

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
BOARD MEETING MINUTES**

DATE: January 27, 2021
TIME: 9:30 a.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

1. **Roll Call.**

- Present:** Andrea Bough
Rob Gardner
Melissa Hazley
- Absent:** Tammy Henderson
- Staff:** Dan Moye, LCRA
Susan Tumey, LCRA
Andy Adkins
Lee Brown, EDC
Aaron Knight, EDC
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

- | | |
|--|--------------------------------|
| Guests: Mason Andrew | Jenay Manley, Gabriel Towers |
| Janice Bolin, Kansas City Public Library | Clay Marcuson |
| Tiana Caldwell, Gabriel Towers | Ashley McAlmond, Polsinelli |
| Ron Clark, KC Tenants | Ron McMillan, Gabriel Towers |
| Sylvester Ellis, Gabriel Towers | Kathleen Pointer |
| Lee Felgar, Millennia | Tara Raghuvver, Gabriel Towers |
| Matt Flener, KMBC | Cat Reid |
| Heather Furr | Margie Richcreek |
| Chuck Gleason | James Shelby |
| Kevin Hardy | James Stone, Gabriel Towers |
| Roxsen Koch, Polsinelli | Wilson Vance, KC Tenants |
| Vickey "Marie" Landers, Gabriel Towers | Leidy Quitian Varon |
| Dion Lewis, City of Kansas City | Renee Weiss, Millennia |

Mr. Gardner called to order the monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority and declared a quorum as Commissioners Bough, Gardner, and Hazley were present via videoconference. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. **Administrative** – *Annual Election of Officers for 2021 (Rob Gardner)*

ACTION TAKEN: ELECTED THE SLATE OF OFFICERS NOMINATED FOR THE 2021 CALENDAR YEAR. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 1-1-21*)

3. **Administrative** - *Review and approval of Meeting Minutes for December 9, 2020 (Ex. 3)*

ACTION TAKEN: APPROVED THE MINUTES FOR DECEMBER 9, 2020, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

4. **Financial** - *Review and acceptance of the Financial Reports for November and December, 2020 (Lee Brown) (Ex. 4A-4B)*

Mr. Brown advised that both months experienced very little financial fluctuation. He noted that tax abatement fees had increased in December per the usual influx of applications in the latter part of the year.

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORTS FOR NOVEMBER AND DECEMBER, 2020, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY.

5. **Key Coalition URA** – *Affordable Townhouse Project - 2701 – 2705 – 2711 Brooklyn Avenue (Bob Long) (Ex. 5)*

[All statements made by Mr. Long unless otherwise noted.]

- City and the Land Bank own the three parcels comprising the project
- City will provide all funding for the project
- Key Coalition Neighborhood Association was heavily involved in project design
- Redevelopment agreement will be between the City and developer
- Staff felt that the Board should be informed about the affordable townhouse units, as the project was eligible for administrative approval

ACTION TAKEN: NONE; INFORMATIONAL ONLY

6. **E. 23rd Street Urban Renewal Area – 1600 Jackson** – *Project Status Update (Dan Moye) (Ex. 6A-6B)*

➤ **Notice of Default December 16, 2020**

- LCRA remedies are subject to Developer and lender cure periods set out in Lease and Redevelopment Agreement (*Engel*)
- Notice is over-reaching as it contains topics well beyond the agreement and lease (*Koch/Felgar*)

- In spirit of cooperation, Developer successfully completed all work and repairs detailed in the New Horizons and Healthy Homes reports (*Felgar*)
- LCRA's notice is not over-reaching. All items cited in the Notice of Default related to property maintenance, which was the owner's contractual agreement with the LCRA (*Bough*)
- New Horizons' report was based on their inspection of the units they were admitted to, which does not necessarily mean all issues were identified (*Bough*)
- LCRA's authority to monitor maintenance issues and how they are remedied comes from its lease of the building to the developer (*Hazley*)
- Notice was over-reaching in that specific items of default were not identified, so developer could not say for certainty what needed to be cured (*Koch*)
- LCRA will rely on Healthy Homes to verify that the items cited in the reports have been completed (*Engel*)

➤ **Millennia December 31, 2020 Response to Notice of Default**

- Millennia reiterated its intention to apply for MHDC tax credit financing to pay for a major renovation to the property in 2021 (*Engel*)
 - Closing on the LIHTC funding is estimated for the 4th quarter of 2021, with rehab work on the building done floor by floor in the following year (*Felgar*)
- Millennia also offered to reacquire title to the property once the refinancing had occurred, which would terminate LCRA's tax exemption for the project (*Engel*)
 - LCRA would agree to not oppose the refinancing and to not pursue any remedies under its contracts with Millennia (*Engel*)
 - A new ownership entity would be created once the tax credit funding transaction was closed, which would not ask for tax abatement (*Felgar*)
- Healthy Homes advised on January 8, 2021 that all original items in its November 19, 2020 and December 4, 2020 reports had been corrected (*Moye/Engel*)
 - New items were cited in the Healthy Homes December 4, 2020 report, which is not unusual for large multi-family buildings to have ongoing maintenance issues (*Engel*)
- Millennia disputed some issues in the Notice and requested clarification on others, and despite not receiving a response from the LCRA, it continued to address issues in need of repair (*Felgar*)

➤ **Millennia January 25, 2021 Response to Notice of Default**

- Included unit by unit information regarding the status of work to correct items listed in the Healthy Homes and New Horizon reports (*Engel*)
- Notice should be rescinded as repairs had been completed or the LCRA should provide a written acknowledgment that the items had been cured (*Felgar*)
 - LCRA can't have a default notice when no issues are outstanding (*Felgar*)
 - Notice has had a material impact on Millennia's relationship with national lenders (*Felgar*)

- A written acknowledgment regarding items which had been cured can be shared with their lender and other investors so developer's legal status with the LCRA is understood (*Koch*)

➤ **Tenant Testimony**

- Millennia determined that many repair requests from the tenant advocacy group had already been completed and any remaining requests were placed in the system to be addressed timely (*Felgar*)
 - Tenants have always been able to submit work order requests by contacting the management office (*Felgar*)
- Ron McMillan
 - Has received no compensation for personal possessions destroyed during developer's repair of his apartment
 - Communication between tenants and the developer and property manager is non-existent
 - Tenants should be an integral part of operating and maintaining the building
 - Video will show that the manager shoved him out of her office when he tried to present work orders in person as the tenant union representative
 - Developer's statements denying alleged harassment by its managers were untrue
 - Management has not produced any information regarding the recent deaths of two tenants
- James Stone
 - Management cannot be contacted, even in emergency situations, as evidenced during an elevator's breakdown over the weekend
 - Tenants and management should work together to ensure livable conditions in the building
 - Ron McMillan has had to establish himself as the primary contact person for the building's washer repairmen
 - Daily instances, such as someone spraying a fire hose in a hallway, show that security is non-existent
 - Tenants should be included in the process of finding a new manager as the current manager refuses to speak to tenants, hides her face, and slams her office door
- Sylvester Ellis
 - Manager denied responsibility for locking the apartment door of another resident who was hospitalized for several days
 - Repairmen were prepared to paint over the black mold in his apartment rather than actually fixing the issue
 - Prevalence of mold in his apartment has caused severe health issues for him
 - Tenants are asking for help because of the horrible living conditions
- Tiana Caldwell
 - Ceiling in common room is currently being repaired for collapsing, which is illustrative of the building's dilapidated conditions
 - The entire building should be inspected as the amount of mold shown in the ten units inspected is probably indicative of larger issues

- A comprehensive scope of work conducted as part of the major rehab will be needed to determine and address deeper issues such as the status of mold in the building (*Engel*)
- Vickey Landers
 - Chemicals used to treat bedbug infestation caused her to have an allergic reaction, which resulted in a visit to the hospital
 - Bedbug solution was too watered down to have much effect
 - Electric stove sparks when turned on
 - Requested that management respond to her concerns
 - LCRA staff received a letter from an attorney last week regarding another tenant's issues with bedbugs (*Engel*)
- Management Response
 - Ensuring healthy living conditions continue is currently hampered by pandemic concerns among residents about admitting anyone to their apartments (*Bough/Felgar*)
 - Management is responding to essential services and emergency matters and tenants are encouraged to make requests via work order (*Bough/Felgar*)
 - A complete capital needs assessment inspection of the building will be conducted to assist in completing the rehab work (*Felgar*)
 - Descriptions of the current building manager, a long-term dedicated employee, were inappropriate and may be related to pandemic concerns about admitting tenants to the office without appointments (*Felgar*)
 - Developer will once again examine the units based on tenants' comments today and continue to make repairs (*Felgar*)
 - Developer apologizes for the difficult and challenging living conditions (*Felgar*)
 - Bedbug remediation was performed by exterminating companies with approved EPA standards (*Felgar*)

[The Board moved into closed session to discuss legal issues and other matters related thereto, pursuant to Section 610.021, subsection 1, in order to consult with legal counsel.]

Motion to move into Executive Session made by Ms. Bough and seconded by Ms. Hazley

Roll Call Vote to Move into Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye

Roll Call Vote to Move out of Executive Session and reopen Public Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye

A motion was made on the issue that was discussed in close session.

ACTION TAKEN: AUTHORIZED LEGAL COUNSEL AND THE EXECUTIVE DIRECTOR TO ENTER INTO NEGOTIATIONS WITH MILLENNIA OR ITS LEGAL ENTITIES TO NEGOTIATE A STANDSTILL AGREEMENT WITH THE FOLLOWING PARAMETERS: (1) LCRA WILL NOT SEEK DEFAULT REMEDIES UNDER ITS LEASE OR REDEVELOPMENT CONTRACT PROVIDED THAT MILLENNIA COMPLIES WITH THE STANDSTILL AGREEMENT OR FORM OF AGREEMENT ULTIMATELY ENTERED INTO AND DEMONSTRATES GOOD FAITH COMPLIANCE WITH THE LEASE AND REDEVELOPMENT CONTRACT PENDING TITLE TRANSFER AS VERIFIED BY HEALTHY HOMES; (2) LCRA RESERVES ITS RIGHTS TO ENFORCEMENT AND REMEDIES UNDER THE CURRENT LEASE AND REDEVELOPMENT CONTRACT, INCLUDING UNDER THE CURRENT NOTICE OF DEFAULT AND ISSUANCE OF NEW DEFAULT NOTICES FOR NEW VIOLATIONS; (3) LCRA WILL ONLY SEEK REMEDIES DUE TO FAILURE TO MAINTAIN THE PROPERTY AS REQUIRED BY THE LEASE AND REDEVELOPMENT CONTRACT AS VERIFIED BY HEALTHY HOMES AND SPECIFICALLY IDENTIFIED VIOLATIONS OF CITY COUNCIL ORDINANCES AS VERIFIED BY THE CITY OR HEALTHY HOMES; (4) MILLENNIA WILL OBTAIN FINANCING IN 2021 TO PERFORM A MAJOR REHABILITATION, INTENDED TO CORRECT THE UNDERLYING PHYSICAL DEFECTS AND IMPROVE THE PROPERTY FOR THE BENEFIT OF THE TENANTS, WHICH IS EXPECTED TO TAKE UP TO TWELVE (12) MONTHS TO COMPLETE AFTER FINANCIAL CLOSING; MILLENNIA WILL PROVIDE A SCOPE OF WORK FOR MAJOR REHAB AND TIMELINE FOR CLOSING; (5) MILLENNIA WILL WORK WITH AND COMMUNICATE IN GOOD FAITH WITH TENANTS AND TIMELY RESPOND TO REPAIR REQUESTS AS VERIFIED BY HEALTHY HOMES; (6) MILLENNIA WILL ACCEPT TITLE TO THE PROPERTY AT THE TIME OF THE REFINANCE CLOSING BEFORE THE END OF 2021, PROPERTY TO BECOME FULLY TAXABLE IN 2022 AND BEYOND, AND LCRA WILL NO LONGER HAVE ANY INVOLVEMENT IN PROPERTY; (7) MILLENNIA WILL NOT SEEK TAX INCENTIVES FOR THE PROPERTY OTHER THAN TAX CREDIT FINANCING APPROVED BY MHDC; (8) MILLENNIA WILL RELOCATE TENANTS FOR TEMPORARY DISPLACEMENT IN ACCORDANCE WITH HUD RELOCATION REGULATIONS; (9) MILLENNIA WILL CONTINUE TO BE SUBJECT TO HUD AND CITY COUNCIL ORDINANCES AND REGULATIONS REGARDING OPERATION AND MANAGEMENT OF THE PROPERTY; (10) THAT THERE BE ONGOING INSPECTIONS SCHEDULED WITH HEALTHY HOMES; AND (11) THAT MILLENNIA ALLOW FOLLOW-UP ADDITIONAL INSPECTIONS. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. No. 1-2-21*)

Mr. Moyer clarified that LCRA's intent was to try to work with Millennia towards a resolution and that it was not relinquishing its responsibilities on the project. He stated that the LCRA would continue to work with the City's Healthy Homes department to provide the Board with updates about any ongoing issues. He advised that the LCRA would also work with New Horizons to conduct an updated mold investigation of the building.

Ms. Caldwell and Mr. McMillan asked Mr. Felgar to commit to a meeting in Kansas City with tenants. Mr. Felgar advised that he could probably do so within about three weeks. Mr. Moyer stated that the LCRA could assist in arranging the meeting but did not need to attend.

7. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moyer) (**Ex. 7A**)

- Discussion regarding requirement for prevailing wage on projects approved for tax incentives. Informational only.
 - Staff wanted to initiate discussion about the pros and cons of requiring payment of prevailing wage (*Moyer/Engel*)
 - City Council discussed about 10-12 years ago, but did not pass, a proposed ordinance to require prevailing wage for all tax abated projects (*Engel*)
 - TIF has since required prevailing wage for public infrastructure improvement projects but only on things for which they reimburse (*Moyer/Engel*)
 - PIEA staff can provide information about the issues they encountered when selecting only certain scopes to receive prevailing wage (*Koch*)
 - Budgetary impact of prevailing wage can be inverse to the size of project, as larger projects tend to already use specialized steel trades while smaller wood frame projects do not (*Moyer*)
 - Prevailing wage mandates should be applied selectively as the expense can derail projects (*Hazley*)
 - LCRA staff will continue to provide updates to the Board about the issue (*Moyer*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

b. **Affirmative Action Report** (Sandra Rayford) (**Ex. 7B**)

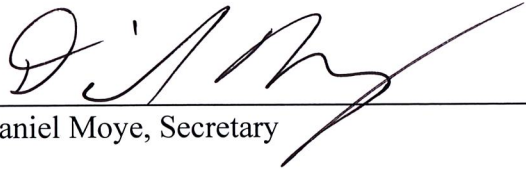
Ms. Rayford advised that the Affirmative Action Committee met for the first time on January 19, 2021 and reviewed the report marked as Exhibit 7B in detail. She added that the committee planned to meet the third Tuesday of every month.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

8. **Adjourn.**

There being no further business, Ms. Bough made a motion to adjourn the meeting, seconded by Ms. Hazley and carried unanimously. The meeting was adjourned at approximately 11:50 a.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
BOARD MEETING MINUTES**

DATE: February 24, 2021
TIME: 9:30 a.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

VIA VIDEO CONFERENCE

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley

Absent: Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Andy Adkins
Lee Brown, EDC
Aaron Knight, EDC
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Phil Aftuck, Bernstein Company
Jan Bolin, Kansas City Public Library
Tiana Caldwell, Gabriel Tower
Ron Clark, KC Tenants
Lance Dorn, SB Friedman
Michael Duffy, Legal Aid
Sylvester Ellis, Gabriel Tower
Lee Felgar, Millennia
David Ferman-Louis, SB Friedman
Thomas Friestad
Chuck Gleason, UMB
Terry Hogan, SB Friedman
Roxsen Koch, Polsinelli

Vickey Landers, Gabriel Tower
Dion Lewis, City of Kansas City
Brandon Mason, Legal Aid
Don Maxwell, Linwood Square
Ron McMillian, Gabriel Tower
Brian Noland, James & Noland
Kathleen Pointer
Cliff Poupirit
Tara Raghuvver, Gabriel Tower
Fran Rood, SB Friedman
Jordan Schiele, Jerusalem Farm
Thong Thai, BA Properties, LLC
Wilson Vance, KC Tenants
Renee Weiss, Millennia

[Mr. Moye initiated the discussion about prevailing wage as the Board had not yet achieved quorum.]

