr. Bach** said they’re an NBR so he
gets that money from them. They’re a functioning group down in that area. You are correct they
haven’t run or worked any grocery store which is why for us to lock in—That’s why I made a
big deal about the fact of we lock into this deal we know all the money is secured so we’re not
just throwing our million and a half out there and saying you guys see if you can come up with
the rest of your money and let’s put something together. Our money comes in the deal. You
come in with your money then we know it’s complete, and they have a lease in hand for someone
that’s going to run the store and that’s the Save-A-Lot. **Mr. Maxwell** said, commissioner, at one
point there are other people with significant experience in this area that are advising, helping and
consulting. One, our firm is in every part of it, but two, Ferguson Properties is the retail broker
and will also serve as a construction manager to assist through this process. We will go out and
actually find a general contractor, but their assisting from sort of a developer construction
manager perspective of making sure that this all sort of comes together.

**September 10, 2012**
Chairman Holland said I’m just curious about the liability in terms of that organization. Do you feel like they are equipped to do this? Commissioner Barnes said you’re on a good line of questioning because I just want you to know as you go forward, whatever you do, I’m going to vote yes on it. I’m going to remember everything that you do. I just want you to understand that. Chairman Holland said you’re absolutely right. This is precedent setting. One of the things we need to be clear about is if we’re going to build—we’ve proven—Prescott Plaza has taken off I think more than anyone expected. It’s been better than hoped for. Happy Foods has worked well. Shawnee Drive has worked well. We have a significant investment in 78th St. If we’re going to build in Argentine and the northeast, there’s going to be a much higher risk factor. My question is if we’re taking this much risk why put the burden on a not-for-profit organization that may or may not be equipped handle it, why don’t we just own the thing.

Mr. Bach said in there does lie the big difference is a lot of these other projects from that standpoint because when we went with Happy Foods we were doing the deal with O.J. Shipman. We had somebody in that deal who ran and operated the store and that’s who has it. In Wyandotte Plaza we’ve got RED and that group who does the development they’ve done many developments all over. We had Fishman come in out there and do Prescott Plaza. We had developers on the hook that had proven and shown they have done this before. When we came to you the first time and said its pay as you go, I think Commissioner Barnes asked that question about it. We said that balancing act probably comes down to the fact that if they don’t get this done and they don’t generate the money, they’re not getting anything. This request tonight changes that a little bit. I can let Korb answer the question about the experience to it. It does change that and it is a bigger leap and it really does come down to this policy to say are we willing to hand those keys over to somebody that doesn’t have the long proven track record. They don’t have a bank account that we’re going to go against and leverage against it. Even if they had some houses we don’t want to go take them from them. That’s not anything we want to get. It’s a little structure of a deal.

Chairman Holland said we own a mule deer museum. Mr. Maxwell said yes, we do. My question is do we just own a grocery store. Mr. Maxwell said commissioner that’s an interesting policy discussion, not my place to insert myself in it. I do want to say one thing that we are allowing to have happen through this not-for-profit structure out there, we are bringing a million

September 10, 2012
and a half dollars to the table on this particular deal that is not UG backed. That is we’re bringing about $350,000 in charitable equity that is being bought to the deal. We’re bringing a $700,000 private development loan that we’re going out to a bank that is going to lend on that. These questions are absolutely the same questions that the banks are asking as well. You do have somebody else that is looking over this and saying are these people qualified. Can they develop it? Can the trains run on time? Can it get built? Can they meet all the requirements? There’s sort of additional oversight from the market that is occurring in it as well and then we have the CID lender that is going to come in and make that private piece to the loan. Doug’s absolutely right and the questions are very good here that it is a riskier transaction than what we were talking about six month ago, but I do think it is less risky than the proposal of just the UG owning it as a whole because we’re able to bring that million and a half dollars into it on the other side.

Chairman Holland said so if the UG owns it that private equity goes away. We’re not able to be recipients of that money. Commissioner Barnes said yes we could. Mr. Bach said it would be a new deal from a standpoint, we would have to go back to because there’s a—I don’t know how the group backing the CID would look at us. You may be able to secure that loan. The private bank—we’re not in those conversations to secure those loans and stuff like that. Chairman Holland said but if they’re going to loan it—ABC doesn’t have anything. I mean they don’t have any resources. They don’t have any equity. They don’t have anything to lend against. They have a board of directors who are insured. If you’re looking for somebody to back these loans I would think the Unified Government would. Mr. Bach said we could get the loans no doubt about it but I think what Mr. Maxwell is pointing out is we’re not backing that half of the deal. If it does have a problem that’d come up, we’re not collecting retail sales that means they’re not collecting retail saves. We’re not getting the tax because they are not getting the sales so they’re not making their payments that are coming back around. That’s what they’re securing.

Chairman Holland said so ABC files for bankruptcy. Mr. Bach said the bank is taking a certain amount of risk of loan for them for whatever backing they can get because they feel like there is enough security in what’s going on in that site. We don’t have to be on that side of the deal. That is a little bit better position for us. Commissioner Barnes said the security is the building itself and the bill is worth $750,000. Chairman Holland said if you can find a buyer.

September 10, 2012
Commissioner Barnes said once you get the building built that’s the reason why we’re building because that type of operation couldn’t find a building to fit their operation. Once that building is there in place the bank is satisfied that I can find—those guys will come a dime a dozen once you have a building already in place to fit the footprint.

Chairman Holland said you’re asking for $1.6 million in special obligation bonds from the UG to monetize the incentives up front. Mr. Bach said that’s the strength of the deal when we put together. Some of the other assurities that are put in place guarantees it happens. Chairman Holland said I don’t know how else it gets done. I think this is a road map for how we do it in the northeast. Commissioner Barnes said no it’s not. It’s not a road map for how we do it in the northeast. Chairman Holland said it’s a blueprint. Commissioner Barnes said it’s a road map that we could use. I don’t want to be obligated to go down the same road with them. I may want to go I-70 and they’re going down 69. Chairman Holland said the message our citizens need to hear is the UG is prepared to throw everything we’ve got at an urban grocery stores. That’s the message our citizens need to hear. We’ll do whatever it takes. My position is I don’t think we need to earn taxes off a grocery store in the urban area. I think we just need to have a grocery store in the urban area. I’m prepared to put all the property tax, all the sales tax, CID. I don’t know what else there is. Commissioner Barnes said did you get that all on tape.

Chairman Holland said it’s on tape. I’ve said it before. You don’t need to get it on tape. I’ve said it before. Commissioner Barnes said not because you said it. I’m just saying we’re agreeing to this. Chairman Holland said no that’s exactly right. You don’t need an action from us tonight.

Mr. Bach said that’s helpful. I hope we’ll be back soon and come to an agreement. Chairman Holland said we have to have the TIF. Mr. Bach said this does restructure the agreement and I think Commissioner McKiernan was stating that. We’re changing the TIF structure completely so it’s a property tax and then there’s a rebate on the actual sales tax. That way that actual piece of it gives them more flexibility in their spend. It matters not to us from a financial perspective.

Chairman Holland said I want to go on record and say too that we don’t have grocery stores in our urban areas not because we don’t want them or not because we’re not willing to put skin in the game but because they’re hard to do. They are genuinely hard to do. If they were easy to do, we’d already done it and taken credit for it. Right. They are very hard to monetize. Mr. Bach
said once you have somebody ready to sit down at the table and say yes we’ll do it that’s a couple of years is what it took. It’s not a process that just flies down the road. There are a whole lot of people that get in the game, it’s not just us. It’s all private side too and then their willingness to loan and back up and bring everything to the table and find a separate group like they did that came and backed up the CID money. Chairman Holland said I see $4.2 million. Is that the total size of this project, $1.4 million from non-profits, $1.2 million from Save-A-Lot, and $1.6 million from the UG? Mr. Maxwell said we didn’t put the Save-A-Lot. The Save-A-Lot deal is about $3 million itself. The overall pro forma in the TIF plan that will come is $4.2 million because it includes the extra development that will be built on that additional pad. Yes about $4.2 million is about exactly right.

**Action:** No action taken.

**Item No. 5 – 120232…PRESENTATION: PILOT PROGRAM FOR SMALL/LOCAL CONTRACTORS**

**Synopsis:** Presentation of a proposed pilot program for local/small contractors by Jason Banks, Contract Compliance Officer. The presentation is in response to the commission’s expressed interest in leveraging our ADA ramp replacement projects and other construction projects for local/small business contracting opportunities.

Jason Banks, Contract Compliance Officer, said this presentation is a follow-up of sorts to the commission’s expressed interest in us leveraging our contracting activity for local business participation; more specifically focusing on the ADA ramp projects. As this group is keenly aware we are required over the next several years to upgrade a number of ADA ramp projects throughout the city. In addition to that, throughout the year, our public works department and their multiple divisions bid and award a number of small concrete infrastructure related enhancements as part of their programming. Between those two pools of contracts we saw an opportunity; primarily an opportunity to place subcontractors in a position to perform as prime contractors. Often when we speak of small business or small contractors we automatically think of sub contracting activity. While there is nothing wrong with subcontracting as a matter of fact some of our larger projects wouldn’t have gotten done without the good contractors that we have working throughout the city. When you think about small business development and true
capacity growth that can only happen when you place a small contractor in a position to deliver a project that’s larger than what they’ve been previously operating on.

That’s kind of the primus and the backdrop to our program and you have as part of you agenda some of the specific tenace of the program and I’d like to move through that and then we can move to questions. Starting off a few of the goals one is to leverage ADA ramp program to create economic activity through contracting and in jobs and recognize under-utilized demographics. The second part of that there, when we talk about under-utilized demographics, Kara Winkler will speak to that later on as we move through some of the businesses on her list. Secondly, to utilize those ADA contracts to create small business capacity, as I mention previously, and grow through sustained competitive contracting opportunities and that is important to note. As we roll out this program we will follow procurement guidelines. We have no intention of handing out contracts. I know in years past some cities have been criticized for set aside programs that throw competitive bidding out the window, but what we’ve seen over the years is that does not create capacity growth. What that does is that creates businesses who tend to forget how to bid competitively and I don’t think that is what we’re after here.

Lastly we want to expand the application of the Supplier Diversity Ordinance. It’s a pretty wide piece of policy that was approved back in 2005 and as we marched through implementation some of the things that we’re building into this program will help us roll out this ordinance. To give you an overview of the program what we intend to do is target a percentage or dollar volume of the 2013 ADA ramps to bid exclusively to a list of pre-qualified small contractors. Those contracts will be packaged large enough to justify the additional project management that will be called for.

