

Charlotte O'Hara
15712 Windsor St.
Overland Park

Testimony on Foreign Ownership of land in Kansas, SB 100
February 7, 2024
Fed and State

Note that I am testifying as a private citizen and I am not representing the Johnson County BOCC.

Nefarious

The enemy is among us, brought forth in stunning testimony by Christopher Wray, FBI Director, one week ago before a House Select Committee on national security. Director Wray succinctly and strongly advised the committee and the citizens of the U.S.A. of the malevolent intent of the Peoples Republic of China hackers through Volt Typhoon malware. He testified that the PRC/CCP is targeting to disable critical infrastructure: water treatment plants, oil and gas pipelines, electrical grid and transportation systems. This is not a test; these are facts that even the Biden Administration could not ignore. The FBI Director announced the disabling of this malware on 100s of routers across the U.S. in his testimony on January 31st.

A quote from Director Christopher Wray's testimony, "The PRC's cyber onslaught goes way beyond prepositioning for future conflict. Today, and literally every day, they're actively attacking our economic security-engaging in wholesale theft of our innovation and our personal and corporate data."

And this theft of personal data has happened at the local level. In Johnson County, through our contract with Konnech for election services, personal data from many of our county election workers was sent to China, in violation of our contract with Konnech.

Further Cnano USA (according to media reports is a subsidiary of Jiangsu Cnano Technology Jiangsu, China) on 6/1/2023 received approval of a property tax abatement through a \$34 million IRB with a PILOT of 30 cents a sq. ft....75-85% abatement, plus a sales tax exemption on all materials, fixtures and equipment on this 333,000 plus sq. ft. facility.

Also, according to county staff, Cnano USA, was established and registered May, 2022, in Delaware. Further according to county staff there was no vetting of this company for security or for economic viability. There is no deed recorded on this building with Johnson County Register of Deeds (as of Monday, Feb. 5th) only a transfer of the IRB from KCI NCCC Building A, LLC Project, who constructed the building, to Cnana, USA.

Further per county records there currently is no mortgage on the property. The KCI NCCC Building A, LLC Project mortgage held by Commerce Bank, KC, Mo dated August 25, 2022 was

released July 12, 2023, upon the apparent sale of the building to Cnano USA. This sale was announced to the BOCC by the Johnson County Manager, Penny Postoak Ferguson.

According to Johnson County Tax records and verified by corporate address on transfer of IRB, the corporate headquarters of Cnano, USA, Inc is at 2101 City West Blvd., Houston, Texas 77042 described as a coworking, flexible workspace facility. However, now on the Kansas Secretary of State site, Cnano USA address is 16105 John Glenn PKWY. However, according to Johnson County Planning the building is not and cannot be occupied by Cnano because the building is not complete and therefore an occupancy permit has not been issued. So where are they??? Somewhat iffy, in my opinion.

I could go on and on, but these are facts: the FBI is in a daily battle with the PRC/CCP to stop their state sponsored hacking into our critical infrastructure. Has the craze of “economic development” so blinded us at the local and state level that it has driven us to ignore reality of our subsidizing entities with ties to hostile foreign entities, such as the PRC/CCP?

Therefore, I support SB 446 knowing full well that through accounting acrobats and straw men it will not be worth the paper it is written on, unless there are serious penalties associated with any violation, should this bill become Kansas State Law.

I have attached several Johnson County/Cnano USA documents to my testimony.



To: Board of County Commissioners
Penny Post oak Ferguson, County Manager

From: Aaron Otto, Assistant County Manager

Date: June 1, 2023

Re: Resolution No. 027-23. Adoption of Resolution authorizing the issuance of Taxable Industrial Revenue Bonds and assignment of such bonds and related documents for Building A located at 16105 John Glenn Way

Issue: Resolution No. 027-23. Consider adopting Resolution No. 027-23 authorizing Johnson County to issue Taxable Industrial Revenue Bonds (IRBs) in the principal amount not to exceed \$34,150,000 and assignment of such bonds and related documents for the purpose of financing the construction of a manufacturing facility located at 16105 John Glenn Way, New Century and to grant an ad valorem tax abatement on the constructed improvements and land for 10 years starting at \$0.30 a foot escalating at 1.5 percent (1.5%) each year thereafter and entering into a payment in lieu of tax (PILOT) agreement, and certain other documents in connection with the issuance of the bonds.

Suggested Motion: I move to adopt Resolution No. 027-23 to authorize the issuance of Taxable Industrial Revenue Bonds in the principal amount not to exceed \$34,150,000 and assignment of such bonds and related documents for the purpose of financing the construction of a manufacturing facility located at 16105 John Glenn Way, New Century and to grant an ad valorem tax abatement on the constructed improvements and land for 10 years starting at \$0.30 a foot escalating at 1.5 percent (1.5%) each year thereafter and entering into a PILOT agreement, assignment agreement, and certain other documents in connection with the issuance and assignment of the bonds.

