The meeting of the Economic Development and Finance Standing Committee was held on Monday, July 11, 2016, at 5:25 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Walker, Townsend, Murguia, and Walters. BPU Board Member Alvey was absent. The following officials were also in attendance: Ken Moore, Chief Legal Counsel; Patrick Waters, Senior Attorney; Joe Connor and Gordon Criswell, Assistant County Administrators; Kathleen VonAchen, Chief Financial Officer; Marlon Goff, Urban Redevelopment Manager; Angela Harshbarger, Economic Development; and Officer Chris Blake, Sargeant-At-Arms.

Chairman McKiernan called the meeting to order.

Roll call was taken and members were present as shown above.

Approval of standing committee minutes from May 2, 2016. On motion of Commissioner Walker, seconded by Commissioner Townsend, the minutes were approved. Motion carried unanimously.

Committee Agenda:

Item No. 1 – 16680…RESOLUTION: RAINBOW VILLAGE PROJECT BY RAINBOW LEGACY INVESTORS, LLC

Synopsis: A resolution authorizing and providing for the issuance of $12M in IRBs for the Rainbow Village project by Rainbow Legacy Investors, LLC to finance the construction of an 89-room hotel project and related site improvements, submitted by Marlon Goff, Urban Redevelopment Manager. O-32-16 was adopted on June 9, 2016, approving the TIF project plan and development agreement for the Rainbow Village mixed-use hotel project near 34th & Rainbow Blvd.
Marlon Goff, Urban Redevelopment Manager, said I’m going to go ahead and introduce our developer group. They’re here if they’d like to join me at the table. Hunter Harris, Partner with Lane4 Property Group, said I’ve been before you a few times now on this project. Thanks for seeing us once again. Evan Fitts, Polsinelli Law Firm, said here on behalf of the Lane4 Property Group.

Mr. Goff said tonight’s item before you is essentially in keeping with the development agreement that was approved on June 9 and adopted by Ordinance 32-16. Essentially, as part of that incentive package, the financing calls for the issuance of industrial revenue bonds. We have the resolution of intent as that first step and we’re asking for that item to be advanced to the full commission meeting on July 28.

We have a presentation queued up if we want to walk through it to revisit the project. I’ll also be able to stand for any questions.

Chairman McKiernan said this is a project that we have seen as it has evolved and we have, as a Commission then, had the public hearing on the TIF district and approved the TIF district. Really, this is just a formality in terms of issuing the bonds, correct. Mr. Goff said yes. As part of that issuance requirement, you have to adopt or approve a resolution of intent. That notice gets published and it’s part of the statutory requirements for that financing.

Chairman McKiernan said unless a member of the committee has a specific request to see or hear a part of that presentation, I would entertain a motion.

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

Item No. 2 – 16681….RESOLUTION: BROWNFIELDS AREA-WIDE PLANNING GRANT FROM THE ENVIRONMENTAL PROTECTION AGENCY

Synopsis: A resolution authorizing the Unified Government to request a Brownfields Area-Wide Planning Grant from the Environmental Protection Agency, submitted by Angela Harshbarger, Economic Development.

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Angela Harshbarger, Economic Development, said Marlon Goff will be helping with this as well.

We’re here this evening to present a grant opportunity that would allow us to expand our Brownfields Program. The EPA provides grant funds to assist communities in addressing brownfield sites.

Those sites where the expansion, redevelopment, the reuse could be complicated because of the presence or potential presence of hazardous substances or contaminants.

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The EPA does have some different types of grant funds that are available. They provide assessment grants, which help with inventory, sampling, those types of activities. There are cleanup and remediation grants available. A revolving loan fund grant that enables state, local entities, to provide low interest loans to assist with cleanup activities. Then the reuse and planning activity grant is actually the one that we have for you this evening.

Before we get into that, we did want to provide an update on where we’re at with our Brownfields Program and the grants that we’re currently managing.

Mr. Goff said over the past several years, we’ve been fortunate enough to have at our disposal some resource and Brownfields funds available to assist projects. Quick snapshot and some highlights of the activities that we have.
The current funding in place with the One-KC Coalition. That group includes the Unified Government, City of Kansas City, Missouri, and the Mid-America Regional Council. We’ll also note that Tetra Tech is our environmental science consulting company that actually performs the environmental work.