What we’ll probably be seeing are projects may have been one contractor now two again to make them smaller more attainable for small contractors and what that means is our shop will be busier. Bob Roddy’s team may be a little bit busier on projects and also our purchasing department. We’re going to look in doing that in a way that doesn’t over burden any one group. We don’t require, we don’t need a policy approval. Unfortunately, we have existing policy language that allows us to do some of the things that we are proposing tonight. One being the language from our Supplier Diversity Ordinance which calls for unbundling of certain procurements to make them more accessible to small businesses and secondly our purchasing policy more specifically the construction portion which requires for small and formal bids of less than $50,000 to only require three quotes. What we’re proposing is kind of a departure a good
departure from the typical way that we bid contracts. Recognizing over the years that as we bid projects if we bid to the entire business community naturally contractors that are smaller capacity aren’t able, they aren’t the scale to bid competitively against larger contractors. Recognizing that, we want to create pools of bids and contractors that are similarly scaled to bid against one another.

**Mr. Alvey** asked why did the ADA program, the ramps, is that because they’re doing smaller projects and it makes it easy for a smaller contractor to bid on it. **Mr. Banks** said that’s part of it. The other part is that we’ve just have a lot of them that do. We didn’t have to. The work is just organically there. We know we have to do them. We’re required to and it’s in the budget for the next several years and so the opportunity kind of met.

**Commissioner Kane** said the other day we had three bids at a basketball court. Two of them were about the same and one of them was a lot different. The one that was a lot different in my mind wasn’t going to do the same work the other two since there was such a big difference. So I would ask you to watch that. We don’t want to have somebody come in just because they’re low bid. You always do a good job and I know that, but when I heard about this basketball court the other day with termites and stuff like that and you hear about two guys came up with the bid pretty close together and some guy was for the cost of the materials I would be very leery about something like that. You guys do a good job you know that. **Mr. Banks** said excuse my voice. I stepped away to get some water and I heard Commissioner Barnes had some glowing remarks. Can we get those on this meeting? **Commissioner Barnes** said he wants me to put it on tape. Jason does a good job and the reason being is that prior to him rolling something out he comes by and asks for input and he says this is what I’m thinking about doing. What do you think about it? It’s never a rubber stamp. He’s like commissioner, I can’t do it this way because and we have a back and forth and I appreciate that. Thank you. **Mr. Banks** said you’re welcome. Lastly much of this while it’s focusing on the ADA ramps we do a lot of other work. The companies that we kind of vet and pre-qualify through this process we’re also going to call them for other projects you know.

**Commissioner McKiernan** said this is a naïve question. I don’t know basically helping them build their capacity and build excellence. I’m just curious how does a company who’s in this
business who maybe doesn’t have the good competitive bid, who doesn’t have a sharp well
defined bid, how do they get coached or feedback on how to create a better bid for the next time
around? Mr. Banks said sometimes there’s an opportunity for us as staff post bid to kind of do a
debriefing. In addition to that over the years we built a real solid network. I see a few of the
folks in the audience tonight with us. Cindy Cash and Crystal Watson have worked tiredly as we
engage contractors or suppliers even. If we recognize deficiencies or challenges that they are
having we’re able to call on those partners to help try to bridge some of those gaps.
Commissioner McKiernan said so we do have some resources that we can bring back to a
contractor to say well you didn’t get this bid, but here’s some things to make it more
competitive. Mr. Banks said absolutely. Chairman Holland said anytime there’s a bid can’t
any person who loses the bid request the winning bid. Mr. Banks said unfortunately not all
contractors and suppliers know that and so we’ve tried to do a better job of educating and
encouraging contractors to do that otherwise they’ll make the same mistakes over, over and over.
Commissioner McKiernan said they won’t get the better bid as you go on. Commissioner
Barnes said it might not be proper term but usually when you as a small contractor if you don’t
get a bid, you want an exit interview for lack of a better term that says what did I do? What was
I lacking on it and a lot of our contracting we don’t do that. I don’t know if it’s a requirement or
not, but the one thing that I do hear from the small contractors that don’t get the bids is that they
don’t hear from anyone. They don’t hear anything. They have to call and chase somebody down
to say what happened to the bid. Did I get the bid or what happened? They didn’t send them a
notice saying thanks for bidding or nothing. The only person that gets contacted is the one that
gets the winning bid. Being able to give the small contractors some type of conversation about
here’s the winning bid and this is what happened and giving them that information and supplying
them with that will kind of educate them on how to move forward.

Mr. Banks said I think you’ll hear when Kara talks about the list that we’ve got a small
enough list where I think we can do a lot more of that versus again the standard way that we bid.
We may be sending out a bid for 300-400 vendors on certain projects usually it’s around 75 or
80. You can just imagine if we award one contract those other 74 looking for information and
we don’t have a representative from purchasing here tonight, but I know that they do as good a
job as they can trying to make sure that they respond to those inquiries. Commissioner Barnes
said in this case you can do three. When you do the three it’s a lot easier that say I’m one of the
three and I didn’t get the bid and this is why. Mr. Banks said in a nutshell those are the primary
tenants of the program. I’m going to turn the presentation over to Kara Winkler. Oftentimes you hear me talk about our department as we and us. Well this is the other us to talk about how we go to the point we’re at now.

Kara Winkler, Contract Compliance, said when we first started getting this list together we drew from our own database. We drew from the Kansas City, MO database and we drew through the business license database. How we looked for those companies were self identified concrete construction companies. We’ve already been alerted to some gaps in the workforce out there. There are more companies that are eligible to do concrete construction that have self-identified. We’re sort of being told from some of our resource partners that there are some firms that didn’t make our original list that we’ll try to go back and contact again. We had those 35 companies, we sent out a pre-qualification form to them. When I say pre-qualification form this isn’t necessarily to weed any of those companies out. It was more to sort of identify larger companies from smaller companies. Companies who had done work with us before versus a company who hadn’t done with us before so that way when it comes to putting the bids together we can sort of have companies in the same capacity bidding against each other instead of pricing a smaller company out and making them non competitive for the bids. You can also see on the sheets the different highlighted companies. We went through and identified companies that were located in HUB Zones and companies that were either eligible for Section 3 or were certified as Section 3 companies. There is a list of definitions in there but I’ll just sort of give you a brief overview of what each of those programs are.

They are both federal programs. The HUB Zone stands for Historically Underutilized Businesses which are typically minorities, women-owned businesses small businesses. It has to be a definition of small business for this industry varies between $13.5 million to $33 million. So I would say that all the companies on our list qualify as a small business. To be a Historically Underutilized Business it’s all based on census tract and it’s 50% of the households within that census tract need to be making under 60% of the area gross median income. The Section 3 there’s three different ways to be eligible for Section 3 business. The first way is to be owned by Section 3 residents which is based on housing or 50-80% below of the area median income. You can have 30% of you full-time employees as Section 3 residents or you could make a commitment to subcontract at least 25% of the dollar amount of the contract to Section 3 businesses. As you can see the 9 companies we got the responses from the majority qualify as

September 10, 2012
either HUB Zone or Section 3 which is important because both of those categories represent economically distressed groups in our city. By doing business with them we would be bringing money back into those groups of companies.

I said before that the pre-qualification was to categorize not and not to weed out but it was to sort of give the companies information and to set information and to set expectations for them. We’ve got some sample questions on one of the pages there. One of the sample questions was can you carry an invoice for 30 days. You know we pay on a monthly basis here and it’s important for the companies to go into that with that expectation and for the record none of the companies said that they wouldn’t be able to carry an invoice for 30 days but it’s just an important thing for them to know so it kind of cuts out on questions on the backend. Where’s my check? Why haven’t you paid me yet? Those kinds of things. We’re looking to create two different tiers. One for companies that have done work with us before, larger companies who have bonding and insurance capabilities, some of them that responded indicated that they don’t work with a bonding agent right now and don’t have any bonding capacity. Certain dollar thresholds is $50,000 and under the purchasing doesn’t require bonding for those projects. So we would try to get those companies that don’t have bonding currently in place. If they are interested in gaining bonding information on how to go about doing that but also making sure that they are working bidding projects that don’t have that capacity so they’re not ruled out for that. We’re trying to set everyone up for success and get them sort of filtered into the correct categories.

Chairman Holland asked how did you end up with these nine companies. Ms. Winkler said these are the ones who responded. We sent out a hardcopy in the mail. I sent an email copy to companies that had email addresses and we had staff members call all of the companies to remind them that they needed to turn in their forms. Those are the nine that responded.

Mr. Banks said that in a nutshell is what we’re looking to accomplish. We’re looking at tackling some of the items that were addressed in the commission strategic planning session. Again, we’re looking at trying to create some capacity growth and this is something that we’ve never done before. Our message to our partners and those contractors is be patient with us. This is going to take some time. Public Works is learning how to do this. I know the push for the last three years was to try to package as many projects together and get them bid and now we’re kind

September 10, 2012
of asking them to move in the opposite direction and they have been more than willing to work with us on that. We hope to be able to come back to this committee before the end of the year to give an update on activity whether—we’ve had training classes or we’ve actually got some people working on projects. This is one item that we want to make sure that we keep in front of this committee because it may lead to future policy decisions in the future. Chairman Holland said this is great work and it speaks to the job development, it speaks to the local piece. I mean this speaks to keeping the dollars local. These are all zip codes in our community that folks need work in. I think it’s good. I think this is a good start.

Chairman Holland said I think it’s good. I think it’s a good start.

Eleanor Jefferson, 419 Haskell Ave., appeared stating thank you very much for allowing me to speak. I left my glasses in the car so it will be short. Chairman Holland asked is it regarding this topic that we’re…Ms. Jefferson said it is, sir. It certainly is. First of all I want to give an accolade and a thank you to Jason Banks and his team because he has involved HNMA in this process about the job creation and so forth. In 2010, we had met on job creation and one of the impairments we had was actually in working with contractors to build that capacity. So we’re looking forward to doing that.