12(a) - **Administrative** - Discussion regarding requirement for prevailing wage on projects approved for tax incentives. Informational only (Dan Moye)

➤ **Proposed Incentive Reform Ordinance 200497**

- Financial impact of adding prevailing wage to the Ordinance was extensively discussed at the City's 2/5/21 Committee meeting (*Moye*)
- City Council's current plan is to remove prevailing wage from the Ordinance for separate consideration (*Bough*)
 - State statute requiring payment of prevailing wage exempts projects with costs less than \$75,000 (*Bough*)
 - Labor unions are typically more concerned about ensuring that larger projects pay prevailing wage (*Bough*)

➤ **Current Prevailing Wage Requirements**

- TIF is currently the only incentive agency which requires prevailing wage, as its infrastructure projects can be funded by public monies (*Moye*)
 - If any amount of public funding is used for a project, state statute requires prevailing wage for the entire project
 - TIF also requires prevailing wage on any money it has reimbursed
- Incentive projects are abating a tax payment, not giving money to a developer, so the state statute is not triggered (*Moye*)
- Central City Economic Development (CCED)
 - CCED projects have been required to pay prevailing wage across the board, which greatly increases their costs (*Hazley*)
 - Conversation about development in the urban core and how policy should be segmented needs to occur (*Hazley*)
- Costs added to a project as a result of paying prevailing wage tend to vary inversely to the size and type of the project (*Moye*)
 - Larger steel frame projects can usually absorb the costs because they tend to already pay prevailing wage versus smaller projects (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

Mr. Gardner called to order the monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority and declared a quorum as Commissioners Bough, Gardner, and Hazley were present via videoconference. [All Board members, staff, and guests participated in the meeting via videoconference.]

2. **Administrative** - Review and approval of Meeting Minutes for January 27, 2021 (**Ex. 2**)

ACTION TAKEN: APPROVED THE MINUTES FOR JANUARY 27, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial** - Review and acceptance of the Financial Reports for January, 2021 (Lee Brown) (**Ex. 3**)

Mr. Brown advised that the financial activity in January, 2021 was very slow, with the only activity being Wyandotte Garage's annual remittance and the payment of legal bills to Rouse Frets.

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORT FOR JANUARY, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

4. **E. 23rd Street Urban Renewal Area – 1600 Jackson** – *Project Status Update and Consideration of Supplemental Agreement* (Dan Moye/Brian Engel) (**Ex. 4A-4B**)

➤ **Millennia/Gabriel Tenant Union Meeting February 12, 2021**

- Millennia's February 22, 2021 letter summarizing the meeting indicated that adequate communication was being established between Millennia and the tenant union (*Moye*)
 - Many items listed in the letter were positive improvements (*Moye*)
 - Millennia has completed all current Healthy Homes repairs (*Koch*)
- LCRA is not involved in tenant/management relations and both parties should continue to work together (*Moye*)

➤ **Tenant/Public Testimony**

- Vicky Landers (Gabriel Tower tenant)
 - Management was advised that water was leaking in her closet but have not yet advised as to when the problem will be repaired
 - Unable to read re-certification paperwork and management refuses to allow a tenant representative to assist in explaining the document to her
- Ron McMillan (Gabriel Tower tenant)
 - Re-certification lease is much more extensive and complex, which many tenants are unable to understand
 - Repairs were not conducted in a sanitary manner as infestation issues from one apartment to the next seemed to occur after maintenance visits
 - Has not yet seen any reports about the health impact of mold in his apartment
 - Management has not provided meeting space for the tenant union or helped to organize the tenants

- Management has closed door policy and current manager refuses to speak with tenants or interact pleasantly with them
- Current management refuses to accept packages on behalf of tenants to enable residents to obtain their medications or to prevent them from being stolen
- LCRA Board has placed the tenants under the management of dishonest people
- Sylvester Ellis (Gabriel Tower tenant)
 - Millennia contacted him and Mr. McMillan rather than the head of security, who was physically present in the building, about a drug user in the laundry room
 - Management's job is to check on tenant welfare rather than Millennia's assertion that the tenants use a buddy system to do so
 - Security in the building is non-existent
 - Mr. Felgar's February 22, 2021 letter was factually incorrect and he refused at the February 12, 2021 meeting to negotiate with the tenants
- Tiana Caldwell (Kansas City Tenant Union)
 - Mr. Moye's statement that the LCRA is not involved in tenant/management relations is discouraging
 - Some tenants are without hot water or adequate heat
 - Video of a tenant who recently had to stay up all night to scoop water from a frozen pipe into his toilet to keep it from flooding was shared with Board members
 - Re-certifications are being conducted earlier than usual and management has not provided an environment conducive to trust
 - Management advises that Ms. Landers must sign her re-certification paperwork or she will be evicted
 - Mr. Felgar did not e-mail his February 22, 2021 letter to the Gabriel Tenant Union, which was an obvious attempt to retaliate and cut the union out of its communication with the tenants
- Wilson Vance (Kansas City Tenant Union)
 - Mr. Felgar finally advised that he was willing to negotiate after much discussion and examination of HUD regulations
 - Gabriel Tower tenants need to collectively bargain to ensure that their legal protections extend beyond Mr. Felgar's promises
 - LCRA, as a steward of tax payer dollars, is involved in the relationship between the City and tenants who are being abused by a negligent landlord who the City is subsidizing
 - LCRA's involvement between the tenants and their landlord is also mandated through its Redevelopment Contract with Millennia due to the latter's violation of City law
- Millennia (Lee Felgar)
 - Professional collective bargaining procedures were not followed as no letter of representation was provided to Millennia until Mr. Nolan's February 18, 2021 notice

- Unable to collectively bargain any lease changes with tenants as HUD rules and regulations mandate the lease provisions
 - i. HUD representatives have confirmed that collective bargaining is allowed as long as all HUD regulations are followed (*Moye/Nolan*)
- Personal accusations and tenor of tenant comments are offensive as believed results from day-long February 12, 2021 meeting were productive
 - i. Tenant frustration about the apparent non-responsiveness of management to maintenance issues and health hazards could lead to tenor of today's meeting (*Bough*)
- No one mentioned the commitment or goodwill offered by Millennia staff, such as the recent covid vaccinations conducted in March at the building
- Millennia will continue to be responsive to inspections by the City or the LCRA

➤ **Standstill Agreement**

- Board discussion about the agreement can be tabled as the LCRA is waiting on developer's comments on the draft document (*Moye/Engel/Nolan*)
- Agreement is intended to accomplish two main goals (*Engel*)
 - Assisting Millennia's refinancing to perform the major rehab of the building
 - Assisting LCRA's transfer title of the property to Millennia
- Prior to the Agreement's finalization and execution, Millennia will continue to respond to maintenance issues (*Engel*)
 - Follow-up inspections by Healthy Homes and New Horizons will also be conducted in the interim (*Engel*)
 - Any maintenance items should be routed to Healthy Homes to enable the City and the LCRA to monitor their progress (*Moye*)
- Whole building needs assessment has been performed by a consultant hired by Millennia and has been submitted to HUD for review (*Engel*)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE.

5. **Indian Mound Lykins URA – Property Donation Program** - Consider Application for 522 Drury Avenue (Brian Engel) (Ex. 5A-5C)

➤ **Property Donation Program**

- LCRA temporarily owns residential properties in need of rehab assistance in certain areas of the City to allow delinquent taxes and unpaid assessments to be canceled (*Engel*)
 - LCRA transfers title of the property to the owner once taxes and assessments have been cleared or cancelled (*Engel*)

➤ **522 Drury**

- Property's back taxes and special assessments accumulated prior to Ms. Farber's ownership (*Mason*)

- City's special assessment costs were rolled into the back taxes as they were unpaid, which substantially increased the amount owed (*Mason*)
- Westside Housing Organization (WHO) and Jerusalem Farm
 - Property taxes will have to be waived to secure Jerusalem Farm's and WHO's ability to rehab the home (*Mason*)
 - The property could become a dangerous building needing to be demolished without the waiver and repair (*Mason*)
 - Purpose of rehab is to make the building habitable and the current owner does not intend to sell the property (*Hazley/Mason*)
- LCRA tax abatement
 - After the property is rehabbed, a separate application for LCRA tax abatement will be submitted for administrative approval (*Bough/Mason/Moye*)

ACTION TAKEN: APPROVED ACQUISITION OF 522 DRURY AVENUE TO CLEAR DELINQUENT PROPERTY TAXES AND SPECIAL ASSESSMENTS, SUBJECT TO PRIOR CONFIRMATION OF TAXING JURISDICTIONS TO CANCEL PAST DUE SPECIAL ASSESSMENTS AND PROPERTY TAXES. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 2-1-21*)

6. **Linwood-Prospect URA – Linwood Square Shopping Center** - *Consideration of Non-Disturbance and Attornment Agreement* (Brian Engel) (**Ex. 6A-6B**)

➤ **Linwood Square Shopping Center**

- Renovations have been completed and occupancy will be about 95% once Archwell and another prospective tenant sign their leases (*Maxwell*)
 - Occupancy prior to the renovation was 43% (*Maxwell*)

➤ **Archwell Health**

- Wholly owned subsidiary of United Healthcare, which will provide heightened Medicaid medical services to area seniors (*Maxwell*)
- New jobs at Archwell will include 4 doctors and related healthcare professionals (*Maxwell*)

ACTION TAKEN: APPROVED THE NON-DISTURBANCE AND ATTORNMENT AGREEMENT WITH PROJECT TITLE, LLC, DBA ARCHWELL HEALTH. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 2-2-21*)

7. **Central Business District Urban Renewal Area - 106 West 11th Street (Mark Twain Building)** - Consideration of Project Completion Extension in the Redevelopment Contract with KCAC Developers, LLC (Bob Long) (Ex. 7A-7B)

- Project was unable to obtain construction financing prior to the pandemic, resulting in significant delays (*Long*)
 - Developer advises that it anticipates closing on its construction financing shortly (*Long*)

ACTION TAKEN: APPROVED AN EIGHTEEN (18) MONTH PROJECT COMPLETION DEADLINE EXTENSION TO THE REDEVELOPMENT CONTRACT WITH KCAC DEVELOPERS, LLC FOR THE MARK TWAIN MIXED-USE PROJECT AT 106 W. 11TH STREET IN THE CENTRAL BUSINESS DISTRICT URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 2-3-21*).

8. **Garfield URA -2600 – 2618 Independence Avenue** – Consideration of Approval of Completion Extension in Redevelopment Contract with BA Properties, LLC (Bob Long) (Ex. 8A-8B)

- Developer has made significant progress on the project, which was only delayed by the pandemic (*Long*)
- Developer believes it can complete the project by the requested extension date of October 31, 2021 (*Thai*)

ACTION TAKEN: APPROVED A SIX (6) MONTH PROJECT COMPLETION DEADLINE EXTENSION TO THE REDEVELOPMENT CONTRACT WITH BA PROPERTIES, LLC FOR THE 2600 - 2602 INDEPENDENCE AVENUE MIXED-USE PROJECT IN THE GARFIELD URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 2-4-21*)

[Mr. Moyer advised that Mr. Long would present on the proposed termination of each Urban Renewal Area in items #9 to #12 as one matter rather than as separate issues requiring four separate votes.]

9. **18th & Holmes Urban Renewal Area** – Consideration of Termination of the Urban Renewal Plan (Bob Long)

10. **2537 Madison Avenue Urban Renewal Area** – Consideration of Termination of the Urban Renewal Plan (Bob Long)

11. **Dutch Hill Apartment Urban Renewal Area** – Consideration of Termination of the Urban Renewal Plan (Bob Long)

12. **Westport & Mill Urban Renewal Area** – Consideration of Termination of the Urban Renewal Plan (Bob Long)

Mr. Long advised that there was no current reason to keep any of the four Urban Renewal Areas in place as 3 of the projects had been completed and their tax abatements had expired. The 4th project at 18th & Holmes was not initiated and tax abatement was never issued. He noted that the 18th & Holmes properties were now in the East Crossroads URA and that the Dutch Hill Apartment sites were in the Longfellow Dutch Hill URA.

