

AGENDA

**PORT KC
DEVELOPMENT COMMITTEE MEETING
MONDAY, March 13, 2023
3:00 P.M.
110 Berkley Plaza, Kansas City, Missouri 64120**

<https://us02web.zoom.us/j/89249115828?pwd=OXk5eEFRQjVrRzJ2MHVPdnB3RUUvUT09>

1. **Call to Order** Chairperson Terrebonne
2. **Consideration of January 9, 2023 Minutes** Chairperson Terrebonne
3. **Consideration of Resolutions**

A separate public testimony period will be provided at the conclusion of the Committee’s consideration of each of the listed items, i.e., prior to any vote. Public testimony is limited to three (3) minutes per person, per item, unless extended at the discretion of the Chairperson.

A. Resolution Authorizing the Issuance of Bonds - Vertical Cold StorageJon Stephens

B. Resolution Approving Task Order #19 under On-Call Engineering Contract with TranSystems – MRTJon Stephens

C. Resolution Amending Bond Authorization – Hunt Logistics VJon Stephens
4. **Development Report**.....Joe Perry
5. **Port Report**Richard Grenville
6. **Other Business**
7. **CLOSED SESSION: Pursuant to Section 610.021 (1)(2)(3), RSMo for matters related to legal actions, real estate transactions and personnel issues**
8. **Adjourn** Chairperson Terrebonne

**PORT KC
DEVELOPMENT COMMITTEE MEETING MINUTES
MONDAY, January 9, 2023
3:00 P.M.**

**110 BERKLEY PLAZA
KANSAS CITY, MO 64120**

Those wishing to attend virtually may do so via the following link:
<https://us02web.zoom.us/j/89249115828?pwd=OXk5eEFRQjVrRzJ2MHVPdnB3RUUvUT09>

Committee Meeting Attendance

Board of Commissioners:

Chairperson Claire Terrebonne, Commissioner Yolanda Cargile, Councilperson Katheryn Shields, and Councilperson Kevin O’Neill

Not in Attendance: Commissioner Deb Hermann, Commissioner Henok Tekeste, Commissioner Matt Oates

Staff:

Aaron Plump, Brian Rabineau, Chase Johnson, Jocelyn Knight, Joe Lohman, Joe Perry, Jolene Mead, Jon Stephens, Krishan Purvis, Mary Barnes, Megan Elder, Meredith Hoenes, and Richard Grenville

Guests:

Brian Melhus, Corey Walker, Marc Abbott, Mark Smid, Reid Frye, and Renee Miller

1. **Call to Order** Chairperson Terrebonne

The meeting was called to order at 3:09 p.m.

2. **Consideration of November 14, 2022 Minutes**..... Chairperson Terrebonne

Councilperson Shields made a motion to accept the November 14, 2022, meeting minutes as written.

Councilperson O’Neill seconded.

Roll call vote was taken:

Chairperson Claire Terrebonne, Aye
Commissioner Yolanda Cargile, Aye
Councilperson Katheryn Shields, Aye
Councilperson Kevin O’Neill, Aye

The motion passed unanimously.

[There was no discussion from the Board, Staff, or Public.]

3. Consideration of Resolutions

A separate public testimony period will be provided at the conclusion of the Committee’s consideration of each of the listed items, i.e., prior to any vote. Public testimony is limited to three (3) minutes per person, per item, unless extended at the discretion of the Chairperson.

A. Authorizing Application for Missouri Highway and Transportation Commission American Rescue Plan Act GrantJon Stephens

Councilperson O’Neill made a motion that the Committee recommend the approval of a Resolution authorizing Port KC to apply for grant funding from the Missouri Highway and Transportation Commission.

Councilperson Shields seconded.

Roll call vote was taken:

Chairperson Claire Terrebonne, Aye
Commissioner Yolanda Cargile, Aye
Councilperson Katheryn Shields, Aye
Councilperson Kevin O’Neill, Aye

The motion passed unanimously.

[There was no discussion from the Board, Staff, or Public.]

B. Resolution Authorizing the Issuance of Bonds – Scarritt Building.....Jon Stephens

Councilperson O’Neill made a motion that the Committee recommend the adoption of a Resolution authorizing the issuance of Port KC’s Taxable Revenue Bonds (Scarritt Tower Project), in a maximum principal amount of \$47,000,000 and the execution of related documents.