The reason that I wanted to take this opportunity to speak at this time, which was originally when I wanted to do that, was because the UG has sanctioned as Mr. Owens has said the HNMA to be a flagship vehicle or the flagship vehicle. As I read the agreement, the flagship vehicle for job creation, for education, for empowerment in the northeast and midtown communities. One thing that HNMA is doing is because we’re working behind the curve as far as time, because there has not been a NBR in that area in a while, we have and continued to contact people like Jason Banks and we will be contacting others to help us build that capacity that we need in order to be seen as your vehicle of choice.

One request that I do have, Commissioner Holland, is as you have made an open door with the clerk with the ministers who were here that you would consider doing the same thing for HNMA and that way we’re able to get on the ground and to learn and be a useful partner on that. Chairman Holland said I’d be glad to do that.

Ms. Jefferson said basically that’s all I have. Thank you very much.
Item No. 2 – 120250…Ordinance: 2012 Start Bonds Refunding for Village West

Synopsis: An ordinance authorizing the issuance of not to exceed $15M of Sales Tax Special Obligation Revenue Refunding STAR Bond (Village West Redevelopment Project Area B), Subordinate Lien Series 23012 to refund the Series 2001 STAR Bonds, submitted by Lew Levin, Chief Financial Officer. This refunding will reduce the interest rate from 5% to an estimated 1.65%, resulting in a projected present value savings of $2.3M or 13%.

Chairman Holland asked is this an action item. Commissioner Barnes said yes. Commissioner McKiernan said he’s saving us bundles of money.

Action: Commissioner Kane made a motion, seconded by Commissioner Barnes, to approve and forward to full commission.

Commissioner McKiernan asked is there something we really need to hear on this. Based on what you provided us, this refinancing will save us tons of money. Lew Levin, Chief Financial Officer, was we’re essentially reducing the interest rate from 5% to under…Commissioner Barnes said we’ll let you do your full routine at the full commission.

Chairman Holland said I do have one question. What does this do to accelerating the payoff of the STAR bonds. Mr. Levin said the one bonds now with this refinancing in 2012, will be paid off at the end of 2016. It will make more money available to redeem the other bonds.

Roll call was taken on the motion to approve and there were six “Ayes,” Alvey, Kane, Maddox, McKiernan, Barnes, Holland.

Mr. Levin said the only thing I’ll add is the actual pricing or the sale of the bonds will occur mid-October. Their scheduled pricing is October 15.

Item No. 3 – 120221….Communication: Section 42 Scoring Criteria

Synopsis: Communication submitting Section 42 scoring criteria, submitted by Charles Brockman, Economic Development. This item was tabled from the August 13, 2012 standing committee meeting.

September 10, 2012
Commissioner McKiernan said I’d just like to say I feel so touched that you held this over from the last meeting just so I could be here. Chairman Holland said let that be a lesson to everyone. If you want something on the agenda, you can’t skip the meeting when it comes up. We will hold it over for you.

George Brajkovic, Economic Development Director, said I think all of you know Charles Brockman with our department. I’m going to make a quick introduction. I think most of you know Marlin Goff, but we were able to convince Marlin to come over from Community Development and come work with us in Economic Development. I wanted to make that introduction. Just for the record, he couldn’t be here tonight, but we did have an intern this summer, Mr. Lonnie Gilbert. He’s a student at Benedictine and he actually helped us with this presentation tonight. I feel bad he’s not here, but now his name is on the record.

Section 42, we had three—to be as brief as possible, we had three items to bring before you tonight. We wanted to strike the language that we had added earlier in the year regarding the gold, silver, bronze status of projects. In the packet tonight is a policy that reflects that change. There is a trickle down affect of not having that status, how did that affect the recommendation made. So all those changes have been incorporated and are there for your review.

The second part of what we wanted to present to you tonight was just a matrix. I think there was a question about what projects have we considered since—so we took some liberties with that. Chairman Holland said this is the extra piece we received, by the way, if you’re looking for it. Mr. Alvey said I didn’t get it unless it came through email. Chairman Holland asked do you have another copy of this for Mr. Alvey. (A copy was provided.) Mr. Brajkovic said thank you to Charles Brockman for putting all that together for us.

We took some liberties with that request and we said well let’s just go back and look at projects since 2009. We had, I believe, some citizen input the last time regarding what the process is and the UG does a scoring matrix and we do our resolution of support. It goes to the state and the state does some scoring. What we wanted to show were projects that came through us since ’09, projects that received a qualifying score on our end which is 50 points or more, and then what happened with those projects. They went to the state. Did the state allocate credits to the project? If they did or didn’t, what’s the stage of completion for that particular project? I guess this is for more informational purposes so that you see what happens with those projects.

September 10, 2012
would say probably the biggest take away from this particular table is it reflects the highly competitive nature of getting these credits allocated.

Chairman Holland said so not completed, this first one, City Vision. Did they receive the state credits? Charles Brockman, Economic Development Dept., said they pulled it. Mr. Brajkovic said they pulled the application. We wanted to show everything that had actually been submitted to us for review and then whether the development team pulled it or it just didn’t advance, we tried to reflect that. Chairman Holland asked so we’ve not had in the last three years, we’ve not had one funded. Commissioner McKiernan said one, St. Margaret’s. Chairman Holland asked it was approved. Mr. Brajkovic said yes. Commissioner McKiernan said the one thing that’s nice about that is it has the highest score to date. At least there’s one piece of evidence that says we score them high and that does somewhat correlate with projects that end up getting funded by the state. Mr. Brajkovic said yes. One thing that this chart doesn’t reflect is discussions we’re having with current projects. We can count on both hands the number of proposals we see that say well this is all subject to this project getting LITEC awarded. We’ll do incentive layering. We looked at the grocery store model earlier where we saw all those incentives. We don’t have a problem layering incentive after incentive to get a project done, but this particular credit is so difficult, so highly sought after that there’s just not I don’t think a high success rate is the appropriate term, but there’s just not a high success rate at getting these credits and then seeing those projects completed.

Commissioner McKiernan asked did I hear the numbers right from the state, this past year there were 56 applications and 15 funded, something along those lines. Mr. Brajkovic said that seems about right. That sounds about right. Commissioner McKiernan said the numbers I’m roughly recollecting, there’s only about 15 funded out of about 56 submitted statewide. Commissioners Barnes said somebody wants them to go away. Somebody wants the tax credits to go away. Commissioner McKiernan said no matter what we do here at the local level, if there’s not more money at the state level, in some ways we are just spinning our wheels here. Keep the process. It’s great. It’s very frustrating. Good projects could meet a roadblock at the state level.

September 10, 2012
Mr. Brajkovic said moving on to the last piece. We had a lot of discussion about what is this local scoring matrix and the 50 points, and I think Commissioner Barnes had some very specific questions. What we tried to put together is some rhyme or reason to why we have the points, why we have the main categories we have, what is that add up to, how does our minimum qualifying score reflect in that total point. A sheet is being passed around now that kind of summarizes—we put the complete scoring matrix in your packet. If you look, there’s some pre-requisite requirements that aren’t allocated at any specific points; however, without meeting those requirements, your project doesn’t really advance.

Going into the scoring categories, you have property location, housing needs, characteristics, resident/tenant needs, financing, and planning and development standards. We’ve had specific questions out of this committee of where do things like prevailing wage and LMW show up. We had made some recent revisions to that and they are actually under the financing characteristics portion of this. What we want to do is give you the exact tool that we use. We’re hopeful that if there’s some changes that need to be made to this, that as this year progresses and we’re moving toward the end of the year, if we’re going to make anymore changes to the scoring matrix, we’d like that to be in place before we get the next round in February that are due back to the state’s third party administrator of this program. I guess it’s for informational purposes tonight for you, but if there’s some area of concern there for you guys, we want to work with you and get those changes put in place end of year or first part of next year.

Commissioner Barnes said I don’t have any problem with this. I just think we need to look at it as an evolving process. I think from time to time we need to come and look at it and use the Dr. Phil approach every now then of how is that working for you and take a look at things as we go forward and not just like oh, it’s written in stone. This is the way we’ve got to do it. If we discover something is not working, we need to revisit it and not be afraid to do so. This is a nice layout here. The whole thing was setup to say where is the greatest need and how can we best benefit from it. Commissioner McKiernan said don’t these, as we got them tonight, these reflect some changes based on some of our previous discussions within the last nine months. Mr. Brajkovic said yes. Commissioner McKiernan said I don’t know if this expanded rubric was available before and I just missed it. I really appreciate this. This really says here’s how the points are applied here. It gives the conditions. Its very informative and I really appreciate

September 10, 2012
getting that. Commissioner Barnes said easy reading. Commissioner McKiernan said absolutely.

Commissioner Kane asked what did you call that. Commissioner McKiernan said rubric. Chairman Holland said remember the cube when you were a kid, the rubix cube. Commissioner McKiernan said the scoring system.

Mr. Brajkovic said as a department, I’ll give all the credit to Charles. You can tell by the complexity of that rubric that I didn’t do it right. You can image when the projects come in and how extensive those submissions are and the review process that goes into it. Commissioner McKiernan said well done. Mr. Brajkovic said kudos to Charles.

Chairman Holland said well done. You guys have put a lot of work into this and I think it’s improved the process.

Action: Commissioner Kane made a motion, seconded by Commissioner McKiernan, to approve and forward to full commission. Roll call was taken and there were six “Ayes,” Alvey, Kane, Maddox, McKiernan, Barnes, Holland.

IV. Goals and Objectives

Item No. 1 – 120137...Goals and Objectives

Synopsis: The Unified Government Commission conducted a strategic planning process resulting in specific goals and objectives adopted by the commission on May 17, 2012. Commission has directed that the goals and objectives appear monthly on respective standing committee agendas to assure follow-up and action toward implementation.

1. Economic Development: Foster an environment in which small and large businesses thrive, jobs are created, redevelopment continues, tourism continues to grow, and businesses locate in the community.

2. BPU regarding waiving utility fees for electricity and water for single-family new construction.

3. Reestablishing the Port Authority.


September 10, 2012
Doug Bach, Deputy County Administrator, said per the commission’s request, we’re back this month with a full report on goals and objectives. This shouldn’t take more than 45-60 minutes I would guess. There are four items listed here. I believe the first one listed under Economic Development; that was deferred for future discussion.