ACTION TAKEN: APPROVED THE TERMINATION OF THE WESTPORT & MILL, 18TH & HOLMES, 2537 MADISON AVENUE, AND DUTCH HILL APARTMENT URBAN RENEWAL PLANS AND FORWARDING RECOMMENDATIONS TO THE CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 2-5-21)

13. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 13A-1**)

➤ **Martin City URA – Multifamily Project - 13501 Holmes Road** – *Updated Preliminary Financial Review – Phase 1* (Dan Moye) (**Ex. 13A-2**)

- SB Friedman will explain their methodology in the context of the previously approved Martin City project in effort to make their reports more understandable (*Moye*)
 - Working with City and taxing jurisdictions to determine how report can be clearer and less technical (*Moye*)

➤ **SB Friedman Overview** [*All statements made by Ms. Rood unless otherwise noted.*]

- 30-year Chicago based consulting firm known nationally as leaders in public/private partnerships
- Necessary conditions when considering public assistance for a development project are:
 - Baseline for decision is if the project contributes to public policy goals
 - Project should be feasible if it receives assistance
 - Project would not proceed without but/for assistance
 - Project can pay for itself through revenues generated by taxes or its impact on the community is substantial
- Projects are sized to move forward based on what project needs to be viable from the perspective of conventional or equity lenders
 - Incentives can be given to a project in an unproven market and, if successful, succeeding projects may not need the assistance
- Benefit of but/for approach is that projects are not over-subsidized, which creates a public perception that incentives are being awarded judiciously

- But/for approach also demonstrates to the development community that they can receive assistance without having to have special personal or business connections

➤ **Project Analysis** *[All statements made by Mr. Dorn unless otherwise noted.]*

- But/for review is initiated by a detailed request to the developer for the same information they would supply to a lender
 - Critical information is financial models, proformas, detailed cost estimates, market studies, site acquisition, and proposed financial sources
 - Phases are reviewed as separate projects to determine the level of incentive each might need
- To initiate the but/for, the budget is reviewed to determine if each line item is within market parameters and industry norms
 - An independent evaluation of rent amounts is performed to determine their reasonableness
 - Overly conservative assumptions on costs or revenues could indicate a larger financial gap so they will be adjusted to market and industry norms
- Additional factors used to determine incentive levels also include:
 - Source of estimates to determine information viability
 - The amount of their own monies a developer has input into the project
 - Developer's consideration of alternative financial structures, such as opportunity zones or tax credits
 - Rent amounts
 - Type of project
- Main principle of the but/for approach is that the examination allows for the testing of various levels of incentive to determine project viability
 - Frequently recommend further review of any project out-performing the assumptions used to size its assistance to determine if future incentive levels could be reduced
- Analyses for the EDC are usually begun within weeks of EDC's receipt of the developer's application and fee payment to SB Friedman to write the report (*Bough/Dorn*)
 - Analyses typically take 4 to 5 weeks to complete
 - Delays in completion of the financial analysis usually result from waiting on the developer to provide initial or follow-up information (*Moye*)

Mr. Moye responded to a question that Mr. Clark had posted online, advising that the EDC asks SB Friedman to consider in its reports policy questions which may or may not have yet been approved by the City Council.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

➤ **Central Business District URA – Hyatt House Hotel Project** – *Mechanic’s Lien Lawsuit* (Dan Moye/Brian Engel)

- Multiple mechanic liens have been filed against the project, as work had begun prior to the failure of the developer’s lender (*Engel*)
 - Developer has filed suit against the lender in federal court (*Bough/Engel*)
 - Developer is still working to obtain another lender to fund the project (*Engel*)
- LCRA was named as a defendant in the mechanic’s lien petition filed against the developer as LCRA owns the property (*Engel*)
 - Developer will indemnify and hold harmless the LCRA per its Redevelopment Agreement and Lease (*Engel*)
- Developer’s Kansas City counsel, Polsinelli, may act as lead counsel on the case, with LCRA’s attorneys monitoring to ensure its interests are protected (*Engel*)
 - Amend Board request to authorize Rouse Frets to work with Polsinelli to determine terms of representation (*Engel*)

ACTION TAKEN: AUTHORIZED LCRA TO FILE A RESPONSIVE PLEADING, AND OTHER APPROPRIATE MOTIONS OR FILINGS, IN THE CASE, SUBJECT TO REVIEW BY EXECUTIVE DIRECTOR AND LEGAL COUNSEL, AND TO WORK WITH DEVELOPER’S KANSAS CITY LEGAL COUNSEL TO DETERMINE THE TERMS OF LEGAL REPRESENTATION FOR THE AUTHORITY IN THE CASE. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 2-6-21*).

b. **Affirmative Action Report** (Sandra Rayford) (**Ex. 13B**)

➤ **Subcommittee meeting on February 16, 2021**

- HRD’s report dated December 31, 2020 was reviewed in-depth and several projects appeared to be close to not meeting goals (*Rayford*)
 - Staff contacted each developer and most issues should be resolved once developers bring their reporting up-to-date (*Rayford*)
- Subsequent committee meetings will be held on the third Tuesday of every month at 10:00 a.m. (*Rayford*)

➤ **Decal Construction**

- HRD is currently investigating claims from the minority subcontractor against another project (*Moye*)
- Request Board’s permission to formally request that HRD provide the LCRA with its findings for the LCRA to determine their impact on other projects (*Moye*)
 - Formal motion may not be required to authorize the request but Board members were asked to express any concerns (*Moye*)

- HRD is already planning to address the issues for specific projects but also welcomes any formal request (*Lewis*)

c. **Tax Abatements** – There were eight (8) tax abatements approved in January, 2021.


- 8449 Wayne was developed by the non-profit Marlborough Community Land Trust and will be featured in EDC’s monthly newsletter as a model to be emulated (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

14. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 11:50 a.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
BOARD MEETING MINUTES**

DATE: March 24, 2021
TIME: 9:30 a.m.
PLACE: 300 Wyandotte, 4th Floor
 Kansas City, Missouri

VIA VIDEO CONFERENCE

1. **Roll Call.**

Present: Rob Gardner
 Melissa Hazley
 Tammy Henderson

Absent: Andrea Bough

Staff: Dan Moye, LCRA
 Susan Tumey, LCRA
 Andy Adkins
 Lee Brown, EDC
 Aaron Knight, EDC
 Bob Long, EDC
 T'Risa McCord, EDC
 Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Allison Bergman, Community Builders
 Jan Bolin, Kansas City Public Library
 Tiana Caldwell, Gabriel Tower
 Ron Clark, KC Tenants
 Gary Dewey
 Joey Flickner, IUPAT DC3
 Sharon Hesterberg, Community Builders
 Mike Hughes, TSI Engineering
 Roxsen Koch, Polsinelli

Daniel Leon
 Dion Lewis, City of Kansas City
 Bob Mayer, M R Capital Advisors
 Ashley McAlmond, Polsinelli
 Ron McMillian, Gabriel Tower
 Emmett Pierson, Community Builders
 Kathleen Pointer
 Elizabeth Schultz, Community Builders
 Wilson Vance, KC Tenants
 Steve Vockrodt, Kansas City Star

Mr. Gardner called to order the monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority and declared a quorum as Commissioners Bough, Gardner, and Hazley were present via videoconference. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. **Administrative** - *Review and approval of Meeting Minutes for February 24, 2021 (Ex. 2)*

ACTION TAKEN: APPROVED THE MINUTES FOR FEBRUARY 24, 2021, AS PRESENTED. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial** - *Review and acceptance of the Financial Reports for February, 2021 (Lee Brown) (Ex. 3)*

Mr. Brown advised that there were no anomalies in this month's financials. He noted that the accounts payable had been reduced 20% from January. He also re-emphasized that the large liability for the downtown Loew's Hotel project would be seen as a loss write-off amortization for the next 20 years.

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORT FOR FEBRUARY, 2021, AS PRESENTED. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

4. **E. 23rd Street Urban Renewal Area – 1600 Jackson** – *Project Status Update (Dan Moye/Brian Engel)*

➤ **Supplemental Agreement**

- Staff and developer plan to present agreement for Board approval next month (*Engel*)
- Purpose of agreement is for developer to refinance the property to undertake a major rehabilitation (*Engel*)
 - Rehab project details such as a detailed scope of work and the budget and timeline for the refinance still need to be incorporated into Agreement (*Engel*)
 - Developer and the LCRA are also still negotiating the timing of the transfer of title to the developer, which will determine its tax status (*Engel*)
- Developer's payment to New Horizons
 - LCRA was unaware that developer had paid New Horizons for its report as its payment was not routed through the LCRA (*Moye*)
 - Developer advised the LCRA via e-mail about February 25, 2021 that it had paid New Horizons directly (*Koch*)
- Developer's entry into the Supplemental Agreement is not a condition of curing any default finding (*Engel/Koch*)
 - Purpose of agreement is to define what the ultimate goal is for the project and for developer to implement a refinance to rehab the property and to accept title to the property (*Engel*)

➤ **Default Notice**

- According to the developer, developer's lender has frozen its reserve account as a result of LCRA's issuance of the default notice (*Engel*)

- Developer has suffered irreparable harm by LCRA's continuing to hold the developer in default when all such matters were cured earlier this year (*Koch*)
 - Tenants are also being harmed by developer's inability to proceed with rehab work on the property (*Koch*)
 - Healthy Homes' re-inspection confirmed that all items listed in the default letter were cleared (*Koch*)
- LCRA has failed to diligently follow-up and identify any default items which remain outstanding (*Koch*)
 - Developer had asked that LCRA and New Horizons re-inspect the property to verify that the mold work had been completed (*Koch*)

➤ **Healthy Homes Report**

- Developer seeks acknowledgment by LCRA that the items cited in the Healthy Homes report as the basis for the default notice have been cured (*Engel/Koch*)
 - Developer's request is reasonable as long as Healthy Homes confirms that the items were successfully completed (*Engel*)
 - LCRA should specifically identify any items which it believes remain uncured (*Koch*)
 - New Horizons assertions may be more difficult to verify as it can be harder to get a more definitive answer as to whether mold has been remediated (*Engel*)
- Third-party inspection should be conducted to confirm developer's curing of the defaults as tenants allege that they have not been remediated (*Hazley*)
 - Tenants have proof that Millennia's remediation of items cited by Healthy Homes and/or New Horizons was insufficient (*Vance*)
 - Healthy Homes is an objective third-party that confirmed it had inspected the items identified by the LCRA as causing the default and that those items had been cured (*Koch*)
 - Important for LCRA to rely on Healthy Homes and New Horizons reports as they were part of the basis of the default finding (*Engel*)
 - Healthy Homes is qualified to inspect property (*Moye*)
- Capital Needs Assessment Report
 - Comprehensive, unit by unit, inspection of the property, which will form the basis of the rehab project, has been submitted by developer to HUD for its review (*Engel*)
 - Capital needs assessment report is slightly different than the unit-by-unit codes inspection (*Moye*)
 - Staff will provide a copy of the report to Ms. Vance (*Moye*)

➤ **Board directed staff to:**

- Determine if any other agency or entity can perform a third-party inspection
- Contact Healthy Homes to determine if they can provide a comprehensive update and explain their methodology at the April Board meeting

ACTION TAKEN: NONE; INFORMATIONAL ONLY

5. **Blue Parkway Towne Center URA – The Cleveland duplexes** - *Consideration of Approval of Redevelopment and Sale/Leaseback Contract with RCG II, LLC (Bob Long) (Ex. 5A-5D)*

➤ **Project Overview**

- Developer will pay a modest PILOT calculated on the base taxes, which will increase yearly (*Long*)
 - Developer will benefit from the increase in value of improvements once they are completed (*Engel*)
- Staff reviewed developer's financials, per policy, and determined that it was in compliance with MHDC guidelines (*Long*)
 - Affordable housing projects make little, if any, profit, and is a very difficult business to be in (*Pierson*)
- 20-year sale/leaseback will allow the developer to adjust after the 15-year compliance period for LIHTC (*Long*)

➤ **Developer Presentation**

- Project formerly known as Mount Cleveland Heights & Townhomes (*Pierson*)
 - One of developer's earliest projects, begun in 1997 (*Pierson*)
- Duplexes are 3-bedroom, with garages, and are affordable to 30%, 60%, and 80% AMI (*Pierson*)
 - Rent for one unit will be \$520, most will be \$789 to \$800, and 8 will be market rate at \$928 to \$941 (*Moye/Hesterberg*)
 - HUD determines AMI levels while MHDC performs additional calculations to ensure units aren't rented to anyone over income limits (*Hazley/Pierson*)
- MHDC awarded \$700,000 HOME funds to the project (*Hesterberg*)
- Horizon Housing Foundation will offer employment, housing, and health services to the residents (*Hesterberg*)
- Beta Lambda Educational Institute will also work with students on the property (*Hesterberg*)
- Swope Health Services will conduct wellness checks and provide other educational segments for residents (*Hesterberg*)
- Total development costs of \$12.6 Million are financed by tax credit equity, state and federal LIHTC, an MHDC loan, and HOME funds (*Hesterberg*)
- Tax abatement will ensure stability and allow the property to meet its financial obligations and sustain its residential services (*Hesterberg*)
 - LCRA will have to own the property for the length of the sale/leaseback in order to provide abatement for more than 10 years (*Engel*)
 - As the project receives tax credits, its investors and lenders were required to approve LCRA's ownership (*Bergman*)
- Federal relocation guidelines will be followed as the Cleveland is currently 90% occupied (*Hesterberg*)
- Closing is targeted for June or July, 2021 with the construction timeline estimated to be 12 to 14 months (*Hesterberg*)

- New leasing office clubhouse will include community space for residents, an exercise room, and 3 shared computer workstations with internet access (*Schultz*)
- Neighborhood development includes 6 single-family homes using CDBG funding and the Chick School into affordable housing in the next couple of years (*Schultz*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 20 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS AND AUTHORIZED PREPARATION OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT AND BOND DOCUMENTS WITH RCG II, LLC FOR THE CLEVELAND AFFORDABLE DUPLEXES HOUSING PROJECT IN THE BLUE PARKWAY TOWNE CENTER URBAN RENEWAL AREA. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 3-1-21*)

6. **Hospital Hill II URA – 27 + Troost** – *Consideration of Approval of Redevelopment and Sale/Leaseback Contract with Emunah Partners, LLC* (Bob Long) (**Ex. 6A-6B**)

➤ **Project Overview**

- \$6.7 Million affordable market rate project will entail a 26-unit building on each corner (*Long*)
 - Rent for a studio will be \$872 and \$979 for a one-bedroom (*Mayer*)
- Financial analysis is not required, per LCRA policy (*Long*)
 - \$6.7 Million total development costs are comprised of a \$4.3 Million mortgage and \$2.3 Million equity (*Mayer*)
- Emunah purchased the troubled project late last year (*Mayer*)
 - Original developer did not perform and building was ultimately demolished by the City (*Mayer*)
- Neighborhood associations support the project, as their major concern was that a bar or restaurant not be developed on the southeast corner (*Mayer*)
- Taxing jurisdictions also had no objection to the project (*Moye*)
 - Developer and the school district are still working out the details of an apprenticeship program for students interested in design or architecture (*Hazley/Mayer*)

➤ **Tax Abatement**

- Developer has requested a 10-year abatement with STECM, which will require a short-term sale/leaseback (*Long*)
 - Developer chose not to seek a 25-year abatement, although the project was also located within the Beacon Hill 353 area (*Long*)
- Developer will pay an annual PILOT, to increase 1.5% annually (*Long*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR 27 + TROOST PROJECT AND AUTHORIZED PREPARATION OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT WITH EMUNAH PARTNERS, LLC FOR THE 27 + TROOST PROJECT IN THE HOSPITAL HILL II URBAN RENEWAL AREA. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 3-2-21)

7. **29 Belle URA** – *Consideration of Proposed Urban Renewal Plan (Bob Long) (Ex. 7)*

➤ **Project Overview**

- Insanitary and unsafe conditions include overgrown weeds and brush, garbage and illegal dumping, and deterioration of sidewalks (*Long*)
- Property has been vacant for several years following the demolition of deteriorated houses on the site (*Long*)
- Developer will submit an application at a later date for specific project approval (*Long*)
- Developer is working closely with the Hispanic EDC in the design of the project to maintain continuity with the neighborhood (*Hazley/Mayer*)
- Two-story two-bedroom units will be about 1,000 square feet with rents at \$1,000 (*Hazley/Mayer*)
 - Developer is discussing the use of HOME funds with HEDFC so the units can be purchased by lower income residents (*Mayer*)
 - Ultimate intent is to sell the units to the community (*Mayer*)
- City Planning Commission (CPC)
 - Project will be considered for approval by the CPC in May, 2021 (*Mayer*)
 - Project had previously applied to the CPC for approval but was directed to obtain LCRA's approval as an urban renewal area prior to the City's consideration (*Henderson/Mayer*)
- Developer has not yet discussed the project with the Kansas City School District, as the project of 9 townhomes was fairly small (*Henderson/Mayer*)
 - A possible internship program with the HEDC may also be developed (*Mayer*)
- Incorporating green infrastructure into the project could be problematic due to the tight nature of the project (*Clark/Mayer*)
 - Project will cure blight at its site and could spur other green opportunities around the area (*Mayer*)

ACTION TAKEN: APPROVED THE FINDING OF BLIGHT IN THE PROPOSED 29 BELLE URBAN RENEWAL PLAN. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

APPROVED THE 29 BELLE URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 3-3-21)

8. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 8A)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- b. **Administrative** - *Discussion regarding requirement for prevailing wage on projects approved for tax incentives. Informational only* (Dan Moye)

- City Council passed an ordinance requiring prevailing wage on any development project application received after May 1, 2021
- City Council also approved an incentive cap ordinance limiting tax incentives to 15 years and lowering the cap to 70%
- City Council continues to consider an affordable housing ordinance, requiring all market rate projects to set aside 20% of its units for affordable housing
 - 10% of the affordable units would be allocated to 70% AMI and the other 10% to 30% AMI

ACTION TAKEN: NONE; INFORMATIONAL ONLY


Mr. Moye advised that the City's Human Relations Department had not provided an Affirmative Action report this month as they continued to work on other high priority items.