Councilperson Shields seconded.

Roll call vote was taken:

Chairperson Claire Terrebonne, Aye
Commissioner Yolanda Cargile, Aye
Councilperson Katheryn Shields, Aye

Councilperson Kevin O’Neill, Aye

The motion passed unanimously.

[There was discussion from the Board.]

Non-Action Items:

C. Resolution Inducing the Issuance of Bonds – Project SandJon Stephens

D. Berkley Riverfront Project UpdateJon Stephens

4. **Development Report**.....Joe Perry

5. **Port Report**Richard Grenville

6. **Other Business**

7. **CLOSED SESSION: Pursuant to Section 610.021 (1)(2)(3), RSMo for matters related to legal actions, real estate transactions and personnel issues**

8. **Adjourn** Chairperson Terrebonne

The meeting was adjourned at 4:00 p.m.

Motion Approval Summary
Port KC
Development Committee
March 13, 2023

Title of Proposal: *Consideration of a resolution approving the issuance of bonds in one or more series, in the maximum principal amount of \$243,705,000 for the development of cold storage and food product manufacturing facilities at 49 Crossing – “Project Sand.”*

Background: *Platform Ventures, LLC, through its related affiliates and development partners have submitted applications to Port KC that request the issuance of conduit bonds, in multiple series, in an amount not to collectively exceed \$243,705,000 for the development of cold storage and food product manufacturing facilities at 49 Crossing. The project consists of approximately 326,742 square feet of vertical development, which would collectively house the separate cold storage and manufacturing facilities. The proposed project calls for both real and personal property incentives for the cold storage and manufacturing equipment that would be installed at and service the facilities. Port KC assistance would include real and personal property tax exemption.*

On January 23, 2023 the Board adopted Resolution 2023-01-03 expressing its intent to issue Port KC’s Taxable Revenue Bonds in the maximum principal amount of \$243,705,000.

All consultations with the impacted taxing jurisdictions were completed prior to adoption of the bond inducement resolution.

The exemption structure would continue for a period of twenty (20) years following the completion of the project at the following levels:

<i>Year</i>	<i>Percentage of Exemption</i>
<i>1-10</i>	<i>95%</i>
<i>11</i>	<i>80%</i>
<i>12</i>	<i>75%</i>
<i>13</i>	<i>70%</i>
<i>14</i>	<i>65%</i>
<i>15</i>	<i>60%</i>
<i>16</i>	<i>50%</i>
<i>17</i>	<i>40%</i>
<i>18</i>	<i>30%</i>
<i>19</i>	<i>20%</i>
<i>20</i>	<i>10%</i>

Current Situation: *Developer is ready to proceed with the project.*

Financial Impact: *Port KC incurs no financial responsibility for acting as a conduit. Repayment of the bonds is the sole responsibility of the Developer and is not guaranteed by Port KC or any*

other political subdivision of the State of Missouri. The bonding for the project would not exceed \$243,705,000 without additional authorization from the Board of Commissioners. The bonding for this project would increase revenues in the form of issuance and ongoing administrative fees.

Recommendation: *Port KC Staff recommends approval of the Resolution.*

PROPOSED MOTION: I move the Committee recommend the adoption of a Resolution authorizing the issuance of Port KC's Taxable Revenue Bonds ("Project Sand") in an amount not to collectively exceed \$243,705,000, and the execution of related documents.

Motion Approval Summary
Port KC
Development Committee
March 13, 2023

Title of Proposal: *Consideration of Resolution Approving Task Order #19 for our On-Call Engineering Contract.*

Background: *TranSystems is Port KC's "On Call" Engineer for consulting services. The contract calls for Task Orders to be issued for all projects.*

Current Situation: *Task Order #19 is to support the Port KC MRT Team in the construction of adequate roadway access to the MRT site and develop comprehensive plans for private site development and feasibility.*

TranSystems submitted Task Order 19 to provide these services in furtherance of MRT in the following aspects: 1) road planning to the point of being shovel ready and positioned to receive State funding; 2) furtherance of rail alignment planning; 3) assessment of the integrity of the existing dock infrastructure. Similar to previous TranSystems task orders, work also includes some level of planning of next steps.