Number two was the BPU regarding the waiving of utility fees. I did direct a letter over there and I could ask Mr. Alvey to report but I believe they did go through and pass for single-family residential, a waiver of their water connection fees and a partial on the electric was it, so it amounts to almost $2,000 on a home. Jody Boeding, Chief Counsel, said temporary service for electric. Mr. Bach said temporary service for the electric so it helps the contractor coming in. Ms. Boeding said the system fee for the water and then something else for water totals like $2,700. Mr. Bach said so they’re participating well. Chairman Holland said you said a well. It’s city water isn’t it? Mr. Bach said we sent over a letter per the direction to say we’d like you to participate. We’re doing the no permit fees and no costs for water pollution hookup. Commissioner Barnes said the permit for the sewer which is $2,000 something and the permit for the water was almost $3,000. Chairman Holland said but the sewer is not BPU. Mr. Bach said we did the sewer and we did the permit for the house, so the BPU took it before their commission last week on Wednesday night and they approved to waive the fee for the water connection and some of the temporary electrical connections on single-family residential housing. So our next step, the Mayor requested that we are coordinating a meeting with the builders/developers. Edwin Birch is already working on that now trying to come up with some dates so we can get in and talk to them about what we’re doing. In those areas where we have these fee waivers, plus NRA is in place in many of the areas of our city—the fee waivers like this are in areas that are already established or platted areas. We’re not going to go into areas where we don’t already have service and run it down those roads. We’re not waiving that fee. It’s where we already have many thousands of lots actually that are there are available throughout the city.

Commissioner Barnes said I know we’re trying to get out of here, but when you talk about $6,000 minimum and Lew was here—oh, he’s here--$6,000 added to somebody’s house payment, financed for 30 years, that’s like adding another $18,000 to your bill. What I’m saying to you, that’s a huge difference when it comes from a builder’s perspective or even a mortgage holder’s perspective that you’ve eliminated $18,000 worth of debt to them which lowers the house
payment and it does a whole lot of things and I think it’s a big reward in the end. Kudos to everybody who participated in making that happen.

**Mr. Bach** said the one issue that I have heard from Wyandotte Development is I think it’s from some of their investors they’ve asked about is there something we can do to help with spec housing and such like that. He’s working on some items there.

**Commissioner Kane** asked you’re going to have a meeting with who. **Mr. Bach** said through the Homebuilders Association to bring in builders, such like that, developers for residential housing to go over it with them. **Commissioner Kane** said when you set that up, I’d like to know when and where it’s going to be. **Mr. Bach** said okay. We’ll put the notice out to all the commissioners.

**Mr. Bach** said Item No. 3, you wanted a report so Jody Boeding and Mike Taylor are here. Jody is going to give a report on how the Port Authority can be set up; some of the items that you go through to get there. One of them we know is it’s a legislative process so we have Mike Taylor here too. He’ll comment on that and go through it.

Number 4, Public Building Commission. We have that slated for a future time so we don’t have anything for that. This item on the Port Authority with Jody and Mike will be the last item from this report unless you give some direction.

**Ms. Boeding** said I’m just going to run over the statutory requirements so it’s real sentilating(sp). I’ll try to be quick. Basically, the statutes indicate that port authority is an economic development tool to promote advancement and retention of ports, location of new business and industry, and expansion or retention of existing business. The creation of it is done by county or a city by adoption of an ordinance or resolution, but it requires the approval of the legislature by concurrent resolution. There are a lot of hoops to jump through. The jurisdiction, it has to be created for all of the territory of the city or the county, whichever entity is creating it. Once you’ve created it, there’s only one port authority in an area. **Chairman Holland** asked so you can’t do a Fairfax Port Authority. **Ms. Body** said that’s correct. It would have to be the city of Kansas City, KS, or the Wyandotte County Port Authority. Once you’ve done one, you can’t do another. Bonner Springs couldn’t come in and do one if we did a county one. If you did a
city one, Bonner could do a city one. Then it becomes a public body, if it does pass through all those hoops and is created, it’s a public body similar to a city where it can own land, borrow money, issue bonds, exercise the right of eminent domain. It’s funding can come through either the issuance of bonds or a tax levy, but the tax levy must be approved by either a city-wide or a county-wide election. It’s on all assessed taxable, tangible property of the entire city or county, whichever one you’re using. These are not easy.

**Commissioner McKiernan** said so a bond or effectively a special assessment tax. **Ms. Boeding** said the special assessment—**Commissioner McKiernan** said not a special assessment, add a percent—**Ms. Boeding** said but a tax, a property tax. It wouldn’t be this body, the UG Commissioner; it would be the Port Authority and the taxing authority.

**Commissioner Holland** asked are people elected to the Port Authority. **Ms. Boeding** said no.

**Commissioner Barnes** said I just want to say in the meanwhile this has a direct effect on Fairfax. This conversation started as a result of Fairfax and we even set-aside money for Fairfax in order to access funds and now all of the hoops you are talking about means we are going to do a whole lot of hooping in two years. This seems like a year process in my estimation. **Commissioner Holland** said we might change our mind after we hear the next two pages. **Commissioner Barnes** said I’m saying we still have Fairfax in limbo here, funding in place, and suggested process to get there and so we need to be conscious of that as we go forward.

**Ms. Boeding** said being a public entity; its property is generally exempt from taxes once it is created. The composition of the Board of Directors--there is a statute--if it’s created by a city, it can’t be fewer than five members but it can be more. If it’s created by a county, it’s as many members as deemed necessary as appointed by the governing body that creates it so that would be you in both cases, city or county. **Commissioner Barnes** said paid or unpaid. **Ms. Boeding** said it talks only about each director shall be entitled to receive reimbursement for necessary or actual expenses. It does not talk about compensation. It is possible that you could home rule out of this. I would have to do more research on that because it does call out one of the counties so it’s not uniform. It calls out Callaway County as a specific case so it’s not uniform. If that were a city, it would be non uniform and charterable. County home rule sometimes doesn’t let you
charter out even if it’s non uniform. **Commissioner Holland** said theoretically if we chartered out of this, we could create a Fairfax Port Authority and make up our own rules. **Ms. Boeding** said perhaps. **Commissioner Holland** said theoretically and then it would not need to go through the legislature. **Commissioner Barnes** said if you want tax-exempt, you would still have to go to the legislature. **Ms. Boeding** said yes, I think so. This is that unexplored territory. I’m just telling you what the statute says if you were to create it under the statute as it exists now. **Ms. Boeding** said it can employ employees and retain professional help as needed to conduct the business. The Board of Directors has to prepare a plan for future development including maps, data, and description of location and character of the work to be undertaken by the Port Authority. That doesn’t have to be done before it’s created or before it goes to the legislature, but I think Mike will address practicalities of that.

Then you have to have a notice and public hearing to get objections to the plan and the people who get to object are owners of real property contiguous to the real property contained in the proposed plan and that requires three quarters of the vote to pass that. Any modifications or amendments to the plan require the same notice and hearing. The Board of Directors has the duties and powers to prepare an annual budget and then to set rents and administrative fees that are used for the general expenses of the Port Authority and to pay interest and amortization of the loan and taxes. Any surplus of the funds remaining at the end of any calendar year may be paid into the general fund of the political subdivision creating the Port Authority. **Commissioner Holland** said so they could make us money. **Ms. Boeding** said if they chose to.

**Ms. Boeding** said Port is any water port, airport, terminal facility, land transportation facility, railroad facility or industrial use facility. Industrial Use facility could be an agricultural, commercial, industrial or manufacturing facility and site. **Commissioner Holland** said so they can only do those areas of economic development, is that right? **Ms. Boeding** said yes. **Commissioner Holland** said they are kind of a specialty. **Ms. Boeding** said but industrial use facility is pretty prominent.

**Commissioner Holland** said Mike; tell us how this would happen. **Mike Taylor, Public Relations Director**, said you know this is the difference between the lobbyist and the attorney. She had three typed pages and I had this and this would be on a cocktail napkin. The basic thing is while the authority to establish a Port Authority is in statute; all it takes is a concurrent
resolution of both the House and the Senate. Basically the same as a Bill except the difference is it doesn’t go into statute so basically it’s a resolution. It still goes through a hearing and all of that so I think the things I would need to do to be able to lay this out if we decide to proceed is first of all have some kind of an idea of what are we going to do with this Port Authority and how are we going to use it so when I stand up to testify and I bring Chuck in, hopefully supporting it and GM and some others building that coalition and the Chamber, we sort of know what we’re doing with it so we have some idea to describe how we plan to use. That question will be asked by legislators. It shouldn’t be very difficult to get this passed because it is only a resolution. They are simply saying yes we’re going to give you the authority to go ahead and draw this up and do it at the local level but it does require that. Commissioner Holland said does it require a resolution to also dissolve it if we change our mind? Ms. Boeding said I don’t think so. It requires a city or county resolution to dissolve but I don’t think it requires the legislature. Mr. Taylor said the difference between a concurrent resolution and a Bill is slight except that resolutions tend to do with things like more broad sort of issues. This shouldn’t be a big deal particularly if we come in united as a community saying we want to do it and here is what we want to do with it and it will be positive particularly if you get supporters like the Fairfax Industrial Association themselves, General Motors, other groups coming in, it really shouldn’t be a big issue. That said we don’t really know who any of the committee chairs are going to be, we don’t know who the legislators are going to be so we will have to sort of weigh that in terms of the specific strategy that we actually layout and how we proceed. That is kind of the way it lays out in terms of the legislature and hopefully we would be able to talk to leadership in advance and get some sort of stamp that yes it sounds okay if you guys want to do that, we could be able to move ahead with it.

Commissioner Holland said how long would it take start to finish. Say we can’t wait to do this. We want to do it with all due haste. Mr. Taylor said the session starts in January and goes until late April or early May. Commissioner Holland said could we have something drafted in time for that session? Ms. Boeding said we already have adopted a resolution of intent to establish a Port Authority. We could adopt a resolution establishing it. Mr. Taylor said I would bring that as part of the legislative program that I will bring you guys in a few more weeks to adopt as part of the legislative program as well.
Commissioner McKiernan said I just need to back up to make sure I have a ring around what this Port Authority is going to do. I assume that this Port Authority is going to acquire property for the purpose of development in and around our ports and this Port Authority could solicit, receive grants and other monies to help facilitate the development and then could this Port Authority issue bonds? Ms. Boeding said yes. They could rent the facilities and use the proceeds from the rent to pay the bonds. Commissioner McKiernan said the Port Authority backs its own bonds. Ms. Boeding said yes. Commissioner McKiernan said basically it’s a self-contained economic development organization focused on economic development of our various ports. Ms. Boeding said the bonds are Special Obligations of the Port Authority and not of the city. The statute says that which one probably benefits of creating it under the statute. I just can’t believe they would let you charter out of that. Commissioner McKiernan said who has ultimate responsibility of the bonds? Ms. Boeding said we.

