

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF LEE'S SUMMIT, MISSOURI

The Industrial Development Authority of the City of Lee's Summit, Missouri met in virtual special session on September 18, 2020, at 8:15 a.m., via ZOOM technology. The meeting was in accordance with notice duly given and posted.

| <u>Name</u> | <u>Title</u> | <u>Present/Absent</u> |
|---------------------|-------------------------------|-----------------------|
| Rick Viar | President | Present |
| Tyler Morehead | Vice President | Absent |
| Kristi Johnson-Ware | Treasurer | Present |
| Robert Handley | Secretary | Present |
| John Elkin | Assistant Treasurer/Secretary | |
| Present | | |
| Don Beaman | Director | Present |
| Jody Carroll | Director | Present |

Chris Williams (IDA General Counsel), Mark Dunning (Assistant City Manager), Weylin Williams (Gilmore & Bell, Bond Counsel), Neil Martelle (Eagle Point Development) and Steve Arbo (City Manager) were also in attendance. The President declared a quorum present and called the meeting to order.

After motion to approve minutes of the February 21, 2020 was made and seconded, the motion was considered and put to a vote. All voted in favor, none opposed. The President declared the minutes approved.

Treasurer's Report: Treasurer Johnson-Ware reported a current checking account balance of \$87,122.20 and a \$27,957.01 Certificate of Deposit. Total funds are \$115,079.21.

The first item of business, Resolution 2020-1, regarding Ashbrooke Townhomes.

DETERMINING THE INTENT OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF LEE'S SUMMIT, MISSOURI TO ISSUE ITS MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 TO FINANCE THE ACQUISITION AND REHABILITATION OF A COMMERCIAL APARTMENT FACILITY LOCATED IN THE CITY OF LEE'S SUMMIT, MISSOURI.

Mr. Watson provided a brief overview of the project, which is an \$8.5 Million bond issue to finance acquisition, renovation and development of Ashbrooke Townhomes. The bonds will be privately placed with the closing expected at the end of the year. Mr. Watson turned the presentation over to Mr. Martelle, who reviewed a more in-depth PowerPoint on behalf of the developer, Eagle Point Development. He described the renovations expected to begin in January of the 75-unit complex including two- and three-bedroom apartments. When he concluded, Mr. Martelle invited questions. Treasurer Johnson-Ware asked if arrangements will be made to accommodate tenants during the repairs of the units. Mr. Martelle replied that

renovation of each unit should take about ten days, and temporary space will be provided for tenants during construction. He acknowledged his understanding that school age children reside on the premises and that they will need internet access to accommodate their remote-schooling needs during the COVID pandemic. It is very much at the top of their minds, he said.

President Viar asked what marketing strategy the developer will use to attract qualified tenants. Mr. Martelle replied the developer customarily works with the local housing authority on such projects, and that there is typically a waiting list of qualified tenants.

Director Carroll asked about the Deferred-Fee referenced in the financial portion of the presentation, in the \$800K range. Mr. Martell replied that the developer typically does not get paid until completion of the project.

Director Elkin asked whether vacancies presently exist, and if not, where tenants will be housed during repairs. Mr. Martelle replied that no vacancies presently exist and that they have not yet decided on the hospitality accommodations. If vacancies exist at the time, they may use that space, or may rent off-site housing, or perhaps a construction trailer. He pledged to share plans as they get closer and that the aim is to minimize disruption as much as possible.

President Viar asked for confirmation that the action to be taken is on a resolution of intent only. Mr. Williams confirmed.

President Viar thanked Mr. Martelle for his presentation. A Motion was made by Treasurer Johnson-Ware, seconded by Director Carroll Beaman to approve Resolution 2020-1. President Viar asked if there were further questions or discussion. There were none. President Viar called for a vote; all voted in favor, none opposed, and President Viar declared the motion had passed. Mr. Martelle was excused from the meeting.

Mr. Arbo, Lee's Summit City Manager was then introduced for the last item of business, a conversation regarding the two remaining Gateway Monument signs potentially to be located at the Blackwell Road/HWY 50 intersection and either at HWY 291/Hwy 50 or by Raintree Lake. Mr. Arbo reviewed the history of the City's partnership with IDA on the two completed Gateway Signs and some of the lessons learned. The 50% match that has served as the financing model in the past is probably not feasible in current circumstances because City finances have been negatively impacted by the COVID pandemic, and it has been necessary to draw down \$5million from the city's reserve fund. Further cost cutting measures will be presented to the City Council shortly. It will be difficult to advocate for a 50% match from City funds for new monuments when the need to fund COVID expenses exists, said Mr. Arbo. He did not feel he could in good faith ask for \$70-\$80K when city employees are being asked to make sacrifices to get through the current difficulty. The "ask" he said, was whether the IDA would consider fully funding the cost of the next monument sign.

Board members expressed their understanding and appreciation of the circumstances described by Mr. Arbo. President Viar noted the IDA's fund balance is presently insufficient to totally fund a monument sign expected to cost approximately \$150,000. There was discussion and general acknowledgment that Mr. Arbo's suggestion might enjoy Board support under different

circumstances. The general consensus was that now is not the time to consider 100% IDA funding of the next Gateway Sign, but that the matter could be represented for future consideration.

President Viar asked if there was any additional business to come before the meeting. There was none. There being no further business to come before the meeting of the Authority, on motion duly made, seconded and carried by unanimous vote, the meeting was adjourned.


Secretary