Below is just a summary to date of the projects that we’ve been able to assist with this current assessment grant. We also have a balance of just over $30,000 remaining. We still have some funding available to assist projects within our target area.

Ms. Harshbarger said the grant opportunity that we have is the Area-Wide Planning Grant. It provides funding and technical assistance to help communities with the challenges that we face.
with the brownfields sites. Certainly, a large number of brownfield sites in a confined area, it’s going to have a significant impact on the social, the environmental prosperity of that community.

If this funding were awarded, it is a project amount of up to $200,000 and the grant period would be for up to two years.

**Ineligible Uses/Activities**

- Conducting assessment/cleanup activities
- Area-wide zoning/design unrelated to BF project area
- Area-wide master planning unrelated to BF in the project area

We did want to talk about some of the eligible and ineligible uses of this grant money. Ineligible uses, it is a strategic planning grant only. It would not allow us to do any type of assessment or cleanup activities under this grant. Also, any of the work that’s done does have to directly relate to the project area that’s going to be identified as part of the grant application.

**Eligible Uses/Activities**

- Facilitating community involvement
- Conducting research into the existing conditions of the brownfields site(s) and the BF AWP project area
- Developing a detailed brownfields area-wide plan which includes:
  - Specific strategies for assessing, cleanup and reuse
  - Plan implementation strategies

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The eligible uses, then, is community engagement, involvement to address any concerns, priorities. Then use that information to develop some possible reuses for that project area. It will also allow to conduct research and technical assistance as it relates to gaining further information about our project area. Ultimately, it should result in an area-wide plan being developed for strategically how do we move forward with, at a later time, assessment, cleanup, reuse and revitalization.

A couple of things that we wanted to be sure to note about the grant criteria. As I mentioned, there does have to be a specific project area that’s defined. Within that project area, we have to have one or more catalyst, high priority brownfield sites. EPA defines that as being those sites which, once remediated and reused, would spur further revitalization in the project area.

Also, with regard to the size of the project area, the EPA highly encourages that it be appropriate and reasonably sized. The example that they give is that rather than targeting, say an entire district, that we would go after a neighborhood or a corridor or an avenue that could have a significant impact and change in that community.

One other piece that we wanted to mention, letters of commitment. We would be reaching out to community-based organizations to provide some resources along with this grant opportunity as well.
Mr. Goff said the target area, and being mindful of some of the criteria that Angela just point out, different from what we customarily approach with comprehensive, strategic master planning. This opportunity is really specific to brownfields and corridors where we clearly see, or can clearly point out, some catalyst sites.

With that in mind, what you see essentially illustrated, you see some of the landmarks that effectively outline the Quindaro Boulevard corridor.

From a historical context you also note the geography essentially encompasses much of the footprint of the historic township. To that end, we actually are looking at this opportunity
strategically in the sense that there are some ongoing and active preservation activities being pursued by a couple of community groups.

Just earlier this week we had an opportunity, I’m sorry, last week we had an opportunity, members of our Development staff, our Parks and Recreation Director, members from the County Administration, we met with a local consulting firm, Freedom’s Frontier Heritage Area. They’re providing technical assistance and consultation to a group who’s actively pursuing a national landmark status for a historic ruins district. We feel like aligning our efforts with respect to some of the environmental and brownfield sites that we see apparent in this corridor. Some of the proceeding slides, we’re going to show some of the current conditions that are at play.

With this map, and I’ve heard commissioners talk about a heat map, I heard this reference. Essentially, everything in yellow is representing a parcel that is currently eligible for our delinquent tax sale. Parcels highlighted in red are what we already have in our Land Bank. Commissioner Murguia said you might have highlighted the other instead.
Here’s an example, again, of some of the blight, some of the economic and physical deteriorated conditions with a lot of the commercial properties on that corridor. You see some recent investment in a new gas station and service station. There’s certainly the conditions with some of the other commercial properties really needing attention.

Again, we commonly have done several Phase I assessments for businesses like dry cleaners, especially with their historical use of drying agents and solvents and the potential impact on groundwater contamination. Then we also see those businesses just across the street from a community center and residential townhomes. There’s an elementary school a block or so from here.

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What’s not present on this corridor, for example, is an active bank branch. There isn’t a grocery store or market.

One of the catalyst sites we’re zeroing in on is a property located near the historical ruins site. It’s the site of the former Douglass Hospital and Bryant Butler Kitchen. I know our Public Works’ staff in the past has assisted the property owner with installing some barriers to prevent illegal dumping. We’ve had some issue with squatting and homeless living inside of this facility.