Commissioner Barnes said legislatively speaking in order to get anything back it is easier when you put something before them that says you can rubberstamp this because there are no changes from what we’ve done before. Ms. Boeding said we used to have a Port Authority and most of the Port Authority’s in the state were created before 1981 when the law kind of changed. We had one and we abolished it. Commissioner Barnes said what I’m saying this right here what they are familiar with right now it is easier to say there are no changes from this right here. If we go to making changes, then that is when they start debating. Ms. Boeding said I don’t think you actually have to take the project to them, but I don’t know what they’re going to require. Mr. Taylor said I think having some idea that we could present to them and say we would like in a resolution for you to approve us establishing a Port Authority and we could talk about the positives of Fairfax, General Motors, all the other factories there and that they support it, our Chamber supports it. Basically all they have to say is yes we will give you the authority through your local process drop the rules and set it up. That is really what you’re asking them to do. Keep it simple. Ms. Boeding said until we set it up—the Board won’t be in effect and it can’t vote on what project it is going to do so we can’t really pre-commit. Mr. Taylor said part of this is building support among our delegation and others. After the election when we kind of know who committee chairs are and all of that, it shouldn’t be controversial. I say that but if for example Chuck comes in and says we’re not sure we really like this or GM comes in and says nay, we’re probably dead in the water. If we can come in with a consensus of the groups

September 10, 2012
involved and say this would be positive for our committee, just give us the authority to set it up, it shouldn’t be a big deal.

**Commissioner Kane** said I think you should involve some of the unions that are down there with them. **Mr. Taylor** said right. **Commissioner Kane** said you know the UAW is going to be there, the guys from Fiberglass and CertainTeed and all those guys would be standing there saying yes. **Mr. Taylor** said that is where I go back to how are we going to use it. We don’t have to drop a definite plan but if we have some sort of vision of what we’re going to do with this Port Authority once we get it, it’s easier to sell it.

**Commissioner Holland** said I have to say I like it less and less everything I hear about it and so what I would ask—this came to us from the Administrator’s office as a hopeful response. I thought a positive response to the need to address the needs in Fairfax to revitalize Fairfax. I think we all have a vested interest in that and I think we all want that and this was viewed by the Administrator’s office as an opportunity to do that. I would ask, and maybe you have already vetted this in your staff meetings, knowing what we know now, is the Administrator’s office still as excited about it now as you were in July or is it something that the Administrator’s office says now that we’ve looked at it more closely we’re not sure this is the best opportunity. My reason for saying that is we already have Wyandotte Development Inc. that is doing a heck of a job even with issues in Fairfax. There are some unique authority’s this has, the ability to issue bonds that are individual. I think of the unification of government of getting rid of all these different taxing entities and having it unified is our strongest asset. If we’re going to split that power we have that has allowed us to do some remarkable development and streamlined development, I don’t think it’s moving in the right direction. From my view I don’t like what I’ve heard in terms of separate mill levies and separate boards and ability to issue bonds. I don’t know that gets us anywhere that Wyandotte Inc. isn’t getting us already and so I’m thinking maybe we need to reconsider this altogether and I don’t know Mr. Bach if your office has had a chance to re-vet this with this information or not, if it makes sense for you all to come back with a recommendation. If you think this is the best tool and why, I’m open to hearing that conversation. I just hear another hoop for an organization that wants to develop in Wyandotte County to have to go through and another entity to have to draw consensus from.

September 10, 2012
Mr. Bach said my answer to that at this point is really one where I would probably put it as we’ve done some assessment of it and look at it as a tool but I think until we answer the question as to what we want to do in Fairfax and what we are trying to achieve, we can’t chose what tool we’re going to use. Commissioner Holland said I agree with that. Mr. Bach said timeline to go forward, the timeline really is the identification of what we have. We continue to look at some other options. I think there are some other tools out there. We know we have TIF tools, we know we have IRB tools. There are combinations of those kind of tools that come together and other things that are available to us so as we continue to work with the Fairfax Industrial Association and go through this and say here is what we’re trying to get done—you ask me today right now, I would say no, there is really no use for it. You’re not going to go down to the Fairfax area and get anybody to say we need a tool to be able to tax ourselves more. They’re not going to jump up and down about that. Maybe someday there is and you know that is something that is there and available to us but in the next two months if we would put together a plan and we would have it ready for Mike to take to the legislature—what he said is right on, if we’re all aligned as a community and we walk up there and say this is the right tool because this is what we’re going to achieve, then they are going to be with us. We’re not going to be there in the next couple of months so I would probably say that we assess this as okay here is the information we have, this is how it works. Probably on this piece or this goal we need to continue to work with Fairfax and determine what we’re trying to achieve out over the overall area. I will say in working with Economic Development staff we’re pretty excited about the fortune of what is going on down in Fairfax. We have the potential—I mean what’s going on with the RACER property down by GM and coming on, that is a huge piece of property. We’ve continued to work forward with the levee redevelopment project so those are on each end of the area so there are some opportunities that might present some other tools for us to work with in the coming months and that is something we will continue to work with Chuck and his association and bring something back.

Commissioner Holland said I want to say and I’m going to use this as just an opportunist that I sometimes am since Mr. Schlittler is here and we’re talking about Fairfax development generally. One of the things we’re talking about is how we can better work with Fairfax to make Fairfax successful. I want that to be a two-way street. I have been very discouraged with my talk with the Drainage District and I’ve been very discouraged—our Master Plan that we adopted
for trails and sidewalks called for the use of the levees for bike and hike and I have found no responsiveness to thinking bigger picture and thinking future and even catching up with communities in our own state that are already doing it. I think one of things I want to say is my interest in partnering is a two-way street and trail maybe is a better analogy. When I’ve been down there I have run into a brick wall or a chained gate. I want those levees open. If we’re going to do a levee redevelopment project, hike and bike is the future. It’s a huge amount of open land that would be available for our community and I really get tired of Fairfax coming and asking for a partnership and when I ask for a very simple thing that other communities are doing I get a dead no, not a let’s see how we can make this happen, but no. My willingness and interest in partnering with Fairfax diminishes greatly when you are sitting on a huge amount of park property that could be a huge asset for our community and are unwilling to partner with us on how to open that up. I would like to move from if to how and I would like to see that because that is going to help me get down the road with whatever tool we use to revitalize Fairfax.

Commissioner Kane said I was doing pretty good until you made your last speech. Commissioner Holland said I told you I’ve had problems with him in the past. Commissioner Kane said I think it can be done and pretty easy. If we drag our feet now, we will drag our feet when the session starts. I think we get our ducks in a row, we get all the players and we talk to them, we sit down and say here is what we want to do, here is what we’re thinking, what do you think and let’s get our act together. I don’t want to dangle a carrot over anybody’s head to say-- I would like to see that stuff open too by the way and I agree with you on that. I would like to see the bikes and trails and all that stuff but that is just one part of it. Another part is another way to get more jobs down into Fairfax and if you are a Fairfax person and you’re in a Fairfax district, the Wyandotte Development Inc. guys and all those guys do a great job, but they don’t speak the same language that those folks do and it’s a language believe it or not. It’s language some of you might not understand. I don’t understand some of the fancy words but they’re blunt and that is the way it should be so I want to see this thing pushed forward with everybody pushing the same direction to get things done. Get this to happen, get the trails to open up and make this place a good place to ride a bike, live and work because I get really pissy when I look across the river and see what we’re not getting when we had the opportunity and have just as much space over here to get something done.

September 10, 2012
Commissioner McKiernan said naïve question. How far in does the Port Authority’s authority extend? Ms. Boeding said the entire city. Commissioner McKiernan said okay so the city creates the Port Authority. Ms. Boeding said or if it’s a county. Commissioner McKiernan said I would have to say I’m kind of where Mark is right now. Another taxing, another bonding agency and how much does it duplicate abilities that are already in place. Where does it give us leverage, where does it give us a new advantage that we don’t have now, how does it get those things that we’re seeing across the river that we’re not getting now or are there other strategies using tools that are already in place to get us to those? That is kind of where my head is right now. Commissioner Holland said we can put someone in there with Wyandotte that speaks that language to bring in an industrial development person in the agency we already have. Maybe that’s part of the answer. I don’t know.

Commissioner Barnes said I’m certain it is but the problem right now is we’re talking about these tools but we’re not putting the tools in the hands of the people that is going to actually get the job done. We’ve been dreaming while Riverside has been doing what they do for the last four or five years and we knew it was coming. Commissioner McKiernan said do they have a Port Authority? Commissioner Barnes said no, they don’t have a Port Authority. Commissioner McKiernan said then how did they do it? Commissioner Barnes said that’s what I’m saying. We know all the tools that are necessary but nobody is putting the tools in that persons hand or that entities hand and say this is what you need to do. This guy along with myself and a few businesspeople down there, we’ve been meeting with the city, talking about this very issue and again, we haven’t made any grounds. The reason this came up was we wanted an organization or entity directly dedicated to addressing the issues of Fairfax. That is why it came about. Whether that is going to be an arm of the city or WYEDC or whatever you want to call it, it hasn’t happened. This was the closest thing that gave any simplest of the fact saying here is something dedicated to Fairfax to help us fight the 800 pound gorilla that is across the river from us. I don’t have a preference to say whether this is ABC or D. All I’m saying is that this battle—I mean we’re losing the battle right now to those people across the river and there is no one in charge. We’re talking about it but nobody is in charge. These guys down there have a desire to do it but they are sitting there saying send me the weapons or give me the sword so I can get into the fight and we’re sitting here saying here is a sword that we’ve identified that you can use and now we’re saying hold on, I don’t know whether this is the best sword or not.

September 10, 2012
and do we need the sword, no we don’t if the city had a dedicated individual, a dedicated department or if we anointed WYEDC to do that procedure. Right now we’re still talking. 

**Commissioner Holland** said I agree with you and what I heard today was a much more cumbersome process and structure that I don’t think is dexterous enough to get done what we need to get done. It sounds to me like another layer of bureaucracy. What I want is a tool, and it’s not specific Fairfax, I want something specific. I think the challenge is redevelopment of Fairfax. The suggestion was the Port Authority. I think on further review I’m not sure the Port Authority is the best option so the question is Commissioner we’ve got to get it done I agree. I think we need to go back to the drawing board a little bit and the Administrator’s office to come up with an evaluation of potentially another solution because we need to keep moving. We need Fairfax fully functional. I think we all agree on that. **Commissioner Barnes** said absolutely.