Mr. Gardner confirmed with Mr. Engel that an Executive Session was not necessary at this month's Board meeting. Mr. Engel noted that an executive session may be required next month.

9. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 11:20 a.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
BOARD MEETING MINUTES**

DATE: April 19, 2021
TIME: 2:00 p.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

VIA VIDEO CONFERENCE

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley

Absent: Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Andy Adkins, EDC
Bob Long, EDC
T'Risa McCord, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: David Fermin-Leon, UMKC
Roxsen Koch, Polsinelli

2. **E. 23rd Street Urban Renewal Area – 1600 Jackson** – *Project Status Update* (Dan Moye/
Brian Engel)

*Consideration of legal, real estate and personnel issues, and other matters related thereto,
pursuant to Sections 610.021(1)(2) RSMo.*

Motion to move into Executive Session made by Ms. Bough, seconded by Ms. Hazley,
and carried by the following roll call vote:

Roll Call to move into Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye

Motion to move out of Executive Session made by Ms. Hazley, seconded by Ms. Bough, and carried by the following roll call vote:

Roll Call to move out of Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye

RESUME BUSINESS SESSION

*ACTION TAKEN IN
EXECUTIVE SESSION:* NONE; FOR INFORMATIONAL PURPOSES ONLY

3. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 4:05 p.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO CONFERENCE ON APRIL 28, 2021**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Andy Adkins, EDC
Lee Brown, EDC
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Shomari Benton, Wheatley - Provident
Allison Bergman, Community Builders
Jan Bolin, KCMO Public Library
Erica Brice
Lori Buntin
Tiana Caldwell, Gabriel Tower
Ron Clark, KC Tenants
Christina Drews, Jackson County
Mike Edmundson, Wheatley - Provident
Joey Flickner, IUPAT DC3
Roxsen Koch, Polsinelli
Daniel Ferguson – Leon, UMKC
Carol Gordon, Jackson County
Kevin Hardy
Shannon Hesterberg, Community Builders
Anke Hirsekorn, 3400 Campbell

Naser Jouhari
Bill Kimble
Stacy Lake, 3400 Campbell
Charles Lee, 3400 Campbell
Bob Mayer, M R Capital Advisors
Ashley McAlmond
James McMillian, Gabriel Towers
Steve Mitchell, 3400 Campbell
Adam Pfeifer
Emmett Pierson, Community Builders
Kathleen Pointer, KCMO Public Schools
Angela Splittgerber, 3400 Campbell
Pat Sterrett, 27th & Troost
James Stone, Gabriel Towers
Wilson Vance, KC Tenants
Johnny Youssef, 3400 Campbell

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 9:30 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Hazley were present (*Ms. Henderson appeared at a later time*). [All Board members, staff, and guests participated in the meeting via videoconference.]

2. **Administrative** - Review and approval of Meeting Minutes for March 24, 2021 and April 19, 2021 (Ex. 2A - 2B)

ACTION TAKEN: APPROVED THE MINUTES FOR MARCH 24, 2021 AND APRIL 19, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial** - Review and acceptance of the Financial Report for March, 2021 (Lee Brown) (Ex. 3)

Mr. Brown advised that this month's finances had no anomalies and remained basically in the same position as they had all year. He noted that the Hyatt House developer promised to pay its past-due bills as soon as possible and added that preparations had begun for the annual audit in May.

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORT FOR MARCH, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

4. **Hospital Hill II URA – 27th & Troost** – Project Status Update (Bob Long/Brian Engel) (Ex. 4A-4B)

➤ **March 24, 2021 Approval / April 28, 2021 Request**

- Board unanimously approved an identical proposal for this project at its March 24th meeting (*Engel*)
- Request for Proposals (RFP)
 - Sale/leaseback projects require publication of an RFP because the Authority must own the property to provide the sales tax-exemption on construction materials (STECM) (*Engel*)
 - Developer has resubmitted its application solely to satisfy the statutory requirement requiring the Authority to publish the RFP (*Engel*)
 - RFP was published subsequent to the Board's March 24th approval of the project (*Engel*)
 - No other responses to the RFP were received so action today is to ratify and approve the project (*Engel*)
 - Board decision should defer to its prior approval as the RFP is a technical requirement and there have been no changes to the developer's project (*Engel*)

➤ **Affordability**

- Families cannot live in a 400 plus square foot studio apartment renting for over \$800 (*Hazley*)
 - Families are living in 600 to 700 square feet at the Wonder Lofts, which was successfully developed by the same developer (*Mayer*)
- Non-affordable projects should not be underwritten by taxpayers, especially given the homeless crisis in Kansas City (*Hazley*)

- Lots were affordable four (4) years ago per HUD and City definitions, but are no longer so due to current labor and supply costs increasing tenfold (*Mayer*)
- Development of the two lots at issue can wait until a reasonable proposal is received which allows a wider range of the population to participate (*Hazley*)
 - Lots have been owned by the City for several years and previous developers have declined to consider the lots for development (*Mayer*)
- Project received support of the Kansas City School District (KCSD) and discussions are underway about a student internship program during development (*Mayer*)
 - Majority of families of student interns may not be able to afford to live in the proposed apartments (*Hazley*)
 - Affordability is dependent on different guidelines and project will meet 90% to 100% AMI (*Mayer*)
 - KCSD believes a more thorough policy regarding how housing is incentivized should occur (*Pointer*)
 - KCSD is also appreciative of the proposed internship and developer's acceptance of a lower incentive rate (*Pointer*)
- The EDC continues to lobby the State for easier access to LIHTC funds to ensure affordable projects become more plentiful (*Moye*)
 - The Authority has the smallest incentive tools when compared to other agencies and so needs to be creative and unique (*Moye*)
 - The Authority should not take its small influence lightly as its decisions could be the straw that broke the camel's back (*Hazley*)
- City Council has addressed some of the issues of incentivized projects and affordability requirements, although this project was approved prior to those actions (*Bough*)

Mr. Gardner confirmed that there was no further discussion. Ms. Bough then moved that the Board consider the Action Recommended as written and Mr. Gardner seconded the Motion. The Motion failed by the following vote:

Ms. Bough	Nay
Mr. Gardner	Nay
Ms. Hazley	Nay

The Board then continued its discussion on the 27th & Troost project. Ms. Bough asked if the developer would be willing to revise the project for the Board's future consideration.

➤ **Continued Board Deliberations**

- Identical project was approved unanimously at last month's meeting (*Mayer*)
 - Staff will work with the developer and the City to figure out the next steps for the project (*Moye*)
 - Developer is willing to consider modifications to the square footage layout of the project (*Mayer*)

- Developer has put a lot of time and effort into the project so any revised proposal may not be returned immediately (*Moye*)
- New rules, which are not City policies, are being used to the detriment of the project (*Mayer*)
- Developer is correct about the City's guidelines but sometimes the standards fail its citizens which is why they are open to public debate (*Hazley*)
- Vote of approval for the project at last month's meeting was in error and is rescinded as developer's cost and square footage information at that time was not reviewed closely (*Hazley*)
- Board has heard the project at least four (4) times and affordable issues were not raised previously, which puts the developer in a difficult place (*Moye*)
- Proposed project is affordable from the standpoint of new construction (*Mayer*)
 - Project also meets affordable guidelines using HUD's definition, project size, scope, and 3% return (*Mayer*)
 - Developer's budget was reviewed by the EDC and showed a small \$6 Million project with a rate of return of less than 3% (*Mayer*)
 - No other developer will be able to do this project (*Mayer*)
- Board may need to review its policies as it had previously stated its willingness to support developments east of Troost (*Moye*)
 - Most residents east of Troost would not be able to afford to live in the proposed apartments (*Hazley*)
 - Board is discussing policy changes on a project initiated by the City and on which previous developers have failed (*Mayer*)
 - Discussion encompasses more than policy issues which would not require any decision making by the Authority (*Hazley*)
- City transferred the property to the Authority with the understanding that the lots would be sold to the developer for this project, although, at that time, it was contemplated that the developer would seek incentives under the existing Beacon Hill 353 plan. The developer subsequently decided to seek LCRA incentives, which were approved by the Board at the March meeting. (*Engel*)
 - If this is just a formality, concerns are raised about overturning the Board's approval (*Bough*)
 - Approval last month was for the incentive package for the project (*Bough/Engel*)
- Proposed development is geared towards singles rather than families (*Bough*)
 - Rents are still too expensive for a single person (*Hazley*)
- Reality of construction is that affordability is only a part of a successful development (*Mayer*)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE

5. **3400 - 3408 Campbell Street URA** –*Consideration of Proposed Urban Renewal Plan* (Bob Long) (Ex. 5A-5B)

➤ **Project Overview**

- Property once served as a nursing home but has been vacant for at least ten (10) years by the time the developer had purchased the site (*Long*)
- Historic Preservation Commission approved developer's plan to split the lot and build a second duplex on what was once the side lot to the original building (*Long*)

➤ **Public Testimony**

- Angie Splittgerber, Hyde Park resident
 - Structural items which developer claimed needed to be done in 2020 per the City's direction were present in April 2017 per the inspection report
 - Main building is no longer blighted as conditions cited in the staff's report no longer exist
 - Agree with developer that caretaker building remains blighted
 - Several City code complaints have been issued against the property since 2017
 - City councilman Bunch has issued a letter opposing the project
 - Neighborhood has supported several other area rental properties but breaking apart this single-family home is not in line with historic measures
 - Short Facebook video posted by developer, and shown to the Board, showed completion of almost all interior work as of February 26, 2021
- Charles Lee, Hyde Park resident
 - Hyde Park neighbors have encountered similar blighting conditions from their own purchase of the older homes in the neighborhood, which is to be expected
 - Only code violations exist at the property, which are of less severity than blighting conditions

Mr. Moyer advised that staff would like to withdraw its recommendation for approval of the project, given that the evidence of improvements seemed to be well outside the extent of improvements needed to protect the building.

- Johnny Youssef, Developer
 - Staff advised that developer's initial incentive application in November, 2020, would be approved by March, 2021, and any further delays would cause more financial harm
 - Facebook video shows that developer has nothing to hide and was merely a walking tour of the property as no work was being conducted
 - Ms. Splittgerber was able to cancel developer's initial plan for the project to be a 6-plex, which caused additional delays
 - Developer's due diligence in going through zoning, obtaining permits, and the like covered the two years Ms. Splittgerber claims no work was being conducted

- Personal attacks on matters unrelated to the project have also been levied against the developer by neighborhood residents
- Project at issue has been successfully used by Ms. Splittgerber to lower her property taxes
- Developer is willing to only apply for incentives for the empty lot which remains vacant and blighted

Mr. Moyer stated that Mr. Long had contacted the developer at the end of March regarding evidence of construction work being conducted at the project. Mr. Youssef replied that some work had restarted, which he terminated immediately.

- Steve Mitchell, Hyde Park resident
 - Board should grant blight finding and tax incentive because of the totality of circumstances, as the property has been blighted for over 12 years
 - Any abatement of the property would be offset by the removal of blight, increased value of surrounding homes, and subsequent taxes paid by duplex residents
 - Project should not languish further and remain unfinished
- Stacy Lake, Hyde Park resident
 - Abatement should be denied to the property at issue because:
 - (1) Substantial renovations have already been completed;
 - (2) Developer has shown that he is able to complete the renovations without incentives; and
 - (3) Developer welcomes increased property taxes in the neighborhood due to his renovations
 - Property is no longer blighted, unsanitary, or unsafe under the LCRA statute
 - Developer's worst action was that he has offended his neighbors and even sought cease and desist letters against them for speaking out against the abatement
 - City tax monies should be used for projects with actual hardships and fixing truly blighted properties
- Ronald Porter, Hyde Park resident
 - Developer also owned and successfully renovated a separate property behind Mr. Porter's
 - Can verify that building costs are skyrocketing as also own a residential construction company
 - Any trash in the site's yard is common to the area during windy days and may not be collected as no lives at the property
 - Opponents are focusing on a technicality that the developer may not have known procedures prior to investing so much into the property and the area
 - Any developer who would buy a nursing home property abandoned for decades and successfully renovate it for a family, should be encouraged
- Anke Hirsekorn, Hyde Park resident

- Granting tax abatement to a lot with nothing on it seems nonsensical

➤ **Board Considerations**

- Blight removal is the justification for providing tax incentives, which developer has already begun without needing any abatements (*Bough*)
 - Developer has made the structural repairs required by the City but the building remains in deteriorated condition (*Long*)
 - Some interior work had also been completed, but once owner was informed about LCRA processes, that work stopped (*Long*)
 - Property retains extensive blight as the caregiver's residence has not been worked on and only structural repairs have been made to the main building (*Youssef*)
 - Developer's misunderstanding that City Council support was necessary to receive incentives led to a year-long delay of the project and interior work resumed briefly in January 2021 (*Youssef*)
 - Construction prices have risen dramatically in the interim, which increases the need for incentives (*Youssef*)
- Confusion regarding how staff research aligns with statements from neighborhood residents (*Hazley*)
 - Blight study photos were taken by staff in late February, 2020 (*Moye*)
 - Staff strongly advised developer not to proceed with any rehabilitation work not related to building stabilization (*Moye*)
 - Hyde Park typically has lots of community engagement so not unique for this project to have lots of neighborhood feedback (*Moye*)
- Property is not currently blighted and developer should be congratulated for remediating the property (*Hazley*)
- Developer requested consideration of applying for incentive just for the empty lot and caretaker's residence and the timeline for consideration of the same (*Youssef*)
 - Board could determine the merits of a blight finding for a portion of the project based on the application as it stands (*Engel/Moye*)
 - Any vote to reject the finding of blight should be made under a similarly worded motion rather than moving to approve the blight finding with no votes of approval (*Engel*)
 - Board does not have enough information at the present time to approve a blight finding for the lot itself, as it appears well-maintained (*Hazley*)

Mr. Engel noted that Ms. Bough had to leave the LCRA Board meeting for another appointment, but that the Board retained quorum as three Commissioners remained.