Commissioner Walker asked who owns that property at present. Mr. Goff said the owner of record is Village East, LLC. So it’s an LLC. It isn’t owned by a private individual. We have had some meetings with representatives for the ownership group about their interest and willingness to make use of some of our brownfields funds to assess the property and then maybe engage in some redevelopment as part of this process.
Commissioner Murguia asked are they paying the taxes. Mr. Goff said I would note that this parcel actually, as you can kind of see it here near the edge, it is tax delinquent. Commissioner Murguia said I can’t see where you’re pointing. Mr. Goff said we’d be talking about this parcel here. Commissioner Murguia asked where it’s yellow. So it’s tax sale eligible? Mr. Goff said yes. Commissioner Murguia asked how many years delinquent is it. Mr. Goff said, Patrick, is three years required for a property, so at least three years of delinquent taxes are required to be eligible for a tax sale.

Mr. Goff said again, based on the proximity to both some of the recent investments we’ve made in the form of streets, sidewalks, sewers, the overlook structure. We’ve done some restoration work here to the memorial. The Memorial Plaza is actually carved out. It’s parceled to the Land Bank. The property in the foreground is the catalyst site we’re talking about, the former commercial structure.
This site here is on Brown Avenue. It’s a site of a former auto service center. There is a restaurant pad site and, believe it or not, a small motel complex in the rear. Again, it’s also vacant and tax delinquent; been abandoned for several years. We’ve recently tracked down the phone number of the property owner. Again, we’re going to invite her to be a part of the process to take advantage of both the existing assessment grant we have, but also for the planning and reuse opportunity we’re pursuing. I’ll turn this back over to Angela to kind of recap the requirements for the grant.

It’s actually the grant deliverables. Ultimately, what they’re looking for is the community engagement component, understanding what the concerns are, what the priorities are according
to the community. Using those to inform the reuse scenarios that will be developed and, ultimately, developing an area-wide implementation strategic plan. How do we move forward with assessment, cleanup, reuse, revitalization?

Some timeline pieces to this. The grant application is due August 10. Awarded grants will be announced in January 2017 with the projects actually beginning in March next year.

What we’re requesting is that this be moved forward to the July 28 full commission meeting where we’ll seek approval of a resolution authorizing the County Administrator to submit the 2017 Brownfields Area-Wide Planning Grant Application.

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**Commissioner Townsend** said what I want to have clear in my mind is exactly what we could do, again, with the funds from this grant. I’m going to highlight a couple of things and you can just tell me yes or no or whatever you’ve got.

Can we acquire property? **Ms. Harshbarger** said no. **Commissioner Townsend** said can we build or help building out there or help someone who may want to develop out there something that the neighborhood would want or would help in the restoration or maintenance of historical buildings or areas out there? **Ms. Harshbarger** said we cannot. **Commissioner Townsend** asked can we do cleanup, because when we hear brownfields, I think of cleanup. Can you do demolition if we own those properties or had tax sale eligible properties? **Ms. Harshbarger** said not under this grant. **Commissioner Townsend** asked this would pay for what, what I would call engagement and planning kind of things, getting the community involved that type of thing. **Ms. Harshbarger** said correct, in addition to doing some market research, looking at the history of the property, and developing some of the information that way to be used then, later, as part of perhaps moving on with an assessment process. **Commissioner Townsend** asked we could get approximately what, $200,000 total over the two years or $200,000 each year. **Ms. Harshbarger** said total over the two years.

**Mr. Goff** said I would add to that. This is a planning grant. The funds would essentially be used to engage the community residents in the larger target area about what ideas for reuse and redevelopment of those identified brownfield sites. I would also add I feel like we have, within our existing toolkit of development, incentives to help projects do just what you described for strategic acquisition, for demolition.

In our current grant, we actually can use some of the assessment fund to say we need to remove an underground storage tank. I know one of the projects we did early in the year we were able to leverage and assist in that regard. I feel like a combination of the existing resources we have, coupled with this opportunity to do the strategic planning and community engagement around what they would like to see, how they would like to be part of that redevelopment process, is what this opportunity represents.