VI. Adjourn

**Chairman Holland** adjourned the meeting at 9:00 p.m.

**tp/cg/dt**
Type: Standard
Committee: Economic Development and Finance Committee

Date of Standing Committee Action: 10/1/2012
(If none, please explain): 

Proposed for the following Full Commission Meeting Date: 10/18/2012
Confirmed Date: 10/18/2012

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

<table>
<thead>
<tr>
<th>Date: 9/26/2012</th>
<th>Contact Name: Debbie Jonscher</th>
<th>Contact Phone: 5847</th>
<th>Contact Email: <a href="mailto:mschrick@wycokck.org">mschrick@wycokck.org</a></th>
<th>Ref:</th>
<th>Department / Division: Finance</th>
</tr>
</thead>
</table>

Item Description:
A resolution authorizing the Unified Government of Wyandotte County/Kansas City, Kansas, to enter into a third amendment to Master Equipment Lease Purchase Agreement dated as of October 20, 2008 between Banc of America Public Capital Corp. and the Unified Government of Wyandotte County/Kansas City, Kansas, in connection with paying the costs of acquiring and installing certain equipment and to approve the execution of certain documents in connection therewith.

Maximum amount not to exceed $3,000,000.

Action Requested:
Please adopt resolution and approve 3rd Amendment to the Master Lease Purchase Agreement.

Publication Required

Budget Impact: (if applicable)

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

File Attachment
File Attachment
RESOLUTION NO. R-___-12

RESOLUTION AUTHORIZING THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ENTER INTO A THIRD AMENDMENT TO MASTER EQUIPMENT LEASE PURCHASE AGREEMENT DATED AS OF OCTOBER 20, 2008, BETWEEN BANC OF AMERICA PUBLIC CAPITAL CORP. AND THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, IN CONNECTION WITH PAYING THE COSTS OF ACQUIRING AND INSTALLING CERTAIN EQUIPMENT AND TO APPROVE THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”), has previously entered into a Master Equipment Lease Purchase Agreement dated as of October 20, 2008 (the “Master Lease”), with Banc of America Public Capital Corp. (the “Lessor”); and

WHEREAS, the Unified Government desires to obtain funds to pay the costs of acquiring and installing some or all of the equipment identified on Annex 1 attached hereto (the “Equipment”); and

WHEREAS, in order to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the Unified Government to enter into the Third Amendment to Master Lease Purchase Agreement (the “Third Amendment” and together with the First Amendment to Master Lease Purchase Agreement dated as of February 15, 2010, the Second Amendment to Master Lease Purchase Agreement dated as of May 15, 2011, and the Master Lease herein referred to as the “Lease”).

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

Section 1. Authorization of Lease Transactions. The Unified Government states its intent to lease pursuant to the Lease and pursuant to separate Schedules of Equipment (the “Schedules”) some or all of the Equipment in a maximum principal amount of $3,000,000.

Section 2. Authorization and Approval of Unified Government Documents. The Third Amendment is hereby approved in substantially the form submitted to and reviewed by the Board of Commissioners on the date hereof, with such changes therein as are approved by the County Administrator or the Deputy County Administrator, the execution of the Third Amendment by the County Administrator or the Deputy County Administrator being conclusive evidence of such approval. The County Administrator or the Deputy County Administrator is hereby authorized and directed to execute and deliver the Third Amendment and any Schedules on behalf of and as the act and deed of the Unified Government.

The obligation of the Unified Government to pay Rental Payments (as defined in the Lease) under the Lease and any Schedules is subject to annual appropriation and will constitute a current expense of the Unified Government and will not in any way be construed to be an indebtedness or liability of the Unified Government in contravention of any applicable constitutional, charter or statutory limitation or requirement concerning the creation of indebtedness or liability by the Unified Government, nor will anything contained in the Lease or any Schedule constitute a pledge of the general tax revenues, funds or moneys of the Unified Government, and all provisions of the Lease and any Schedule will be construed so as to give effect to such intent.
Section 3. Further Authority. The Unified Government will, and the County Administrator, Deputy County Administrator, Chief Financial Officer and other officials and agents of the Unified Government are hereby authorized and directed to, take such actions, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the Unified Government with respect to the Lease, any Schedules and the Equipment.

Section 4. Effective Date. This Resolution will take effect and be in full force from and after its passage by the Board of Commissioners.

ADOPTED by the Board of Commissioners of the Unified Government of Wyandotte County, Kansas City, Kansas, this October __, 2012.

________________________________________
Mayor/CEO

ATTEST:

________________________________________
Unified Government Clerk

APPROVED AS TO FORM:

________________________________________
Chief Counsel
### Annex 1 – 2011-2012 Unified Government Final Lease Financed Equipment Projects

<table>
<thead>
<tr>
<th>CMIP Project #</th>
<th>Item/Project</th>
<th>Term (yrs)</th>
<th>Rate* (%)</th>
<th>Principal**</th>
<th>Interest***</th>
<th>Annual Pmt****</th>
<th>Service, Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2011 Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheriff</td>
<td>Jail Electronic Security System</td>
<td>5</td>
<td>2.150%</td>
<td>165,000</td>
<td>1,707</td>
<td>34,707</td>
<td>-</td>
</tr>
<tr>
<td>Public Works-WPC</td>
<td>Flusher Trucks</td>
<td>5</td>
<td>2.150%</td>
<td>365,000</td>
<td>3,777</td>
<td>76,777</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Large Comb Truck</td>
<td>5</td>
<td>2.150%</td>
<td>343,000</td>
<td>3,550</td>
<td>72,150</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Sewer Inspection TV Truck</td>
<td>5</td>
<td>2.150%</td>
<td>278,000</td>
<td>2,877</td>
<td>58,477</td>
<td>-</td>
</tr>
<tr>
<td>Public Works-Streets</td>
<td>Snowplows</td>
<td>7</td>
<td>2.390%</td>
<td>121,000</td>
<td>2,384</td>
<td>19,670</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Salt Spreaders</td>
<td>7</td>
<td>2.390%</td>
<td>200,000</td>
<td>3,940</td>
<td>32,512</td>
<td>-</td>
</tr>
<tr>
<td><strong>2012 Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>Police Vehicles</td>
<td>3</td>
<td>1.920%</td>
<td>110,000</td>
<td>973</td>
<td>37,640</td>
<td>-</td>
</tr>
<tr>
<td>Fire</td>
<td>EMS Support Vehicles</td>
<td>5</td>
<td>2.150%</td>
<td>60,000</td>
<td>621</td>
<td>12,621</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>EMS Support Vehicles</td>
<td>5</td>
<td>2.150%</td>
<td>175,000</td>
<td>1,811</td>
<td>36,811</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Ambulances</td>
<td>3</td>
<td>1.920%</td>
<td>720,000</td>
<td>6,371</td>
<td>246,371</td>
<td>-</td>
</tr>
<tr>
<td>Contingency</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>463,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,000,000</td>
<td></td>
</tr>
</tbody>
</table>

* Interest is estimated, based on a formula in the master lease. Estimated rates as of September 21, 2012:
  3 year: 1.92%
  5 year: 2.15%
  7 year: 2.39%
  10 year: 2.84%

** Principal column is the estimated total purchase price without interest if paid for by cash.
*** Interest column is the annual interest amount using estimated rates.
**** Estimated
THIRD AMENDMENT TO MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

THIRD AMENDMENT TO MASTER EQUIPMENT LEASE PURCHASE AGREEMENT (this Third Amendment to Master Equipment Lease Purchase Agreement being hereinafter referred to as the "Third Amendment") dated as of October 1, 2012, and entered into between BANC OF AMERICA PUBLIC CAPITAL CORP, a Kansas corporation ("Lessor"), and the UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, a municipal corporation existing under the laws of the State of Kansas ("Lessee").

RECITALS

1. This Third Amendment amends the Master Equipment Lease Purchase Agreement dated as of October 20, 2008 (the “Master Lease”), as amended by the First Amendment to Master Lease Purchase Agreement dated as of February 15, 2010 (the “First Amendment”) and a Second Amendment to Master Lease-Purchase Agreement dated as of May 15, 2011 (the “Second Amendment,” the First Amendment, the Second Amendment, this Third Amendment and the Master Lease being collectively referred to as “Agreement”), between the Lessor and Lessee.

2. The parties desire to amend the Agreement to provide for the Lessee to lease certain equipment from the Lessor for lease terms beginning October 1, 2012 through March 31, 2013 (the “Origination Period”).

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

Section 1. Amendment of Section 3.04. Section 3.04 of the Agreement is hereby amended by adding the following provisions immediately prior to the last paragraph of Section 3.04:

The Lessor hereby agrees to enter into any Schedule during the Origination Period requested by the Lessee at the Lessee’s option and not currently in existence. Lessor's agreement to enter into any Schedule shall be conditioned upon (1) there not having been any material adverse change in the financial condition of the Lessee since the dated date of the Third Amendment, (2) approval by the Lessor of the Equipment to be covered by the Schedule, (3) that no “Event of Default” has occurred and is continuing under any Lease and (4) that no “Event of Nonappropriation” has occurred and is continuing under any Lease.

The tax-exempt interest rate component of a Schedule entered into on a tax-exempt basis during the Origination Period shall be set forth in each such Schedule and shall be computed by the Lessor in accordance with the methodology set forth in the next succeeding table below based on the index for
interest rate swaps (the “Swap Index”) as published by the Federal Reserve, currently accessible at the following link:
http://www.federalreserve.gov/

The next succeeding table below is based on the Swap Index as of September 21, 2012, that was published in the Federal Reserve Statistical Release H.15 on September 24, 2012. The actual tax-exempt interest rate component for a Schedule entered into on a tax-exempt basis during the Origination Period shall be based on the Average Life for the term of the Schedule set forth below and the H.15 Average Life Swap Rate for said Average Life that is computed based on the most recent Swap Index that is five (5) business days prior to the Commencement Date for the Schedule and shall use the Tax-Exempt Adjustment and Index Spreads set forth below for said term in computing said interest rate component. The Index Spreads set forth below are subject to adjustment at 3-month intervals from the date of the Third Amendment.