Financial Impact: *The cost of Task Order #19 as proposed is \$2,597,500; these funds will come from an anticipated grant agreement with the U.S. Maritime Administration (MARAD) for \$1,000,000, along with \$1,597,500 derived from the MRT Loan approved in March 2022 and part of the budget.*

Recommendation: *Port KC Staff recommends approval of the Resolution.*

PROPOSED MOTION: I move the Committee recommend the adoption of a Resolution approving the President & CEO's execution of TranSystems Task Order #19 in the amount of \$2,597,500 once the grant agreement with MARAD has been completed.

Motion Approval Summary
Port KC
Development Committee
March 13, 2023

Title of Proposal: *Consideration of a resolution approving Amendment 1 to Resolution 2021-04-01, Bond Authorization for the design, reconstruction, and development of an industrial facility – Hunt Midwest Logistics V.*

Background: *On April 26, 2021, the Board adopted Resolution No. 2021-04-01 authorizing the issuance of taxable revenue bonds in a principal amount not to exceed \$28 Million, and a second revenue bond in a principal amount not to exceed \$15 Million, for the purposes of financing a portion of the costs of the design, reconstruction, and development of two industrial facilities, Logistics IV and Logistics V, respectively.*

Current Situation: *Since the Resolution No. 2021-04-01 was adopted, construction costs have increased. Additional capacity is needed to account for this increase, in the amount of \$3.1. Therefore, the bond amount for the second of the two industrial facilities will need to be increased from \$15 Million to \$18.1 Million.*

Financial Impact: *Port KC incurs no financial responsibility for acting as a conduit. Repayment of the bonds is the sole responsibility of the Developer and is not guaranteed by Port KC or any other political subdivision of the State of Missouri. This Amendment increases the Not To Exceed Cap for Logistics V from \$15 Million to \$18.1 Million. Any further increase would require additional authorization from the Board of Commissioners.*

Recommendation: *Port KC Staff recommends approval of the Resolution.*

PROPOSED MOTION: **I move the Committee recommend the adoption of a Resolution approving Amendment 1 to Resolution 2021-04-01 increasing the Not To Exceed Cap from \$15 Million to \$18.1 Million.**

MEMORANDUM



TO: Development Committee

FROM: Richard Grenville – V.P. Multimodal Logistics

DATE: March 9, 2023

SUBJECT: Port Report

Port Activities

The first two months of 2023 have been record setting at the port terminal compared with previous years. The exception being 2020 when we had higher water levels that supported navigation. Normally we have very quiet January and February freight movement but the addition of a direct rail connection appears to finally be paying off.

Year	Jan	Feb
2015	0	0
2016	0	5,674
2017	0	0
2018	0	0
2019	0	4,089
2020	15,165	4,738
2021	27	880
2022	959	865
2023	3,990	6,366
TOTAL	20,141	22,612

Staff attended the thirty-fourth annual steel conference in Tampa Florida, hosted by the Port Tampa. This conference attracts steel brokers and distributors from mainly the East Coast and Gulf regions. The world steel market is still reeling from tariffs and duties imposed by our government on foreign produced steel. Although the impact to region steel has been minimal, primary to the “Buy American” policy for federally funded projects, there will not be a large impact, in the market for foreign produced material. We were able to meet colleagues and potential new customers that are interested in selling and distribution to the Kansas City market. All in all a well spent trip with many potential leads for our operator, Transport 360.

Later in February, staff attended the annual “Navigators and river stakeholder’s meeting in Jefferson city. The two-day meeting was hosted by the Missouri Farm Bureau and the Coalition to Protect the Missouri River, (Port KC is a founding member). The consensus of NOAA and the USACE outlook for 2023 is a similar prediction to last year. However, it was noted that the repairs from the high water events of 2019 and