Background: On October 8, 2020, the Board of County Commissioners approved the Master Development Agreement with VTRE Development, LLC (an affiliate of VanTrust Real Estate) for the development contained on the east and north sides of the airfield at New Century Commerce Center. On October 22, 2020, the Board of County Commissioners held a public hearing and approved a master resolution of intent to issue IRBs for up to \$278,415,690 to support the vertical construction of projects within the Master Development Area. On October 21, 2021, the Board of County Commissioners approved the Master Development Plan which outlined the method for developing and leasing the land outlined within the Master Development Agreement. The Airport Commission has approved two ground leases on the east side for two speculative buildings under construction by VanTrust.

Building A is a 333,365 square foot building that will be sold to CNANO Technology USA Inc., a Delaware corporation (CNANO USA), or an affiliate thereof to be used for manufacturing. It is expected that this facility will employ 120 individuals in manufacturing battery additives. This building is the second largest big box building at the New Century Commerce Center to be

occupied. At its March 22, 2023, the Airport Commission recommended adoption of the proposed resolution for issuance of IRBs and approved the execution of the PILOT agreement which is in accordance with the master resolution of intent and Master Development Agreement. The PILOT agreement outlines the PILOT schedule which will start at \$0.30 a foot and escalate at a rate of 1.5

Briefing Sheet

percent (1.5%) a year, as set forth in the Master Development Agreement. Prior to the development, this land was tax exempt as it is owned by the Board of County Commissioners.

Analysis: The total amount of the requested abatement will be approximately 75% in the first year and reduce to 71% in the later years as set forth in the master resolution of intent. The ground lease will initially generate \$132,874 per year in new rental revenues which will be used to retire the debt for public infrastructure improvements in the area. Any excess ground rent will be used to support the capital and operational needs of the County's airports. The new tenant, CNANO USA or its affiliate, will pay \$100,009.50 in new ad valorem taxes under the first year of the PILOT schedule, which increases each year. It is estimated this project will pay \$396,000 (2023 dollars) in ad valorem taxes starting in 2034 after the tax abatement expires. Pursuant to state law, during the abatement period, the project will pay full ad valorem taxes relating to the school district's capital outlay levy.

Funding Overview: There will be no fiscal impact to the Airport's or County's budget with the issuance of Taxable Industrial Revenue Bonds (IRBs). The tenant pays all costs relating to issuance of the bonds.

Alternatives: 1. Adopt a resolution authorizing Johnson County to issue Taxable Industrial Revenue Bonds (IRBs) in the principal amount not to exceed \$34,150,000 and assignment of such bonds and related documents for the purpose of financing the construction of Building A in the New Century Commerce Center, grant an ad valorem tax abatement on the constructed improvements and land for 10 years starting at \$0.30 a foot escalating at 1.5 percent each year thereafter, and to enter into certain other documents in connection with the issuance and assignment of the bonds, all in accordance with the previously adopted master resolution of intent and Master Development Agreement.

2. Do not adopt the resolution.

3. Table the matter for further discussion which could jeopardize the sale of this building which could eliminate the manufacturing jobs provided by this private sector company from taking place.

Recommendation: The Airport Commission unanimously recommends adoption of the resolution. **Purchasing Review:** This item does not need Purchasing approval.

Budget Review: Budget and Financial Planning has reviewed the briefing sheet, resolution and other items.

Legal Review: County's Bond Counsel has prepared the proposed bond documents.

Charlotte O'Hara

County Commissioner, 3rd District
Board of County Commissioners

From: Otto, Aaron, CMO <Aaron.Otto@jocogov.org>

Sent: Tuesday, June 6, 2023 1:32 PM

To: BOCC-Commissioners <BOCC-Commissioners@jocogov.org>

Cc: Postoak Ferguson, Penny, CMO <Penny.PostoakFerguson@jocogov.org>; Karins, Julie, CMO <Julie.Karins@jocogov.org>; Waters, Joe, CMO <Joe.Waters@jocogov.org>; Connor, Joe, CMO <Joe.Connor@jocogov.org>; Vincent, Emily, CMO <Emily.Vincent@jocogov.org>; Hanson, Jody, CMO <Jody.Hanson@jocogov.org>

Subject: Follow up information

Good Afternoon Commissioners,

Recently, some of you might have received communications regarding the company that will be purchasing a building from VanTrust at the New Century Commerce Center on a ground lease. The following are some background points regarding the company and what manufacturing will be completed onsite.