**Commissioner Townsend** said I’m in favor of it. I just wanted to have clear in my mind, and hopefully in the minds of those who may be watching this, what we can and can’t do with that. Just because we may get this grant, there’s not going to be a building boom immediately. It’s engagement and planning and that kind of thing.

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Action: Commissioner Townsend made a motion, seconded by Commissioner Murguia, to approve and fast track to full commission.

Commissioner Walker asked does this plan provide a gateway to other federal funding. We do this, then this is in the federal government’s view step one, then create eligibility for additional grants. Mr. Goff said I mentioned the current community work underway with the national Freedom’s Frontier organization. They’re based in Lawrence.

One of the things, they’re engaged with the National Parks Service which is under the umbrella of the Department of Interior about that federal historic landmark status. With that National Parks Service, and that potential designation, absolutely there’s that potential for additional funding around those efforts.

Commissioner Walker said some of the things you have shown us, other than the John Brown statue, it doesn’t seem like the plan is anything but get a bulldozer and bulldoze it into the ground, take it and dump it, depending on what type of material is there. I’m not opposed to it, but if it’s not a key to additional federal money to actually implement a plan, we’ll have a nice plan and then we’ll be expected to raise the money to implement the plan.

I guess I’m not hearing you say that this will, clearly the John Brown statue is a unique location and has historical significance. That area does, but I don’t know where the money is going to come to clean up those properties after we have a plan that’ll tell us we need to clean up these properties. If I sound cynical, it’s because I am.

Commissioner Murguia said I’ve seconded the motion, so I’m fine with the grant also. I’ve been around a long time as commissioner so I’m compelled to shed a little light on what happens when commissioners are involved with planning for my peers that are newer commissioners.

Anytime you create a plan and you engage community in that planning process, you create expectations. Again, I don’t have anything wrong with this, but I would agree with what Commissioner Walker said. You sometimes have to be very careful about getting the community together and making plans for things if there’s no way to pay for those things moving forward. I second the motion. I want to be supportive. I just also don’t want to set up my fellow
commissioners to fail and I also don’t want to set up those communities to continue to be disappointed that things aren’t moving forward like they want them to.

Commissioner Townsend said I appreciate the sentiments expressed by Commissioner Walker and Commissioner Murguia. That goes to why I asked so I have in my mind specifically what we can and can’t do with these funds.

I’m looking at this as the Elvis approach. It’s now or never for some of these things. If we can get a grant that will put us in a position of bringing the community together, those people who actually own property in there, those people in the neighborhood who want to see something done with that historical area, I believe that now is the time to at least come up with the plan. I think that would better situate us to know what we can do, possibly, and better target where we might go to seek funds. If we had shown the shot just due north of that statue, you have the overlook. That’s a tremendous asset, very underutilized because of the other things that surround it.

I know that there are a lot of individual stakeholders and property owners there. Commissioner Walker gets to the heart of a point that I’ve had a discussion with some of people who own. There are so many owners over there. I think this is a good time to sort some of this thing out, to try to come together with some type of direction that all of those landowners, hopefully, and the citizens around there can support. We can target where we may go, just baby steps, but now or never.

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

Item No. 3 – 16684….ORDINANCE: LEGACY APARTMENTS PARKING PROJECT

Synopsis: An ordinance authorizing the issuance of Community Improvement District (CID) sales tax revenue bonds (Legacy Apartments Parking Project), Series 2016 up to a principal maximum amount of $14,000,000 for the purpose of funding certain improvements, funding a debt service reserve fund, and paying certain issuance costs related to the bonds, submitted by Kathleen VonAchen, Chief Financial Officer.
Kathleen VonAchen, Chief Financial Officer, said similar to the previous item, this CID District, and the developer’s agreement, were approved in the prior commission meeting. At this point now, we’re ready to proceed with financing the project. We recommend that you approve the ordinance, forward to the commission for approval of the ordinance to issue the bonds. The bonds total $14M. They’re to be paid back by a one-sixth cent sales tax in that district within the Legends.

The project, itself, is going to pay for a three-story parking garage that extends beyond along Parallel and Village West Parkway. By the way, the parking garage will build about 350 parking spaces. On top of that parking garage, there will be an apartment complex that will have 240 luxury units that are going to be going at market rate rent. That piece is being paid for by the developer.

Tonight’s action is just to look at the parking garage portion of the financing which is $14M.

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

Adjourn

Chairman McKiernan adjourned the meeting at 5:50 p.m.

mls

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