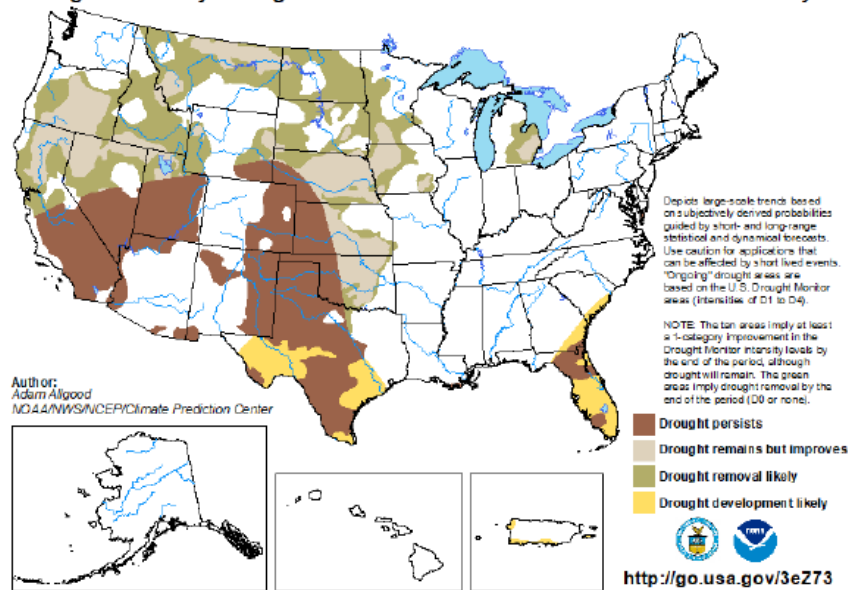
2020, have been very successful in repairing training structures and bringing resilience back to the system.

The upper basin snow pack is at average or above average levels with mountain and plains coverage that will help in restoring reservoir levels later in the year. Most of the upper basin has had the drought conditions relieved but there is still plenty of storage capacity in soils, this will prevent any excess runoff to the storage reservoirs.

NOAA Climate Prediction Center: Seasonal Drought Outlook Valid Feb 16 – May 31, 2023

U.S. Seasonal Drought Outlook
Drought Tendency During the Valid Period

Valid for February 16 - May 31, 2023
Released February 16



Source: www.cbc.ncep.noaa.gov

United States Manufacturing PMI

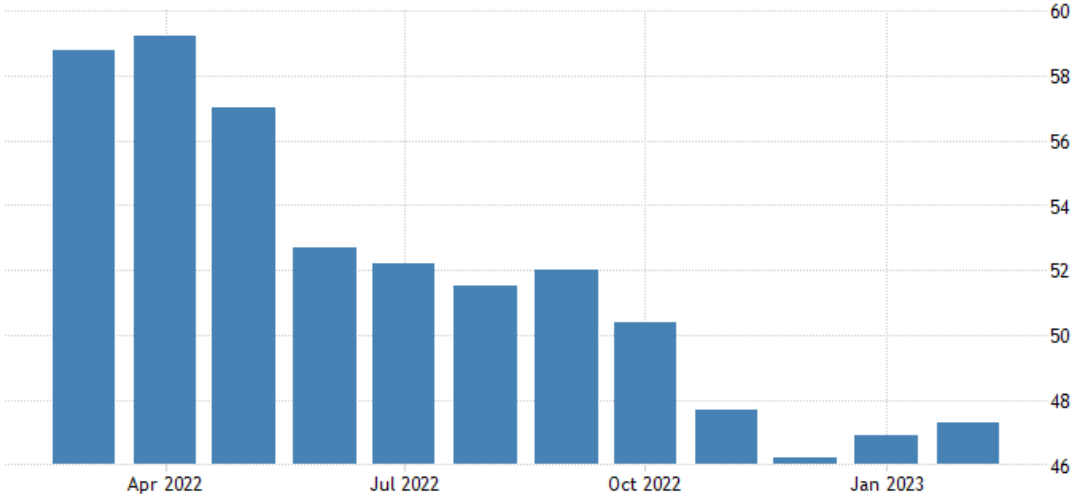
(Tempe, Arizona) — Economic activity in the manufacturing sector contracted in February for the fourth consecutive month following a 28-month period of growth, say the nation's supply executives in the latest Manufacturing ISM® Report On Business®.

The report was issued today by Timothy R. Fiore, CPSM, C.P.M., and Chair of the Institute for Supply Management® (ISM®) Manufacturing Business Survey Committee:

"The February Manufacturing PMI® registered 47.7 percent, 0.3 percentage point higher than the 47.4 percent recorded in January. Regarding the overall economy, this figure indicates a third month of contraction after a 30-month period of expansion. In the last two months, the Manufacturing PMI® has been at its lowest levels since May 2020, when it registered 43.5 percent.

The U.S. manufacturing sector again contracted, with the Manufacturing PMI® improving marginally over the previous month.

Manufacturing PMI in the United States is expected to be 49.00 points by the end of this quarter, according to Trading Economics global macro models and analysts' expectations.



Respectively Submitted,

Richard Grenville