- Lot has not yet been split into two parcels which makes it problematic to determine blight on a portion of the property (*Henderson*)
- A blight finding at the present time would require a subsequent meeting to determine any incentive for the project (*Engel*)

- Timeline for the Board's consideration of the separated project will be coordinated with the resubmission of the City Planning Commission application (*Long*)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

6. **Wheatley - Provident Hospital URA** – *Consideration of Proposed Urban Renewal Plan* (Bob Long) (Ex. 6A-6B)

➤ **Project Overview**

- Developer has already invested significant capital and made numerous repairs to stabilize the structure so it could be removed from the City's dangerous building list (*Long/Benton*)
 - Building remains largely deteriorated despite the stabilization work already performed (*Long*)
 - Project is a clear definition of blight and where tax incentives should be used (*Henderson*)
- Developer purchased the property in 2018 to ensure that the prior owner did not demolish the building (*Benton*)
- Developer plans to put the building back into service as medical providers and plans to bring in healthcare representatives from the community as tenants (*Benton*)
- Project is not within an existing incentive area (*Hazley/Benton*)

ACTION TAKEN: APPROVED THE FINDING OF BLIGHT IN THE PROPOSED WHEATLEY - PROVIDENT HOSPITAL URBAN RENEWAL PLAN. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED THE WHEATLEY - PROVIDENT HOSPITAL URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 4-1-21)

7. **The Cleveland Duplexes URA** – *Consideration of Proposed Urban Renewal Plan* (Bob Long) (Ex. 7A-7C)

➤ **Project Overview**

- Low-income housing project approved last month
 - Miscommunication between the City and LCRA staff about mis-labeling of the project area as an urban renewal area (URA) on the City's website (*Moye*)

- Resolution in Board packet ratifies and approves project incentives as approved last month, subject to City Council approval of the URP. The URP must be in place before any incentives can be implemented. *(Engel)*
- Once the City has approved the URP, the Board will then be asked to approve the project's Redevelopment Agreement, Lease, and other project documents *(Moye/Engel)*
- Rent Amounts
 - Rents for the 3-bedroom units with 1.5 baths range from \$789 to \$800, with market rate units at \$920 and a low-home unit at \$525 *(Hazley/Pierson)*

ACTION TAKEN: APPROVED THE FINDING OF BLIGHT IN THE PROPOSED THE CLEVELAND DUPLEXES URBAN RENEWAL PLAN. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED THE CLEVELAND DUPLEXES URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

RATIFIED, APPROVED AND CONFIRMED: (1) PROPERTY TAX ABATEMENT AT 100% FOR 20 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR A DUPLEX REHABILITATION PROJECT; AND (2) AUTHORIZED PREPARATION OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT AND LEASE WITH RCG II, LLC FOR THE PROJECT IN THE PROPOSED CLEVELAND DUPLEXES URBAN RENEWAL AREA; SUBJECT TO CITY COUNCIL APPROVAL OF THE PROPOSED CLEVELAND DUPLEXES URBAN RENEWAL PLAN. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 4-2-21)

8. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 8A**)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- b. **Administrative** – *Affirmative Action Report* (Sandra Rayford) (**Ex. 8B**)

- Subcommittee reviewed Human Relations Department's (HRD's) January 31, 2021 report *(Rayford)*

- One developer attended the meeting to explain its non-reporting of B2G hours (*Rayford*)
 - Developer apologized and advised would hire a third-party consultant to complete their missing reporting (*Rayford*)
 - Developer has since spoken with HRD to begin closing procedures (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

9. **E. 23rd Street Urban Renewal Area – 1600 Jackson** – *Project Status Update* (Dan Moye/Brian Engel) (**Ex. 9**)

Mr. Moye stated that Healthy Homes personnel had attended today’s meeting initially but had to drop off the call due to time constraints. He added that they would attend next month’s Board meeting to be available to answer questions from the Board.

➤ **Developer Testimony**

- Authority’s December 16, 2020 Default Notice
 - Developer has cured all items of default cited in the notice and requested that the Authority acknowledge the same, but has received no response (*Koch*)
 - Developer has requested that the Authority specifically identify any items which remain uncured but has received no response (*Koch*)
 - Failure to cure the default has damaged Developer as its lender has frozen its accounts and a mechanic’s lien has been filed due to Developer’s inability to pay (*Koch*)
- Developer met with tenants despite having no contractual obligation or duty under City Code to do so (*Koch*)
 - Developer provided the Authority’s legal counsel with the City attorney’s confirmation that no City code requires landlords or property owners to meet with tenants (*Koch*)
 - Distinction between meeting and collectively bargaining with tenants (*Engel*)
 - Board asked that the developer meet with tenants to listen to their complaints in hopes of improving relationship between the tenants and management (*Engel*)
 - Developer continues to follow-up with tenants’ legal counsel to continue to act in good faith regarding tenant concerns (*Koch*)
 - Developer met with tenants for an entire day in February, despite Covid, going floor to floor (*Koch*)
- MHDC Credit Application
 - Status of MHDC application and the Supplemental Agreement are not a condition to cure default (*Koch*)
 - Rehab is part of the agreement proposed under the Supplemental Agreement (*Engel*)

➤ **Public Testimony**

- Ron McMillian, Vice-President of the Gabriel Tenant Union
 - Default issues remain as mold has not been remediated properly, merely painted over
 - Management will not communicate with tenants and has harassed union members
 - Building conditions remain unsafe
- James Stone, Tenant
 - Management communicates with tenants only when collecting rent
 - Tenants may initiate a rent strike or escalate media attention to finally get respect
 - Tenants have no say in their own community
- Tiana Caldwell, Advocate
 - Tenants concerned about inability to contact management to report complaints or emergencies
 - Management is not conducting regular inspections despite its notices to the contrary
 - The few units which were repaired were done so because they were cited in the Healthy Homes and New Horizons reports, which is unacceptable
 - Two tenants testifying today have breathing problems caused by mold in their apartments

ACTION TAKEN: EXECUTIVE SESSION

EXECUTIVE SESSION

10. Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(2) RSMo.

Motion to move into Executive Session made by Ms. Henderson, seconded by Ms. Hazley, and carried by the following roll call vote:

Roll call vote to move into Executive Session

Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

Motion to move out of Executive Session made by Ms. Henderson, seconded by Mr. Gardner, and carried by the following roll call vote:

Roll call vote to move out of Executive Session

Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

RESUME BUSINESS SESSION

*ACTION TAKEN IN
EXECUTIVE SESSION:* NONE; FOR INFORMATIONAL PURPOSES ONLY

11. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 1:10 p.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON MAY 26, 2021**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Andy Adkins, EDC
Lee Brown, EDC
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Allison Bergman, Community Builders
Jan Bolin, KCMO Public Library
Ron Clark, KC Tenants
Kevin Collison
Andrew Doolittle
Lance Dorn, SB Friedman
Daniel Ferguson – Leon, UMKC
Dave Frantze
Chuck Gleason
Kevin Hardy
Will Holland
Michael Knight
Roxsen Koch, Polsinelli
Bob Langenkamp, Community Developers
Bob Mayer, M R Capital Advisors
John Wood, City of Kansas City
Johnny Youssef, 3400 Campbell

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 9:30 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Hazley were present (*Ms. Henderson appeared at a later time*). *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. **Administrative** - Review and approval of Meeting Minutes for April 28, 2021 and May 10, 2021 (**Ex. 2A - 2B**)

ACTION TAKEN: APPROVED THE MINUTES FOR APRIL 28, 2021 AND MAY 10, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial** - Review and acceptance of the Financial Report for April, 2021 (Lee Brown) (**Ex. 3**)

Mr. Brown advised that the April 30, 2021 financials were the final financials for the fiscal year. He noted that the LCRA had usually shown a small profit prior to purchasing the bonds for the convention center hotel project.

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORT FOR APRIL, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

4. **Hospital Hill II URA – 27th & Troost** – *Project Status Update* (Bob Long/Brian Engel)

➤ **Beacon Hill Overview**

- HUD Memorandum of Understanding (MOU)
 - Prior to the City’s involvement in the development of Beacon Hill in the 1990s, the area suffered from extreme blight (*Wood*)
 - City entered into the MOU with HUD to help develop the area (*Wood*)
 - HUD receivership terminated in 2013 but included a March 30, 2023 deadline to develop any remaining undeveloped areas (*Wood*)
 - If the City fails to redevelop the areas by the deadline, it could risk losing \$15,000,000 from its general fund to HUD (*Wood*)
 - 2701 Troost also has a financial obligation of about \$206,000, incurred as the result of monies spent to get the site ready for development (*Wood*)
- City recommends approval of developer’s plans as it will provide sorely needed housing (*Wood*)
 - A 2016 Request for Proposals yielded only one response from a developer who later withdrew from the project (*Wood*)
 - City would also support any development which satisfied its obligation to HUD (*Wood*)

➤ **City Rent Policies in Beacon Hill**

- City does not currently have plans to put any monies into the project at issue or to diversify rents in the area (*Hazley/Wood*)
- City’s policies were geared toward maintaining home ownership by selling land and initiating development (*Hazley/Wood*)
 - Stabilization of home ownership is critical but better decisions need to be made regarding diversifying residential corridors (*Hazley*)

- EDC continues to lobby the State for LIHTC as it is needed to get projects into a more affordable rent range (*Moye*)

➤ **Project Community Benefits** [*All statements made by Mr. Mayer, unless otherwise noted*]

- In order to get to lower rent amounts, some type of subsidy other than the 10-year tax abatement and bond is needed
- Studio and 1-bedroom apartments are geared to students rather than families
- Walkability of development and bike corridors are integral to the project
- Open to finding ways to make developments less expensive

ACTION TAKEN: RATIFIED, APPROVED AND CONFIRMED: (1) PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR 27 + TROOST PROJECT; AND (2) AUTHORIZED PREPARATION OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT WITH EMUNAH PARTNERS, LLC FOR THE 27 + TROOST PROJECT IN THE HOSPITAL HILL II URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 5-2-21*)

5. **Martin City Neighborhood URA – Tilden Station Multifamily Project** – *Consideration of Approval of Redevelopment and Sale/Leaseback Contract with Revive Capital Development, LLC (Dan Moye) (Ex. 5A-5C)*

➤ **Financial Analysis** [*All statements made by Mr. Dorn, unless otherwise noted*]

- Project to begin in the third quarter of 2021 and stabilize in 2024
- 2 pads could be developed for retail in the future
 - SBF recommends that tax abatement not apply to any future development on the retail pads
 - SBF also recommends a future check-in on the project to determine their status to determine if any incentive adjustments are necessary
- Project’s need for tax abatement is driven by rents which do not support construction costs and the level of amenities
 - Rents are targeted to households earning 50% to 70% median family income
 - No requirement to maintain this level of affordability over the long-term
 - Developer’s costs are also impacted as it was required to purchase a much larger site than needed as the seller would not subdivide the parcel
 - Target demographic is households earning \$18 to \$20 per hour; specifically, from nearby distribution centers
 - With tax abatement, the project generated a yield-on-cost of 6.1% and an unleveraged IRR of 6.2%, which is on the low end of viability
 - Parking spaces rented for an additional \$25 per month

- Project equity was developer and partner contributions and equity investors seeking opportunity zone benefits
- Taxing jurisdiction representatives had no concerns after meeting with the developer (*Moye*)

➤ **Developer Presentation**

- Rents will range from \$800 for a studio, \$1,100 for a 1-bedroom, and \$1,400 for a 2-bedroom (*Frantze*)
- Developer believes in the market although no multi-family projects have been developed in the area in 20 years (*Frantze*)
- Entire plat will be plotted as residential and developer has no plans to develop the two retail pad sites (*Frantze/Knight*)
 - Developer agrees that no tax incentive would apply to the two retail sites (*Frantze/Knight*)
- Project infrastructure development and costs will be the developer's complete responsibility (*Hazley/Knight*)
- Sales tax exemption on construction materials (STECM) will begin and end with the project's construction period (*Hazley/Moye*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 75% FOR 10 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR TILDEN STATION MULTIFAMILY PROJECT WITHIN THE MARTIN CITY NEIGHBORHOOD URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

AUTHORIZED PREPARATION OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT AND RELATED DOCUMENTS WITH REVIVE CAPITAL DEVELOPMENT, LLC FOR THE TILDEN STATION MULTIFAMILY PROJECT IN THE MARTIN CITY NEIGHBORHOOD URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(*Res. No. 5-3-21*)

6. **Martin City Neighborhood URA – 135th and Holmes** – *Consideration of Bond Authorizing Resolution for Multifamily Project (Brian Engel) (Ex. 6A-6H)*

➤ **Bond Issuance** [*All statements made by Mr. Engel, unless otherwise noted*]

- Board approved 75% tax abatement for 10 years and a STECM for the project in December, 2020
 - Developer has since revised the project to include only the residential portion of the plan
 - Bonds are purchased by the developer to provide funding for construction

- Staff presented the details of the project, rather than the developer, as today's action was the second step in implementing tax abatement for the project (*Hazley/Engel*)
- STECM requires two separate transactions to occur and close simultaneously
 - Real estate transaction, which involves transfer of title to the property from the developer to the LCRA for the construction period
 - Financing transaction, which involves the issuance of bonds and closes when the developer closes on its construction financing

ACTION TAKEN: APPROVED RESOLUTION AUTHORIZING ISSUANCE OF BONDS IN MAXIMUM AMOUNT OF \$39.1 MILLION AND EXECUTION OF BOND AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF THE PROJECT WITHIN THE MARTIN CITY NEIGHBORHOOD URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 5-4-21*)

7. **The Cleveland Duplexes URA – The Cleveland duplexes-** *Approval of Redevelopment and Sale/Leaseback Contract with RCG II, LLC (Bob Long) (Ex. 7)*

- Developer requested to change the length of the project's abatement from 20 to 25 years so it would more closely match its HUD 30-year compliance period (*Moye*)
- Developer has agreed that if the project is no longer subject to affordability, then the abatement would no longer apply (*Moye*)
 - Staff believes that this should not be issue as the developer is a not-for-profit developer whose ultimate goal is affordable housing

ACTION TAKEN: APPROVED AN ADDITIONAL 5 YEARS OF TAX INCENTIVE AT 100% FOR A TOTAL OF 25 YEARS, SUBJECT TO CITY COUNCIL APPROVAL OF THE URBAN RENEWAL PLAN. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 5-5-21*)

Mr. Moye initiated discussion on the following administrative matter which was not on the agenda.