<table>
<thead>
<tr>
<th>Term of the Schedule</th>
<th>Average Life (Yrs)</th>
<th>H.15 Average Life Swap Rate</th>
<th>Tax-Exempt Adjustment of H15 Rate (65%)</th>
<th>Index Spread</th>
<th>Contract Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>1.66</td>
<td>0.38%</td>
<td>0.24%</td>
<td>1.68%</td>
<td>1.92%</td>
</tr>
<tr>
<td>4</td>
<td>2.19</td>
<td>0.41%</td>
<td>0.26%</td>
<td>1.79%</td>
<td>2.05%</td>
</tr>
<tr>
<td>5</td>
<td>2.72</td>
<td>0.45%</td>
<td>0.29%</td>
<td>1.86%</td>
<td>2.15%</td>
</tr>
<tr>
<td>6</td>
<td>3.27</td>
<td>0.51%</td>
<td>0.33%</td>
<td>1.95%</td>
<td>2.28%</td>
</tr>
<tr>
<td>7</td>
<td>3.84</td>
<td>0.59%</td>
<td>0.38%</td>
<td>2.01%</td>
<td>2.39%</td>
</tr>
<tr>
<td>8</td>
<td>4.41</td>
<td>0.69%</td>
<td>0.45%</td>
<td>2.07%</td>
<td>2.52%</td>
</tr>
<tr>
<td>9</td>
<td>5.00</td>
<td>0.81%</td>
<td>0.53%</td>
<td>2.17%</td>
<td>2.70%</td>
</tr>
<tr>
<td>10</td>
<td>5.61</td>
<td>0.95%</td>
<td>0.62%</td>
<td>2.22%</td>
<td>2.84%</td>
</tr>
</tbody>
</table>

The taxable interest rate component of a Schedule entered into on a taxable basis during the Origination Period shall be set forth in each such Schedule and shall be computed by the Lessor in accordance with the methodology set forth in the next succeeding table below based on the index for interest rate swaps (the “Swap Index”) as published by the Federal Reserve, currently accessible at the following link:
http://www.federalreserve.gov/

The next succeeding table below is based on the Swap Index as of September 21, 2012, that was published in the Federal Reserve Statistical Release H.15 on September 24, 2012. The actual taxable interest rate component for a Schedule entered into on a taxable basis during the Origination Period shall be based on the Average Life for the term of the Schedule set forth below and the H.15 Average Life Swap Rate for said Average Life that is computed based on the most recent Swap Index that is five (5) business days prior to the Commencement Date for the Schedule and shall use the Index Spreads set forth below for said term in computing said interest rate component. The Index Spreads set forth below are subject to adjustment at 3-month intervals from the date of the Third Amendment.
<table>
<thead>
<tr>
<th>Term of the Schedule</th>
<th>Average Life (Yrs)</th>
<th>Average Life Swap Rate</th>
<th>Index Spread</th>
<th>Contract Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>1.66</td>
<td>0.38%</td>
<td>2.55%</td>
<td>2.93%</td>
</tr>
<tr>
<td>4</td>
<td>2.19</td>
<td>0.41%</td>
<td>2.72%</td>
<td>3.13%</td>
</tr>
<tr>
<td>5</td>
<td>2.72</td>
<td>0.45%</td>
<td>2.89%</td>
<td>3.34%</td>
</tr>
<tr>
<td>6</td>
<td>3.27</td>
<td>0.51%</td>
<td>3.08%</td>
<td>3.59%</td>
</tr>
<tr>
<td>7</td>
<td>3.84</td>
<td>0.59%</td>
<td>3.23%</td>
<td>3.82%</td>
</tr>
<tr>
<td>8</td>
<td>4.41</td>
<td>0.69%</td>
<td>3.33%</td>
<td>4.02%</td>
</tr>
<tr>
<td>9</td>
<td>5.00</td>
<td>0.81%</td>
<td>3.49%</td>
<td>4.30%</td>
</tr>
<tr>
<td>10</td>
<td>5.61</td>
<td>0.95%</td>
<td>3.63%</td>
<td>4.58%</td>
</tr>
</tbody>
</table>

If the Lessor and Lessee agree that with respect to any Schedule the first payment of the principal component of such Schedule shall be delayed for up to one year, the applicable Contract Rates determined as set forth above shall be increased by the following interest rates.

<table>
<thead>
<tr>
<th>Term of the Schedule</th>
<th>Tax-Exempt</th>
<th>Taxable</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>0.16%</td>
<td>0.32%</td>
</tr>
<tr>
<td>4</td>
<td>0.17%</td>
<td>0.34%</td>
</tr>
<tr>
<td>5</td>
<td>0.15%</td>
<td>0.30%</td>
</tr>
<tr>
<td>6</td>
<td>0.14%</td>
<td>0.28%</td>
</tr>
<tr>
<td>7</td>
<td>0.14%</td>
<td>0.28%</td>
</tr>
<tr>
<td>8</td>
<td>0.14%</td>
<td>0.28%</td>
</tr>
<tr>
<td>9</td>
<td>0.10%</td>
<td>0.20%</td>
</tr>
<tr>
<td>10</td>
<td>0.11%</td>
<td>0.22%</td>
</tr>
</tbody>
</table>

Notwithstanding the foregoing or anything contained in this Agreement to the contrary, in the event any material change shall occur in the financial markets after the date of this Agreement, including but not limited to any governmental action or other event which materially adversely affects the extension of credit by banks, leasing companies or other lending institutions, Lessor may modify the pricing described above with respect to Leases that have not been entered into. Nothing herein shall prevent or be deemed to prevent the Lessee from deciding against entering into a Schedule or Schedules with Lessor in the event that the Lessee does not approve such modification.

Lessor agrees to provide Lessee the computation it used to determine the interest rate component for each Schedule and nothing herein shall prevent or be deemed to prevent the Lessee from deciding against entering into a Schedule or Schedules with Lessor in the event that the Lessee does not approve such computation.

The interest rate components for any Schedules entered into during or after the Origination Period shall be as subsequently agreed to by the Lessor and Lessee.
Section 2. Amendment of Section 10.01. Section 10.01 of the Agreement is hereby amended by deleting the current Section 10.01 and inserting in lieu thereof the following:

Section 10.01. Purchase Option. Lessee shall have the option to purchase Lessor's interest in all of the Equipment listed in any Schedule, upon giving written notice to Lessor at least 60 days before the date of purchase, at the following times and upon the following terms:

(a) On the last Rental Payment Date set forth in that Schedule (assuming the Schedule is renewed at the end of the Original Term and each Renewal Term), if the Schedule is still in effect on such day, upon payment in full of Rental Payments due on such Schedule and the payment of One Dollar to Lessor;

(b) On a Rental Payment Date during the Original Term or any Renewal Term then in effect, upon payment in full to Lessor of the Rental Payments then due on that Schedule plus the then applicable Purchase Price set forth on that Schedule, provided, however, that with respect to any Schedule entered into during the calendar year 2010 or 2011 or during the Origination Period, the Lessee shall not have the option to purchase Lessor’s interest in the Lease pursuant to this subsection (b) until the Rental Payment Date occurring on or after the expiration of 50% of the term of the Schedule; or

(c) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in that Schedule, on the day specified in Lessee's notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments then due under that Schedule plus the then applicable Purchase Price set forth in such Schedule.

Section 3. Applicability of Agreement and Third Amendment. Except as otherwise provided in this Third Amendment, the provisions, as amended by this Third Amendment, of the Agreement are hereby ratified, approved and confirmed and incorporated herein and shall be applicable to any Schedules entered into by the parties during the Origination Period.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, Lessor and Lessee have caused this Third Amendment to be executed in their names by their duly authorized representatives as of the date first above written.

(LESSOR)

BANC OF AMERICA PUBLIC CAPITAL CORP

By
Title: ________________________________

ADDRESS FOR NOTICES

555 California Street, CA 5-705-04-01
San Francisco, CA  94104
Telephone: (415) 765-7404
Telecopy: (415) 343-0533
E-mail: tessie.g.panganiban@bankofamerica.com
(LESSEE)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By
Title: County Administrator

ADDRESS FOR NOTICES

Unified Government of Wyandotte County/
Kansas City, Kansas
Finance Department, Room 330
701 North 7th Street
Kansas City, Kansas 66101
Attention: Lew Levin
Telephone: (913) 573-5186
Facsimile: (913) 573-5003
 Argentine Betterment Corporation (ABC), the Developer for The Metropolitan Avenue Redevelopment District Project Area 1, has requested the consideration of TIF structure changes for the $3M grocery store project. Staff presented the nature of these changes at the September 10, 2012 ED&F Standing Committee and received direction to proceed with the renegotiations. A term sheet outlining the proposed changes and pro forma materials are attached for review. As we have come to agreement on the terms listed we are confident a development agreement can be completed for approval at the November Standing Committee meeting. Therefore, we are recommending that we move forward with starting the TIF process. To follow TIF Statute, a Resolution setting a Public Hearing to consider these changes is required and while we are submitting the deal points for review, the only approval sought as this time is to set a date for the TIF public hearing.

Action Requested:
Approve Resolution setting a PH on 11/15/2012.
RESOLUTION NO. R-_____-12

A RESOLUTION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS DETERMINING THAT THE UNIFIED GOVERNMENT IS CONSIDERING ADOPTING A REDEVELOPMENT PROJECT PLAN WITHIN A REDEVELOPMENT DISTRICT IN THE CITY OF KANSAS CITY, KANSAS, ESTABLISHING THE DATE AND TIME OF A PUBLIC HEARING ON SUCH MATTER, AND PROVIDING FOR THE GIVING OF NOTICE OF SUCH PUBLIC HEARING (METROPOLITAN AVENUE REDEVELOPMENT DISTRICT – PROJECT AREA 1)

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

WHEREAS, pursuant to provisions of K.S.A. 12-1770 et seq., as amended (the “Act”), the Unified Government is authorized to adopt redevelopment project plans with established redevelopment districts, as said terms are defined by the Act, and to finance all or a portion of redevelopment project costs from tax increment revenues and various fees collected within such redevelopment district, revenue derived from redevelopment projects, revenues derived from local sales taxes, other revenues described in the Act, or a combination thereof, or from proceeds of full faith and credit tax increment bonds of the Unified Government or special obligation tax increment bonds of the Unified Government payable from such described revenues; and

WHEREAS, the Unified Government, on November 17, 2011, adopted Ordinance No. O-51-11, which created the Metropolitan Avenue Redevelopment District within Kansas City, Kansas (the “City”), the boundaries of which were defined in said Ordinance (the “Redevelopment District”) and containing two redevelopment project areas; and

WHEREAS, on February 6, 2012 the Redevelopment Project Plan for Project Area 1 of the Redevelopment District, dated January 25, 2012 (the “Original Redevelopment Project Plan”) was filed with the Unified Government Clerk; and

WHEREAS, on February 21, 2012, the Planning Commission of the Unified Government made a finding that the Original Redevelopment Project Plan was consistent with the intent of the City’s comprehensive plan for the development of the City; and

WHEREAS, on September 11, 2012, a revised Redevelopment Project Plan for Project Area 1 of the Redevelopment District, dated August 27, 2012, (the “Redevelopment Project Plan”) was filed with the Unified Government City Clerk; and
WHEREAS, prior to the adoption of any redevelopment project plan, the governing body of the Unified Government must adopt a resolution stating the Unified Government is considering the adoption of a redevelopment project plan.