In its New Century Commerce Center facility, Cnano Technology USA will receive carbon nanotubes that have been manufactured in other facilities and use them to create a liquid conductive paste for electric vehicle batteries. Similar pastes are currently being manufactured around the world and used in batteries to power vehicles, cell phones and power tools.

Just like with any manufacturing facility housed in New Century Commerce Center or elsewhere within the county, there will be protocols, regulations and building code enforcement in place to ensure the health and safety of the employees, surrounding businesses and other neighbors. Cnano Technology USA will follow internal environmental, health, and safety policies and protocols designed to comply with EPA requirements and OSHA regulations as well as National Fire Protection Association and local fire protection requirements.

Cnano Technology USA is projected to bring 120 new jobs to Johnson County, working in New Century Commerce Center's second largest big box building to be occupied. Johnson County, Van Trust and others are pleased to be bringing these new manufacturing jobs to Johnson County, the state and the nation. We welcome this company joining the multi-national tenants currently operating out of the New Century Commerce Center.

Please feel free to use any of this information above if you chose to respond to communications you might receive. If you need assistance in a specific response, please reach out Susan Maier for assistance.

Very Respectfully, --Aaron

Charlotte O'Hara

County Commissioner, 3rd District
Board of County Commissioners

From: Otto, Aaron, CMO <Aaron.Otto@jocogov.org>

Sent: Tuesday, June 13, 2023 1:07 PM

To: O'Hara, Charlotte, BOC <Charlotte.OHara@jocogov.org>

Cc: Postoak Ferguson, Penny, CMO <Penny.PostoakFerguson@jocogov.org>

Subject: where is CNANO Technology usa listed on a stock exchange

Good Afternoon Commissioner, below are some answers regarding your questions.

1. Where is the usa company listed: it is incorporated in Delaware
2. When was the usa company formed: Cnano Technology USA was formed May 2022.
3. How many other facilities does the usa company have in the U.S. The building at NCCC will be Cnano's first facility in the USA.
4. Do you have information on the CNano plant in Hannover, Germany that was announce on Yicai Global June 27, 2022? I do not have any information on that plant.
5. Do we do financial background checks as part of the process for issuing IRBs? No. These are "buy-your-own bonds." Cnano will be paying debt service to itself as the IRB bondholder. There is no County liability for repayment. Therefore, we are not aware of any jurisdiction that does an advance, in-depth financial screening of IRB beneficiaries.

Very Respectfully, -Aaron

Charlotte O'Hara

County Commissioner, 3rd District
Board of County Commissioners

From: Otto, Aaron, CMO <Aaron.Otto@jocogov.org>

Sent: Monday, December 18, 2023 1:51 PM

To: O'Hara, Charlotte, BOC <Charlotte.OHara@jocogov.org>

Cc: Postoak Ferguson, Penny, CMO <Penny.PostoakFerguson@jocogov.org>; Connor, Joe, CMO <Joe.Connor@jocogov.org>

Subject: 16105 John Glenn Parkway

Good Afternoon Commissioner,

Recently, you asked me to investigate if the Appraiser's Office had the sale validation questionnaire form that contained the sales prices for the building located at 16105 John Glenn Parkway at New Century. I have checked with the Appraiser's Office and they do not have any sales value for this property in question.

Very Respectfully, --Aaron

RESOLUTION NO. 027-23

A RESOLUTION AUTHORIZING JOHNSON COUNTY, KANSAS, TO ISSUE TAXABLE INDUSTRIAL REVENUE BONDS (KCI NCCC BUILDING A, LLC PROJECT), SERIES 2023, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$34,150,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF ACQUIRING, PURCHASING, CONSTRUCTING, INSTALLING AND EQUIPPING AN INDUSTRIAL FACILITY, INCLUDING LAND, BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES, MACHINERY AND EQUIPMENT; AUTHORIZING THE COUNTY TO ENTER INTO CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE AND ASSIGNMENT OF SAID BONDS.

WHEREAS, Johnson County, Kansas (the "Issuer"), is authorized pursuant to the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "Act"), to acquire, purchase, construct, install and equip certain commercial and industrial facilities, and to issue industrial revenue bonds for the purpose of paying the cost of such facilities, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, the governing body of the Issuer has heretofore and does now find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its Taxable Industrial Revenue Bonds (KCI NCCC Building A, LLC Project), Series 2023 (the "Bonds"), in a principal amount not to exceed \$34,150,000, for the purpose of acquiring, purchasing, constructing, installing, furnishing, and equipping an approximately 333,365 square foot industrial facility for KCI NCCC Building A, LLC, a Kansas limited liability company (the "Company"), including land, buildings, structures, improvements, fixtures, machinery and equipment (the "Project"); and