Mr. Moye advised that Mr. Youssef had requested a refund of the fees paid to the Authority for the 3400 and 3408 Campbell project, previously denied abatement by the Board. Mr. Moye noted that the Funding Agreement between the parties clearly stated that the funds provided by the developer were non-refundable and were already expended for services rendered. He also stated that staff never guarantee a positive decision by the Board, and that despite the miscommunications and misunderstandings, staff did not support refunding the fee.

Mr. Youssef presented his case, stating that:

- He had contacted staff in early 2020, who advised the developer to contact his city councilperson to solicit support for the project
 - He received no response from City Council so continued with the project
- He again contacted staff in January, 2021 to discuss applying only for the empty lot rather than the adjacent partially-completed project
 - 3400 Campbell was approximately one-third complete
 - Staff advised that all work should cease on both sites and that the Board had never previously denied incentives to a project
- Developer paid the \$6,700 required by the Funding Agreement in January, 2021
 - Amount required was a lot of money for a small developer
 - Developer has also incurred additional fees in the year plus several months during the application process
 - Reasonable and fair to receive refund as should have been told that the projects would not qualify

➤ **Board Determination**

- Refunds have never previously been issued to any size project (*Henderson/Moye*)
- Developer's attempted but unsuccessful efforts to contact his councilperson consisted of 4 e-mails and 2 calls (*Bough/Youssef*)

Mr. Gardner asked if any Board member wished to entertain a motion to approve the refund, and as none was forthcoming, declared Mr. Youssef's request as moot and that the Board supported staff's recommendation to not refund the fees paid by the developer for the 3400 and 3408 Campbell project.

Mr. Moye advised that staff would continue to work to improve its interaction and communication with developers.

8. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 8A)

Mr. Moye stated that staff continued to work to schedule a Board retreat at a time convenient for all four Commissioners, possibly in late July.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- b. **Administrative** – *Affirmative Action Report* (Sandra Rayford) (Ex. 8B)

Ms. Rayford advised that developers continued to make progress to update their reporting. She noted that City staff was working to streamline their reports in an effort to make them more user-friendly.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

c. **Administrative** – *New Blight Definition (Ex. 8C)*

Mr. Engel said that the Missouri legislature approved a change to the blight definition under all redevelopment statutes so that all agencies would use a single definition. He advised that the narrow revision removed the words “defective or inadequate street layout,” “improper subdivision or obsolete platting,” and “morals” from the definition. He stated that the governor had not yet signed the change but would keep the Board advised as the proposed legislation proceeded.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

9. **E. 23rd Street Urban Renewal Area – 1600 Jackson** – *Project Status Update* (Dan Moye/Brian Engel)

ACTION TAKEN: EXECUTIVE SESSION

EXECUTIVE SESSION

10. Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(2)(3) RSMo.

Motion to move into Executive Session made by Ms. Bough, seconded by Ms. Henderson, and carried by the following roll call vote:

Roll call vote to move into Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

Motion to move out of Executive Session made by Ms. Hazley, seconded by Ms. Bough, and carried by the following roll call vote:

Roll call vote to move out of Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

The Board took no official action, but advised developer’s counsel of their concerns regarding developer’s request for an expedited MHDC letter of recommendation without a subsequent timely finalization of the Supplemental Agreement.

Ms. Koch replied that the developer would provide its comments to the Supplemental Agreement. She added that the Agreement had no impact on needing the letter needed to

obtain the MHDC loan. She noted that a special meeting may need to occur to obtain approval of the requested letter.

Mr. Moyer stated that the Board was willing to schedule a special meeting but added that the agreement between the developer and Authority would terminate per the Supplemental Agreement. Ms. Koch advised that she would confer with her client and get back to the Board with their reply.

ACTION TAKEN IN
EXECUTIVE SESSION: NONE; FOR INFORMATIONAL PURPOSES ONLY

RESUME BUSINESS SESSION

11. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 11:35 a.m.





Daniel Moyer, Secretary

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON JUNE 23, 2021

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Andy Adkins, EDC
Lee Brown, EDC
Aarron Knight, EDC
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Steven Anthony
David Belpedio, Marks Nelson
Jan Bolin, KCMO Public Library
Ron Clark, KC Tenants
Marilyn De La Pena
Daniel Edwards
Daniel Ferguson – Leon, UMKC
Tom Friestad
Jim Hughes
Roxsen Koch, Polsinelli
Todd Lieberman
Spencer Morse, Marks Nelson
Kathleen Pointer
Pat Sterrett, APD Management
Marquitta Taylor, Santa Fe

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 9:30 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Hazley were present (Ms. Henderson appeared at a later time). *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. **Administrative** - Review and approval of Meeting Minutes for May 26, 2021 (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR MAY 26, 2021, AS PRESENTED. MOTION MADE BY MS. HAZLEY, SECONDED BY MR. GARDNER, AND CARRIED.

3. **Financial** - Review and acceptance of the Financial Report for May, 2021 (Lee Brown) (Ex. 3)

Mr. Brown stated that the financial statement for May, 2021 remained static and that the convention center hotel bonds would maintain their negative impact on the income statement for the next several years. He added that a stop action recommendation on the convention center's account was halted based on the developer's promise to remit payment as soon as possible. He also noted that the developer for the Hyatt House project had paid most of its overdue balance on one of its two accounts.

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORT FOR MAY, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED.

4. **Woodland URA – Sam Rodgers Place** – *Consideration of Approval of Redevelopment Contract with RODGERS HOUSING, LLC* (Bob Long) (Ex. 4A-4F)

➤ **Project Overview**

- Project's 20 market rate units will be priced lower than comparable projects (*Long*)
- Federal and State Low-Income Housing Tax Credits will help fund the project (*Long*)
- Community building built in conjunction with the apartments will provide support services to the residents (*Long*)
 - Full-time service coordinator will be onsite to assist tenants (*Lieberman*)
- Per LCRA policy, the financial review of the project was performed by staff because the project is east of Troost and in a continually distressed census tract (*Long*)
 - Project is also eligible for 100% tax abatement for 10 years (*Long*)
- Sam Rodgers Place project is the last phase of the Paseo Gateway/Choice Neighborhoods effort (*Lieberman*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE SAM RODGERS PLACE MIXED-INCOME HOUSING PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED.

AUTHORIZED PREPARATION OF A REDEVELOPMENT CONTRACT WITH RODGERS HOUSING, LLC FOR THE SAM RODGERS PLACE MIXED-INCOME HOUSING PROJECT IN THE

WOODLAND URBAN RENEWAL AREA. MOTION MADE BY
MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED.

(RES. NO. 6-1-21)

5. **Santa Fe Area Council URA** – *Consideration of Proposed Urban Renewal Plan* (Bob Long) (Ex. 5A-5B)

- **Blight Study** [*all statements made by Mr. Sterrett, unless otherwise noted.*]
- Proposed URA contained 789 properties within the boundaries
 - Each blighting factor in the statutory definition was present within the URA
 - 40 buildings had previous findings of blight by the City
 - Serious deterioration of both primary and secondary structures was prevalent throughout the URA
 - 231 structures are substandard and an additional 68 structures had serious deterioration
 - Market value of the residential properties was quite low, impairing the economic value of the area
 - 50 properties were tax-exempt, 34 of which were owned by the Land Bank and Homesteading Authority
 - 206 of the 730 taxable properties had delinquent taxes at least 2 years in arrears
 - Average income in the area was \$27,000, as compared to the \$70,000 income in the City at large
 - Area has experienced a 16% decline in population since the year 2000
 - Insanitary and unsafe conditions in the area included dumping and overgrown vegetation blocking sidewalks
 - City was in the process of replacing several sidewalks in the area
 - Dangers to life or property were evidenced by an elevated level of crime along the southern edge of the proposed URA
- **Board Considerations**
- Structural and economic issues should be addressed simultaneously, as tax abatement cannot be granted to an owner if the taxes are delinquent on the property at issue (*Bough*)
 - Delinquent taxes should not be forgiven as a general rule, but can occur for a variety of reasons and so can also be addressed by different methods (*Moye/Long*)
 - Mr. Sterrett will provide the Board with a breakdown as to the type of properties which have incurred delinquent taxes (*Hazley/Sterrett*)

[After Ms. Bough had moved and Mr. Gardner had seconded the recommended action of the finding of blight in the proposed URP, the Board briefly lost quorum due to

technological issues. The Board then retained quorum almost immediately and, upon advice of counsel, Ms. Bough repeated her motion to recommend a finding of blight in the proposed URP, and Ms. Hazley seconded the motion.]

ACTION TAKEN: APPROVED THE FINDING OF BLIGHT IN THE PROPOSED SANTA FE AREA COUNCIL URBAN RENEWAL PLAN. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED.

APPROVED THE SANTA FE AREA COUNCIL URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED.

(RES. NO. 6-2-21)

6. **Hospital Hill II URA - District Row** – *Consideration of Approval of Redevelopment and Sale/Leaseback Contract with District Row, LLC (Dan Moye) (Ex. 6A-6B)*

➤ **Project Overview**

- As a not-for-profit, to use the historic tax credits to help fund the project, the Western Baptist College must form a for-profit entity (*Moye*)
 - The for-profit developer, District Row, LLC, will hold the property, which will then be subject to taxation (*Moye*)
 - Staff proposes that the Authority provide tax abatement during the life cycle of the historic tax credits to help the developer maintain the property (*Moye*)
 - Incentives provided by the Authority will include a Sales Tax Exemption on Construction Materials (*Moye/Belpedio*)
- Western Baptist College was built in 1905 and is the oldest Christian based educational institution west of the Mississippi (*Morse*)
 - Site has been added to the African Heritage Trail (*Morse*)
- Renovation of the former boarding school building will redesign all 4 levels into a museum, classroom, and office space (*Morse*)
 - Future phases will include townhomes for students and other residents (*Morse*)
 - Project will add 10 permanent jobs and internships with an additional 150 temporary jobs for contractors to rehab the entire building (*Morse*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR UP TO 7 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR THE DISTRICT ROW PROJECT IN THE HOSPITAL HILL II URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED.

AUTHORIZED PREPARATION OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT AND RELATED BOND DOCUMENTS WITH DISTRICT ROW, LLC (OR AFFILIATE) FOR THE DISTRICT ROW PROJECT IN THE HOSPITAL HILL II URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED.

(RES. NO. 6-3-21)

7. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye)
(Ex. 7A)

Mr. Moye advised that staff is continuing to determine a moderator for the Board's annual retreat and hoped to have the meeting set at the end of July.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- **Central Business District URA – Hyatt House Hotel Project** – *Update on Mechanic's Lien Lawsuit* (Dan Moye/Brian Engel)

Mr. Engel stated that legal counsel continued to monitor the ongoing mechanic's lien lawsuit and that several other lien claims had been filed. He added that developer's counsel had once again advised that developer was close to getting another lender for the project.

ACTION TAKEN: NONE; INFORMATIONAL ONLY.

Ms. Rayford noted that there was no affirmative action report as the Human Relations Department had been unable to provide a report this month.

At the invitation of Mr. Moye, Mr. Edwards introduced himself and expressed his hopes that agencies could be more proactive than reactive. He said that the various incentive agencies were the perfect tools to help rebuild low to moderate income neighborhoods. He concluded by stating that he hoped to build relationships between the EDC and his company to develop such holistic strategies.

8. **E. 23rd Street Urban Renewal Area – 1600 Jackson** – *Project Status Update and Consideration of Supplemental Agreement and Letter of Support for MHDC Tax Credit Financing* (Dan Moye/Brian Engel)

ACTION TAKEN: EXECUTIVE SESSION

EXECUTIVE SESSION

9. Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(2)(3) RSMo.

Mr. Engel asked that the Board move into executive session to discuss the Supplemental Agreement and Letter of Support for MHDC.

Motion to move into Executive Session made by Ms. Bough, seconded by Ms. Hazley, and carried by the following roll call vote:

Roll call vote to move into Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

Motion to move out of Executive Session made by Ms. Henderson, seconded by Ms. Hazley, and carried by the following roll call vote:

Roll call vote to move out of Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

Mr. Engel advised that the Board had approved and would execute the LCRA letter of support to HUD for Millennia as prepared and that the Board would consider the Supplemental Agreement at a special meeting on June 30, 2021 at 9:30 a.m.


ACTION TAKEN: APPROVED THE LCRA LETTER OF SUPPORT TO HUD FOR MILLENNIA AS PREPARED. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. BOUGH, AND CARRIED UNANIMOUSLY. (RES. NO. 6-4-21)

RESUME BUSINESS SESSION

10. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 11:00 a.m.




Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE SPECIAL MEETING ON JUNE 30, 2021**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Andy Adkins, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Jan Bolin, KCMO Public Library
Daniel Ferguson – Leon, UMKC
Roxsen Koch, Polsinelli

2. **E. 23rd Street Urban Renewal Area – 1600 Jackson** – *Project Status Update and Consideration of Supplemental Agreement* (Dan Moye/Brian Engel)

ACTION RECOMMENDED: EXECUTIVE SESSION

EXECUTIVE SESSION

3. Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(2)(3) RSMo.

Motion to move into Executive Session made by Ms. Bough, seconded by Ms. Henderson, and carried by the following roll call vote:

Roll call vote to move into Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

Motion to move out of Executive Session made by Ms. Henderson, seconded by Ms. Bough, and carried by the following roll call vote:

Roll call vote to move out of Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

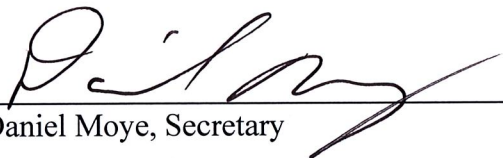
RESUME BUSINESS SESSION

ACTION TAKEN: APPROVED THE SUPPLEMENTAL AGREEMENT BETWEEN THE LCRA AND KENSINGTON HEIGHTS, LLC. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (RES. NO. 6-5-21)

4. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 9:55 a.m.




Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON JULY 28, 2021**

MINUTES

1. **Roll Call.**

Present: Rob Gardner
Melissa Hazley
Tammy Henderson

Absent: Andrea Bough

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Bob Long, EDC
T'Risa McCord, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Shomari Benton
Lee Berman, PH Corner, LLC
Jan Bolin, KCMO Public Library
Erika Brice
Ron Clark
Daniel Ferguson – Leon, UMKC
Tom Friestad
Bob Mayer
Kathleen Pointer, KCMO Public Schools

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 9:30 a.m. when Mr. Gardner declared quorum as Commissioners Hazley and Henderson were present. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. **Administrative** - Review and approval of Meeting Minutes for August 28, 2020, June 23, 2021, and June 30, 2021 (Ex. 2A-2C)

Mr. Engel noted that the August 28, 2020 Minutes were incorrectly cited in the agenda as the June 28, 2020 Minutes.