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

Section 1. Consideration of Redevelopment Project Plan. The Unified Government is considering the adoption of the Redevelopment Project Plan pursuant to the Act.

Section 2. Redevelopment District. The Unified Government created the Redevelopment District on November 17, 2011 consisting of two (2) Project Areas. A map and legal description of the Redevelopment District is attached hereto as Exhibit A, which is incorporated herein by reference.

Section 3. Proposed Redevelopment Project Plan. The proposed Redevelopment Project Plan for Project Area 1, including a feasibility study, relocation assistance plan, and financial guarantees of the developer and a legal description and map of the area to be redeveloped of developed are public records and are available for public inspection during regular office hours in the office of the Unified Government Clerk, Municipal Office Building, 701 North 7th Street, Kansas City, Kansas. A map and legal description of the proposed Redevelopment Project Area is also attached hereto as Exhibit B.

Section 4. Public Hearing. Notice is hereby given that a public hearing will be held by the Commission to consider the adoption of the Redevelopment Project Plan on November 15, 2012, at the Commission Meeting Room, located at the Municipal Office Building, 701 North 7th Street, Kansas City, Kansas, the public hearing to commence at 7:00 p.m. or as soon thereafter as the Commission can hear the matter. At the public hearing, the governing body will receive public comment on the adoption of the proposed Redevelopment Project Plan, and may, after the conclusion of such public hearing, consider the findings necessary for adopting the Redevelopment Project Plan pursuant to the Act.

Section 5. Notice of Public Hearing. The Unified Government Clerk is hereby authorized and directed to publish this resolution in the official city newspaper on November 1, 2012 and November 8, 2012. The County Administrator is authorized and directed to mail a copy of this resolution via certified mail, return receipt requested to the board of county commissioners, the board of education of any school district levying taxes on property within the Redevelopment District, and to each owner and occupant of land within Project Area 1, not more than 10 days following the date of the adoption of this resolution.

Section 6. Further Action. The Mayor/CEO, County Manager, Unified Government Clerk, and other official and employees of the Unified Government, including the County Attorney, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this resolution.

Section 7. Effective Date. This resolution shall be effective upon its adoption by the Commission of the Unified Government of Wyandotte County/Kansas City, Kansas.
ADOPTED by the Commission of the Unified Government of Wyandotte County/Kansas City, Kansas on October 4, 2012.

[SEAL]

______________________________
Mayor/CEO

Attest:

______________________________
Unified Government Clerk

Approved as to Form Only:

______________________________
County Attorney
EXHIBIT A

Legal Description and Map of Redevelopment District

Lot 1, ARGENTINE INDUSTRIAL PARK, a subdivision of land in the City of Kansas City, County of Wyandotte, State of Kansas;

and

Lots 1, 2 and 3, and Tract A, HODG SUBDIVISION, a replat of Lot 2, Argentine Industrial Park, a subdivision of land in the City of Kansas City, County of Wyandotte, State of Kansas;

and

Any and all right-of-way adjacent thereto.
EXHIBIT B

Legal Description and Map of Redevelopment Project 1

Lots 1, 2 and 3, and Tract A, HODG SUBDIVISION, a replat of Lot 2, Argentine Industrial Park, a subdivision of land in the City of Kansas City, County of Wyandotte, State of Kansas, and all right-of-way adjacent thereto.
Item Description:

Industrial Realty Group (IRG) has presented a plan for the management and subsequent redevelopment of the UG's Public Levee operations located in Fairfax. IRG, based in Downey, CA, has one of the country's largest Industrial portfolio's, with over 50 million square feet of property. The proposal for the Levee site is two-fold: 1) immediate management of the site and operations, and 2) redevelopment of the site including phased demo of existing structures and the construction of 3 new Industrial facilities totaling approximately 300,000+ square feet. The proposal calls for the creation of a TIF District and subsequent use of IRBs.

A presentation of the proposed development will be made by the developer and staff will review major deal points with the Commission. Should the Commission agree with the deal structure a development agreement will be brought back to Standing Committee at the next meeting for approval. No action is required regarding the development agreement at this time.

Based on the timing of the legislative TIF process, should the Commission be in favor of the proposed deal structure, we are recommending that a Public Hearing be scheduled for November 15, 2012.

Action Requested:

Approve Resolution setting November 15, 2012 as a Public Hearing for the creation of the Public Levee Redevelopment District with fast track to October 4, 2012 Commission meeting to officially approve the hearing date.
RESOLUTION NO. R-____-12

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

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

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

Whereas, the Redevelopment District consists of an area described on the attached EXHIBIT “A” and delineated on the map attached as EXHIBIT “B”, both of which are attached and made a part of this Resolution, and which is generally described as an area bounded by the Lady Baltimore facility on the North, the Kansas River and I-70 on the South, Fairfax Trafficway on the West and the Missouri River on the East.

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

Section 1. Public Hearing. That a public hearing be set for November 15, 2012 at 7:00 PM or as soon thereafter as the matter can be heard in the Commission Chambers of the Unified Government East Building located at 701 N. 7th Street, Kansas City, Kansas to hear comments and consider findings necessary to establish the Public Levee Redevelopment District; and the County Administrator is directed to provide notice of such public hearing pursuant to the Act.

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

Section 3. Redevelopment District Plan. Redevelopment District Plan consists of four one redevelopment project area and is generally described as follows:

Industrial development consisting of some or all of the following uses: manufacturing, distribution, Public Parks with public access, surface parking as well as associated public and private infrastructure.

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

Section 5. Notices. The Unified Government Clerk is hereby authorized and directed to publish this resolution once in the official city newspaper not less than one week or more than two weeks preceding November 15, 2012, the date set for the public hearing. The County Administrator is authorized and directed to mail a copy of this resolution via certified
mail, return receipt requested to the board of county commissioners, the board of education of any school district levying taxes on property within the proposed redevelopment district, and to each owner and occupant of land within the proposed redevelopment project area, not more than 10 days following the date of the adoption of this Resolution.

Section 6. Further Action. The Mayor/CEO, County Administrator, Unified Government Clerk and other officials and employees of the Unified Government, including the County Attorney, and Gilmore & Bell, P.C., Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this resolution.

Section 7. Effective Date. This resolution shall be effective upon its adoption by the Commission of the Unified Government of Wyandotte County/Kansas City, Kansas.

ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 4TH DAY OF OCTOBER 2012.

UNIFIED GOVERNMENT CLERK

Approved as to form: __________________________
Proposed Levee TIF

EXHIBIT “A”

Commencing at the Northwest corner of the Southwest Quarter of said Section 2 Township 11 South Range 25 East;

thence East along the North line of the Southwest Quarter of Section 2 Township 11 South Range 25 East to a point on the West right-of-way line of Fairfax Trafficway, said point being the Point of Beginning;

thence Southwesterly along the West right-of-way line of Fairfax Trafficway to the West line of Section 2 Township 11 South Range 25 East also being the East line of Section 3 Township 11 South Range 25 east;

thence continuing Southwesterly along the West right-of-way line of Fairfax Trafficway to the South line of Section 3 Township 11 South Range 25 East also being the North line of Section 10 Township 11 South Range 25;

thence East along the North line of Section 10 Township 11 South Range 25 East to the East line of Fairfax Trafficway also being the East line of West bound Interstate Highway 70 to North bound Fairfax Trafficway ramp;

thence along the East line of ramp to the West line of Kaw Valley Drainage District;

thence South 27 degrees 30 minutes 0 Seconds West along the West line of Kaw Valley Drainage District to the North line of West bound Interstate Highway 70 to North bound Fairfax Trafficway ramp;

thence Southeasterly along the ramp to the left bank of the Kansas River;

thence Northeasterly along the left bank of the Kansas River to the East line of Section 10 Township 11 South Range 25 East also being the West line of Section 11 Township 11 South Range 25;

thence continuing Easterly along the left bank of the Kansas River to confluence of the Kansas River and Missouri River;

thence Northerly along the right bank of the Missouri River to the North line of Section 11 Township 11 South Range 25 East also being the South line of Section 2 Township 11 South Range 25 East;

thence Northerly along the right bank of the Missouri River to the North line of Section 2 Township 11 South Range 25 East;

thence West along the North line of Section 2 Township 11 South Range 25 East to the Point of Beginning.

all in Wyandotte County, Kansas.
EXHIBIT “B”

(see attached)
Economic Development

Goal: Foster an environment in which small and large businesses thrive, jobs are created, redevelopment continues, tourism continues to grow and businesses locate in the community.

I. Short Term
   A. Identify redevelopment strategy for Fairfax.

   B. Develop a strategy to attract "white collar" and technology/google related business opportunities in Wyandotte County.

   C. Market new NRA policy regarding the focus on small businesses and all available tools

   D. Create a website presence that outlines all available incentives for small and large businesses and retail, commercial, industrial and residential developments.

   E. Evaluate revolving loan fund policies to promote more use.

II. Long Term
   A. Develop a commercial component for the land bank to foster business development in addition to housing development

   B. Re-evaluate the role of local/minority/women business and prevailing wage regarding smaller projects to determine whether such a requirement affects their ability to succeed

   C. Define the Unified Government’s role in a business incubator, focusing on financial incentives, business support, partnerships with educational institutions, and funding

   D. Create an economic development policy that has long-term/sustainable components that extend beyond abatement periods