WHEREAS, the Bonds will be issued under a Bond Trust Indenture dated as of the date set forth therein (the "Indenture"), by and between the Issuer and BOKF, N.A., as Trustee (the "Trustee"); and

WHEREAS, the Company, as ground lessee under that certain Ground Lease dated as of June 23, 2022 pursuant to which the Company ground leased real property from the Johnson County Airport Commission, will sublease the Project to the Issuer pursuant to the Base Lease Agreement dated as of the date set forth therein (the "Base Lease Agreement") between the Company and the Issuer; and

WHEREAS, simultaneously with the execution and delivery of the Indenture, the Issuer will enter into a Lease Agreement dated as of the date set forth therein (the "Lease Agreement"), by and between the Issuer, as lessor, and the Company, as lessee, pursuant to which the Project will be acquired, constructed, furnished, and equipped and pursuant to which the Issuer will lease the Project to the Company, and the Company will agree to pay the rental payments due under the Lease Agreement sufficient to pay the principal of and premium, if any, and interest on, the Bonds; and

WHEREAS, the governing body of the Issuer further finds and determines that it is necessary and desirable in connection with the issuance of these Bonds that the Issuer enter into certain agreements, and that the Issuer take certain other actions and approve the execution of certain other documents as herein provided:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF JOHNSON COUNTY, KANSAS, AS FOLLOWS:

Section 1. Authorization for the Acquisition, Purchase, Construction, Installation and Equipping of the Project. The Issuer is hereby authorized to provide for the acquisition, purchase, construction, installation, furnishing, and equipping of the Project, all in the manner and as more particularly

described in the Indenture and the Lease hereinafter authorized. The Issuer hereby approves the assignment of a portion of VTRE Development, LLC's interest in Resolution No. 062-20 in the amount of \$34,150,000 to the Company.

Section 2. Authorization of and Security for the Bonds. The Issuer is hereby authorized to issue and sell the Bonds in a principal amount not to exceed \$34,150,000 (the "Bonds"), for the purpose of providing funds to pay the cost of acquiring, purchasing, constructing, installing, furnishing, and equipping the Project. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rates, shall be in such form, shall be subject to redemption and other terms and conditions, and shall be issued in such manner, subject to such provisions, covenants and agreements, as are set forth in the Indenture. The Bonds shall be payable solely out of the rents, revenues and receipts derived by the Issuer from the Project, and the Project and the net earnings derived by the Issuer from the Project shall be pledged and assigned to the Trustee as security for payment of the Bonds as provided in the Indenture.

Section 3. Authorization of Documents. The Issuer is hereby authorized to enter into the following documents, in substantially the forms presented to and reviewed by the governing body of the Issuer (copies of which documents, upon execution thereof, shall be filed in the office of the Clerk of the Issuer), with such changes therein as shall be approved by the officers of the Issuer executing such documents (the "Bond Documents"), such officers' signatures thereon being conclusive evidence of their approval thereof:

- (a) Trust Indenture, between the Issuer and the Trustee;
- (b) Base Lease Agreement, between the Company and the Issuer;
- (c) Lease Agreement, between the Issuer and the Company;
- (d) Bond Purchase Agreement dated the date set forth therein, among the Issuer, the Company and the Company, as Purchaser; and
- (e) Performance Agreement, between the Issuer and the Company.

Section 4. Execution of Bond and Documents. The Chair or Vice-Chair of the Issuer is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Issuer in the manner provided in the Indenture. The Chair, Vice Chair, or, in the Chair or Vice Chair's absence, the acting Chair, of the Issuer is hereby authorized and directed to execute the Bonds, the Bond Documents, the Assignment Agreement (defined below), and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, for and on behalf of and as the act and deed of the Issuer. The Clerk of the Issuer is hereby authorized and directed to attest to and affix the seal of the Issuer to the Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary.

Section 5. Pledge of the Project and Net Lease Rentals. The Issuer hereby pledges the Project and the net rentals generated under the Lease Agreement to the payment of the Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Bonds are paid or deemed to have been paid under the Indenture

Section 6. Assignment. The governing body of the Issuer hereby consents to the assignment of the Bonds, Bond Documents, and all related documents by the Company to CNANO Technology USA Inc., a Delaware limited liability company, or an affiliated entity under common control with such company (the "Assignee") pursuant to the Assignment Assumption of Lease Agreements and Related Documents among the Issuer, Company, Assignee, and Trustee (the "Assignment Agreement").

Section 7. Further Authority. The Issuer shall, and the officers, employees and agents of the Issuer and the Issuer's Bond Counsel, Gilmore & Bell, P.C. are hereby authorized and directed to, take such action, 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 Issuer with respect to the Bonds and the Bond Documents.

Section 8. Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means. All closing documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 9. Effective Date. This Resolution shall take effect and be in force from and after its adoption.

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