ACTION TAKEN: APPROVED THE MINUTES FOR AUGUST 28, 2020, JUNE 23, 2021, AND JUNE 30, 2021, AS PRESENTED. MOTION MADE BY HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial** – *Update concerning Financial Report for June, 2021* (Lee Brown)

Mr. Moye advised that the July 2021 financial report would be postponed until next month due to the start of the audit this month.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

4. **Garfield URA** – *Consideration of a Proposed Redevelopment Contract with PH Corner, LLC* (Bob Long) (**Ex. 4A-4E**)

➤ **Continually Distressed Census Tract**

- City defines a census tract as continually distressed if it has been severely distressed for 10 straight years (*Moye/Clark*)
 - An area’s wages and income determine if the area is distressed rather than the market sale price of properties within the area (*Moye/Clark*)
 - Multi-family projects housing lower-income residents can also reduce wages in a certain area (*Long*)
- Ordinance 200497 directed the City to annually revise and publish maps related to continuously distressed census tracts (*Moye*)

➤ **Urban Renewal Plan Terminations**

- Self-perpetuating legacy urban renewal plans such as the Garfield URA are extremely difficult and expensive to terminate (*Hazley/Long/Engel*)
 - Termination requires the election of property owners within the district to do so, which in turn requires educating owners about the election issue (*Engel*)
- More current urban renewal plans, including those recently approved by the LCRA and City Council without property owner involvement, have defined terms which can be extended or terminated as applicable (*Hazley/Moye*)
- Staff was asked to provide a color-coded map at the Board’s retreat showing legacy urban renewal areas and continually distressed census tracts (*Hazley/Moye*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 2201 LEXINGTON AVENUE MIXED-USE PROJECT. MOTION MADE BY HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH PH CORNER, LLC FOR THE 2201 LEXINGTON AVENUE MIXED-USE PROJECT IN THE GARFIELD URBAN RENEWAL AREA. MOTION MADE BY HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 7-1-21)

5. **Longfellow – Dutch Hill Neighborhood URA – 3000 Troost** – *Consideration of Approval of Redevelopment and Sale/Leaseback Contract with Exact Troost, LLC (Bob Long) (Ex. 5A-5D)*

➤ **Request for Proposals (RFP)**

- Exact Troost was the sole respondent to the RFP issued for the project (*Long*)
- RFPs receive one response because they are very specific requests which realistically have only one true respondent (*Moye*)
 - Authority required by State statute to issue an RFP (*Moye*)
 - Difficult for someone else to submit a proposal because they can't show control of the property, which is a criteria of the RFP (*Long*)

➤ **Board Considerations**

- Developer owns additional space around the project for 114 parking spaces for the 132-unit building (*Henderson/Mayer*)
 - Troost and 31st have excellent metro bus service which enables the project to have less than a 1 to 1 parking ratio (*Long*)
 - Project has been approved by the City Planning Commission, which requires that the project's parking needs be met (*Mayer*)
- This project has larger units and more affordable rents compared to this developer's project at 27th and Troost (*Hazley/Moye*)

ACTION TAKEN: SELECTED EXACT TROOST, LLC AS REDEVELOPER FOR THE 3000 TROOST MULTIFAMILY PROJECT IN THE LONGFELLOW-DUTCH HILL NEIGHBORHOOD URBAN RENEWAL AREA. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR THE 3000 TROOST MULTIFAMILY PROJECT. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT WITH EXACT TROOST, LLC FOR THE 3000 TROOST MULTIFAMILY PROJECT IN THE LONGFELLOW-DUTCH HILL NEIGHBORHOOD URBAN RENEWAL AREA. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 7-2-21)

6. **Wheatley - Provident Hospital URA** – *Consideration of a Proposed Redevelopment Contract with 1826 Forest RE Holdings, LLC (Bob Long) (Ex.6A-6E)*

- Project was previously discussed when the Board initially approved the urban renewal area (*Moye*)
- The creation of a single-site urban renewal plan with a set time frame demonstrates the types of improvements the Authority has made in its processes over the years (*Moye*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE WHEATLEY – PROVIDENT HOSPITAL COMMERCIAL PROJECT. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH 1826 FOREST RE HOLDINGS, LLC FOR THE WHEATLEY – PROVIDENT HOSPITAL COMMERCIAL PROJECT IN THE WHEATLEY – PROVIDENT HOSPITAL URBAN RENEWAL AREA. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 7-3-21)

7. **Administrative.**

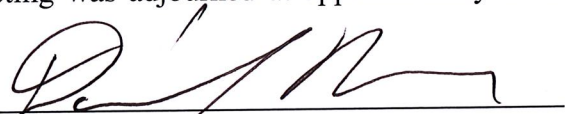
- a. **Executive Director's Report** - *Active Projects Tracking System Report (Dan Moye) (Ex. 7A)*

Mr. Moye advised that an affirmative action report would not be presented this month due to the timing of staff vacations and possible City personnel changes. He stated that he was continuing to work on obtaining a consultant for the Board's annual retreat and hoped to schedule the meeting shortly.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

8. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 10:15 a.m.


Daniel Moye, Secretary



**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON AUGUST 25, 2021**

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Melissa Hazley

Absent: Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

Guests: Jan Bolin, KCMO Public Library
Ron Clark
Daniel Ferguson – Leon, UMKC
Joey Flickner
Kevin Hardy
Clay Marcusen
Michael McGee
Kathleen Pointer, KCMO Public Schools
Jason Swords
Wilson Vance, KC Tenants
Sara Wells

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 9:30 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Hazley were present. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. Administrative - Review and approval of Meeting Minutes for July 28, 2021 (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR JULY 28, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. Oak Street Townhomes URA – Consideration of Proposed Urban Renewal Plan (Bob Long) (Ex. 3A-3C)

➤ **Blight Designation**

- Blight factors include erosion from stormwater runoff, multiple code violations, and the presence of trash (*Long*)

- Area is not blighted as the property is within walking distance of several thriving businesses and homes in this zip code sell for \$200,000 to \$400,000 (*Hazley*)
- Categorizing this vacant lot as being blighted means that every vacant lot in the City could be classified as blighted (*Hazley/Long*)
 - Vacant lots in the urban core were often blighted (*Long*)
 - This type of blight ruling is used very liberally across the City (*Hazley*)
 - Tax incentives were used to remodel a vacant lot in an upper-class neighborhood (*Hazley*)
- Project area is a mixture of high-end and low-end areas (*Swords*)
 - Finding of blight can be easily determined as the lot has been vacant for 25 years (*Swords*)

➤ **Proposed Urban Renewal Area (URA) / Plan (URP)**

- If the proposed URP and finding of blight are approved, the URA is created (*Moye/Clark*)
 - Project and incentive approval will be considered by the Board once the URP and URA are approved by the City Planning Commission, followed by the City Council (*Long/Marcusen*)
- URP has a 15-year lifespan so when it expires, the URA will also be terminated (*Long/Clark*)
 - URP term is long enough to ensure project's 10-year abatement does not extend beyond the length of the URP (*Hazley/Long*)
- URP and URA are specific to this site and it is not anticipated that any other project in this area would benefit from its incentives (*Moye/Clark*)

➤ **Project Overview**

- Each unit will have 2 covered parking spaces (*Swords/Marcusen*)
- Rent for the 2,600 square feet units will be just under \$4,000 (*Hazley/Swords*)

ACTION TAKEN: APPROVED THE FINDING OF BLIGHT IN THE PROPOSED OAK STREET TOWNHOMES URBAN RENEWAL PLAN. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MS. HAZLEY	NAY

APPROVED THE OAK STREET TOWNHOMES URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. MOTION MADE BY MS.

BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MS. HAZLEY	NAY

(Res. No. 8-1-21)

4. **3930 Troost Avenue Urban Renewal Area** - *Consideration of Amendment to Redevelopment Contract* (Dan Moye) (Ex. 4A-4B)

- Previously approved project asks that its beginning and end dates be extended (Moye)

ACTION TAKEN: APPROVED AMENDMENT TO REDEVELOPMENT CONTRACT EXTENDING COMMENCEMENT DATE TO AUGUST 31, 2021, AND THE COMPLETION DATE TO JUNE 30, 2023. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 8-2-21)

5. **Eastside Urban Renewal Area** - *Consideration of Termination and Release of LCRA Agreements* (Dan Moye) (Ex. 5A-5F)

- Companies involved in the current sale of the property request to clear the property's title by the removal of the completed 30-year-old contract (Moye)

ACTION TAKEN: APPROVED TERMINATION AND RELEASE OF URBAN RENEWAL AGREEMENT CONCERNING PROPERTY AT 815 CHERRY STREET. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED TERMINATION AND RELEASE OF CONTRACT FOR SALE AND PURCHASE CONCERNING PROPERTY AT 701 E. 8TH STREET. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 8-3-21)

6. **Benton Infill 30 – 45 Urban Renewal Area** – *Consideration of Termination of the Urban Renewal Plan* (Bob Long)

- Scattered site plan called for construction of 20 single-family homes, 21 of which were actually built (Long)
- Abatements within the area have expired (Long)
- Community Development Corporation which developed the area is no longer operational (Long)

ACTION TAKEN: APPROVED THE TERMINATION OF THE BENTON INFILL 30 - 45 URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 8-4-21)

7. **Grand McGee Urban Renewal Area** – *Consideration of Termination of the Urban Renewal Plan* (Bob Long)

- Ron Berg photo studio was the one project which was proposed and approved for the area (*Long*)
- Abatements within the area have expired (*Long*)

ACTION TAKEN: APPROVED THE TERMINATION OF THE GRAND MCGEE URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 8-5-21)

8. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moyer) (Ex. 8A)

- LCRA Retreat scheduled for October 4, 2021 from 12:00 p.m. to 5:00 p.m. (*Moye*)
 - Consultants from Consensus KC will reach out to Board members prior to the Retreat (*Moye*)
 - Board members will attend in person and the public is asked to attend by videoconference (*Moye*)
 - Location will be determined at a later date (*Moye*)
- First project this Board approved, the Waldo Ice House apartment project, is nearing completion (*Moye*)
 - Board requested a video presentation of the completed project (*Hazley*)
 - Staff will also ensure that the Board is invited to any opening ceremony (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

b. **Administrative** – *Affirmative Action Report* (Sandra Rayford)

- Due to City personnel changes, an affirmative action report will probably not be forthcoming from the Human Relations Department for several months (*Rayford*)
 - Staff will access the City's online reporting system to report on the status of active LCRA projects (*Rayford*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

9. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 10:10 a.m.



Daniel Moye, Secretary



**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON SEPTEMBER 22, 2021**

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Melissa Hazley

Absent: Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Lee Brown, EDC
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Jan Bolin, KCMO Public Library
Melissa Civil
Ron Clark, KC Tenants
Brian Collins, Palestine Economic Development Corporation
Daniel Ferguson – Leon, UMKC
Joey Flickner, IUPAT DC
Melvin Gross, Palestine Economic Development Corporation
Matt Moriarty
Kevin Muesenfechter, Gershman Mortgage
Steve Rattner

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 9:30 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Hazley were present. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. Administrative - Review and approval of Meeting Minutes for August 25, 2021 (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR AUGUST 25, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial** - Review and acceptance of the Financial Reports for June and July, 2021 (Lee Brown) (Ex. 3A-3B)

Mr. Brown advised that the June and July 2021 financials showed little movement. He added that legal expenses were the typical payables in June and July. He noted that the Series A and B bonds for the convention center hotel project continued to negatively affect the profit and loss statements.

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORTS FOR JUNE AND JULY, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY

4. **33rd & Montgall URA – Palestine Gardens & Palestine Gardens North** - Information Only (Bob Long)

➤ **Project Overview**

- Palestine Senior Activity Center opened in 1992 and provided hot lunches, recreational activities, and household health management (*Gross*)
- Palestine Commons, a six-to-nine-unit apartment complex, was added in 2011 to provide affordable housing to low-income seniors (*Gross*)
- Palestine Village, a 187-apartment complex, was created to provide a continuum of care community for seniors in the central city (*Gross*)
- Future plans include the development of Palestine Legacy, which will be a 39-bed assisted living facility at 35th and Prospect (*Gross*)
 - The skilled nursing center will be the only one in the central city (*Hazley*)
 - Palestine Legacy is already within the boundaries of the URA (*Hazley/Moye*)
- Funding for the project will be released as soon as the developer's contract with the City is finalized, which should happen quickly (*Hazley/Collins*)
- Land Assemblage
 - Once the funds are available, offers will be made to the four remaining private property owners within the development site (*Hazley/Collins*)
 - Other parcels are owned by the developer and the Land Bank (*Hazley/Collins*)
 - Developer's plans to acquire the liquor store were forestalled by the store's owner developing his own new building on the site (*Hazley/Collins*)
- Project is eligible for 100% tax abatement because it is in a continually distressed census tract (*Long*)

➤ **50-year Tax Abatement**

- Project is currently not taxable because it is owned by a not-for-profit (*Long*)
- The abatement is needed because costs to repair the older buildings and their worn-out mechanical systems continue to increase (*Gross*)
 - Palestine Gardens was constructed in 1987 and Palestine Gardens North in 1994 (*Gross*)

- LIHTC requires that a for-profit investor purchase the tax credits and become the 99.9% owner of the project so they can receive the benefits of the credits (*Collins*)
 - Palestine Economic Development Corporation will be the 1% owner of the project and will be its Managing member (*Collins*)
 - Because the property will be owned by a for-profit entity, it will be subject to property tax (*Muesenfechter*)
 - Tax credits require the issuance of a private activity bond, which are used primarily for construction purposes (*Collins/Clark*)
- LCRA will lease the property to the for-profit entity (*Muesenfechter*)
 - If the property maintained its tax-exempt status, the additional proceeds will almost entirely go to prepare and improve the site (*Muesenfechter*)
 - Project costs need to be kept as low as possible to work with the low rents allowed by HUD which qualify for reimbursement (*Collins/Clark*)
 - Rent support from HUD enables services to the very lowest income seniors, whose only other option would be public housing (*Muesenfechter*)
- Unique non-profit nature of this project would prohibit lengthy incentive periods from becoming the norm (*Moye/Clark*)
- Federal statute requires HUD to maintain the ground lease at least 10 years beyond the term of the HUD mortgage (*Muesenfechter*)
 - If the tax credit compliance period has expired and the owner wants to transition to a non-profit ownership, the ground lease can be terminated (*Muesenfechter*)
 - HUD mortgage could be shortened to reduce the incentive period, but doing as would increase the property's debt service and erase several benefits of the longer term (*Muesenfechter/Clark*)
- Developer has also requested a sales tax exemption on construction materials (STECM) (*Engel*)

➤ **Staff Concerns**

- 40-year length of tax abatement period (*Long*)
 - Staff chose to present the project at today's meeting to give the Board a full explanation of its unique incentive request (*Moye*)
- Developer's ability to sell the project after the LIHTC compliance period (*Long*)
 - A Land Use Restriction Agreement will control the rent structure of the property even beyond the 40-year lifespan of the HUD mortgage (*Collins*)
 - Any transfer of the property must have HUD's prior written approval (*Muesenfechter*)
- Developer's ability to change the property management company without the LCRA's knowledge or consent (*Long*)
 - Developer would agree to notify and consult with the LCRA regarding property management companies (*Collins*)

- Yarco, one of the limited number of national companies authorized to operate tax credit properties, will continue to operate the project (*Collins*)
- LCRA's agreement with the developer should allow assignment of the project in the event of a default (*Muesenfechter*)

ACTION TAKEN: NONE – THIS IS PRESENTED AS AN INFORMATIONAL ITEM FOR DISCUSSION; A SPECIFIC PROJECT RECOMMENDATION WOULD BE FORTHCOMING AT THE OCTOBER MEETING.

5. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 5A)

- Board Retreat, October 4, 2021
 - Facilitators have started scheduling pre-interviews with Commissioners, so contact him if don't hear from them soon (*Moye*)
 - General public will be able to attend the retreat via Zoom (*Moye*)

Mr. Moye introduced David Legend, a new Development Services Specialist at the EDC

Mr. Long advised that a project the Board had approved early in their term, the Waldo Ice House, was nearly complete and showed a PowerPoint illustrating its construction. He stated that the developer planned an October ribbon cutting, to which the Board would be invited.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

b. **Administrative** – *Affirmative Action Report* (Sandra Rayford)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

6. **Truman & Wyandotte Urban Renewal Area – Kansas City Convention Center Headquarters Hotel** - *Consideration of Consent to Issuance of Certificate of Completion and Compliance* (Brian Engel) Ex. 6

➤ **Certificate of Completion and Compliance**

- Acknowledges that Redeveloper has completed construction of the public and private improvements and other requirements set forth in the Redevelopment Agreement (*Engel*)
- Does not waive or modify any LCRA or Redeveloper rights or obligations under the Redevelopment Agreement or Second Amended & Restated Funding Agreement (*Engel*)
- Project improvements include 2 components, the hotel improvements and the parking/meeting space improvements (*Engel*)
- Redeveloper has lived up to its promise to build the nicest hotel in Kansas City per the plans approved by the City, TIF, and the LCRA (*Rattner*)

- Hotel has brought in several new business groups and conventioners (*Rattner*)
- Hotel employs over 300 people in new high-paid jobs with health insurance (*Rattner*)
- Redeveloper met with the City Planning Director and established that the City had confirmed that the project was built as planned (*Rattner*)

Mr. Engel then asked the Board to move into Executive Session.

EXECUTIVE SESSION

7. *Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1) RSMo.*

Motion to move into Executive Session made by Ms. Bough, seconded by Ms. Hazley, and carried by the following roll call vote:

Roll call vote to move into Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye

Motion to move out of Executive Session made by Ms. Bough, seconded by Ms. Hazley, and carried by the following roll call vote:

Roll call vote to move out of Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye

RESUME BUSINESS SESSION

ACTION TAKEN: APPROVED THE CONSENT TO CERTIFICATE OF COMPLETION AND COMPLIANCE ISSUED BY THE TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI FOR COMPLETION OF THE KANSAS CITY CONVENTION CENTER HEADQUARTERS HOTEL AS THE CERTIFICATE RELATES TO THE LCRA PLAN AND LCRA-RELATED PROVISIONS IN THE REDEVELOPMENT AGREEMENT, SUBJECT TO ISSUANCE OF THE CERTIFICATE BY THE TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI. (*RES. NO. 9-1-21*)

8. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 10:55 a.m.




 Daniel Moye, Secretary

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON OCTOBER 27, 2021

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Melissa Hazley

Absent: Tammy Henderson

Staff: Susan Tumey, LCRA
Lee Brown, EDC
David Leader, EDC
Bob Long, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Jan Bolin, KCMO Public Library
Ron Clark, KC Tenants
Brian Collins, Palestine Economic Development Corporation
Daniel Ferguson – Leon, UMKC
Joey Flickner, IUPAT DC
Kevin Hardy
Bob Mayer
Kathleen Pointer
Pat Sterrett
Ruby Watson
Pedro Zamora

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 9:30 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Hazley were present. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. Administrative - Review and approval of Meeting Minutes for September 22, 2021 as presented (**Ex. 2**)

ACTION TAKEN: APPROVED THE MINUTES FOR SEPTEMBER 22, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial** - Review and acceptance of the Financial Reports for August and September, 2021 (Lee Brown) (Ex. 3A-3C)

(All statements made by Mr. Brown unless otherwise noted.)

- August and September financials were standard
- Tax abatement applications tend to increase during the latter part of every year, resulting in a simultaneous upsurge in abatement fees
- LCRA no longer has the insurance expense for 401 Charlotte, as the property was sold last year
- Only thing expected to be a large expense before the end of this fiscal year would be the cost for the audit
- Recent EDC financial transactions, as reported in a recent news article, had no effect on LCRA's financials

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORTS FOR AUGUST AND SEPTEMBER, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY

4. **29 Belle URA – 29 Belle Townhomes** – Approval of Redevelopment Contract with Remez Partners, LLC (Bob Long) (Ex. 4A-4G)

(All statements made by Mr. Long unless otherwise noted.)

➤ **Project Overview**

- Project has evolved and changed since it was discussed at a previous meeting
 - Initially designed as 11 rental units with 23 bedrooms
 - After several discussions with the neighborhood, the project was ultimately changed to a for sale project of 9- townhomes
- All units have off-street parking spaces or parking garages because parking was of particular concern to the neighborhood
- These units meet FHA guidelines but cannot be administratively approved for abatement, as the cutoff for doing so is capped at 8
- Staff performed a very basic in-house financial analysis, usually reserved for rental projects, to determine the project's need for incentives
- Developer worked closely with the Hispanic Economic Development Council to ensure the project was geared toward Hispanic families and seniors (*Mayer*)
- Developer will not benefit from the tax benefits, going instead to those who purchase the homes (*Mayer*)
- Project will help low-to-moderate income individuals to stay in place in the West side (*Zamora*)

ACTION TAKEN: APPROVED TEN (10) YEARS OF PROPERTY TAX ABATEMENT FOR THE 29 BELLE TOWNHOMES PROJECT IN THE 29 BELLE

URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH REMEZ PARTNERS, LLC FOR THE 29 BELLE TOWNHOMES PROJECT IN THE 29 BELLE URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 10-1-21)

5. **33rd & Montgall URA – Palestine Gardens & Palestine Gardens North** - *Authorization to Issue Request for Proposals* (Bob Long)

(All statements made by Mr. Long unless otherwise noted.)

➤ **Tax Incentive Request**

- Project is \$11.1 Million renovation of 118 apartments, occupied by very low-income senior citizens
- Developer is seeking a sales tax exemption on construction materials and property tax exemption to match the HUD financing requirements
 - HUD financing requirements stipulate that the project is owned by a for-profit entity, which makes the project taxable
- Certain issues regarding the project's incentive request were discussed at last month's meeting, which can be addressed in the sale leaseback and redevelopment contract
 - Extending the tax incentive period longer than 10 years
 - Whether or not the developer could sell the project after the LIHTC compliance period
 - If the developer could change property management without the LCRA's knowledge or consent
 - The 22nd & Montgall URA would need to be amended to extend its term beyond the term of the sale/leaseback
 - Project is eligible for 100% abatement since it is in a continually distressed census tract

➤ **Request for Proposals (RFP)**

- LCRA is required to issue the RFP because it will technically hold title to the property

ACTION TAKEN: AUTHORIZED THE PREPARATION AND ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE RENOVATION OF THE PALESTINE GARDENS AND PALESTINE GARDENS NORTH PROPERTIES FOR CONTINUE USE AS AFFORDABLE HOUSING FOR LOW INCOME SENIORS IN THE 33RD & MONTGALL URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.
(RES. NO. 10-2-21)

6. **Retreat Follow-up & Policy Review and Discussion** (Brian Engel) (Ex. 6)

(All statements made by Mr. Engel unless otherwise noted.)

➤ **Blight Definition**

- Missouri legislature amended the definition in 2021 by removing some of the prior factors
 - Same blight definition now applies to all incentive agencies, including PIEA and TIF
 - Created in 1952, the State approved the LCRA statute as it deemed private enterprise unable to handle blighted areas on its own
- Four factors for blight
 - Endanger life or property by fire and other causes
 - Constitutes an economic or social liability
 - Menace to public health, safety, morals, or welfare in its present condition and use
 - Illegal use of property
- Insanitary area
 - Similarly defined but differs notably in that it must be both an economic or social liability **and** a detriment to public health, safety, morals or welfare

➤ **Workable Program**

- Created in 2000 by the LCRA Board, as the statute did not include a financial but/for analysis requirement
 - LCRA benefits would be granted only to the extent necessary to fill in the gap in financing
 - Exceptions to the financial requirement include for owner-occupied or investor-owned single-family housing and projects on the East side

➤ **Inherent Racism**

- Application of the Statute to clear primarily low-income from slum areas in heavily minority populated areas shows the inequalities in its use rather than its actual language (*Long/Clark*)
- The Board has amended the Workable Program to make it easier for incentives to be granted in certain areas
- The City has adopted several resolutions and ordinances geared towards remedying past policies.
 - Priority goals of the City are affordable housing, stabilizing neighborhoods and to use development in a way that is beneficial to areas that have not seen investment (*Bough*)

7. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 7A)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

Mr. Long initiated discussion on the following administrative matter which was not on the agenda, when he demonstrated how to use the City's parcel viewer mapping system. He advised that staff was working with the City to remedy any incorrect mapping issues.

Mr. Long noted that the Federal Government gave millions of dollars for several decades to cities' urban renewal area projects, when much of the racially motivated damage was done to local communities. He added that, for many years, Federal and State monies for urban renewal have largely been replaced by private investment.

Mr. Engel corrected his statement that the LCRA statute was approved by the State in 1951, with the City Council giving its approval in 1952.

Mr. Gardner noted a question asking if the LCRA published some kind of annual report on all existing URAs. Mr. Long replied that an annual report was not published but that a data chart could probably be created and disseminated. Ms. Watson asked that the dates urban renewal areas were created be included in the data. Mr. Long asked that anyone interested send an e-mail to him to request such information.

Mr. Long reminded the Board about the open house at the Waldo Ice House. He said he expected the 2600 Independence project to be the next project to be completed and have a ribbon cutting within the next few months.

- b. **Administrative** – *Affirmative Action Report* (Sandra Rayford)

Ms. Rayford advised that the City's Human Relations Department had changed its name to the Civil Rights and Equal Opportunity Dept. She said that CREO was still in the process of reorganizing and had not yet provided any reports.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

8. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 10:35 a.m.




Daniel Moye, Secretary

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON NOVEMBER 30, 2021

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Daniel Moye, LCRA
Susan Tumey, LCRA
David Leader, EDC
Bob Long, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Elif Bali, Loews Hotels
Kyana Bowers
Brian Collins, Palestine Economic Development Corporation
Mark Eisenman, Physicians Realty
Daniel Ferguson – Leon, UMKC
Joey Flickner, IUPAT DC
Matt Fulson
Kevin Hardy
Brian Holst, Cochran Head Vick & Co.
C Martinez
John Mattes Ritz
Kevin Muesenfechter
Jonathan Nibarger
Brad Page, Physicians Realty
Steve Rattner, JPE Enterprises
Jerry Riffel, Lathrop GPM
Marti Schwartz, Skadden, Arps, Slate, Meagher & Flom LLP
Carolyn Stoner, Skadden, Arps, Slate, Meagher & Flom LLP
Thong Thai
Ron Weis
Brian Zurawski, Baker McKenzie

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:00 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Henderson were present. Ms. Hazley joined shortly thereafter. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

To ensure quorum, the Board considered the agenda items in the following order:

2. **Administrative** - Review and approval of Meeting Minutes for October 27, 2021 as presented (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR OCTOBER 27, 2021, AS PRESENTED. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. BOUGH, AND CARRIED.

3. (4.) **Truman & Wyandotte Urban Renewal Area – Kansas City Convention Center Headquarters Hotel** – *Consideration of Loan Extension* (Brian Engel) (Ex. 4)

[All statements made by Mr. Engel unless otherwise noted.]

➤ **Bank Loans**

- \$110,000,000 loan is scheduled to mature on January 18, 2022
- Developer Loews Hotel negotiated a two-year extension of the loan with the two participating banks, with an option to extend for one additional year

➤ **Documentation to be executed by the LCRA**

- Fee Letter (2021 Extension)
- Estoppel Certificate (December 2021)
- Amended & Restated Loan Agreement (December 2021)
 - Only substantive difference from the original agreement is the method for calculating the interest rate
 - Agreement included in the board packets is not the final version, as these documents are often negotiated up until closing, but is in substantially final form
 - The loan is on a non-recourse basis to LCRA

ACTION TAKEN: APPROVED THE RESOLUTION APPROVING LOAN EXTENSION AND AUTHORIZING EXECUTION OF LOAN DOCUMENTS RELATED TO THE FINANCING OF THE KANSAS CITY CONVENTION CENTER HEADQUARTERS HOTEL IN THE TRUMAN & WYANDOTTE URBAN RENEWAL AREA. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. BOUGH, AND CARRIED UNANIMOUSLY. (RES. NO. 11-1-21)

4. (6.) **Hospital Hill North URA - Landmark/Physicians Realty Trust/TMC/LCRA** – *Consideration of Consent to Transfer of Indirect Majority Interest in Developer Tenant Entity Regarding the Medical Office Building Located at 2101 Charlotte* (Brian Engel) (Ex. 6A – 6E)

[All statements made by Mr. Engel unless otherwise noted.]

➤ **Physicians Realty Trust**

- Previous proposal in 2020 to sell and transfer a majority interest in the tenant entity to another buyer did not close

- Current proposal seeks to transfer a majority interest to Physicians Realty
 - Physicians Realty is purchasing several other medical office buildings across the country as part of this transaction
 - Physicians Realty will also acquire an indirect majority interest in the tenant entity and change its name
- Given LCRA's involvement in the project's tax incentive structure, it is required that LCRA first approve a transfer of ownership interest (*Henderson/Engel*)

➤ **Master Lease**

- New provision in Master Lease states that the payment of the outstanding loan balance will be treated as pre-paid rent
- Subsequent changes to the Master Lease and other documents are minimal as they are primarily updating contact information and noting the transfer in the recitals

ACTION TAKEN: APPROVED CONSENT OF TRANSFER OF AN INDIRECT MAJORITY OWNERSHIP INTEREST IN HOSPITAL HILL MEDICAL OFFICE BUILDING, LLC, TO PHYSICIANS REALTY TRUST OR AFFILIATED ENTITY, AND APPROVED AMENDMENTS TO PROJECT DOCUMENTS, SUBJECT TO LEGAL COUNSEL REVIEW REGARDING PROJECT LOCATED AT 2101 CHARLOTTE. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 11-2-21*)

5. (7.) **33rd & Montgall URA – Palestine Gardens & Palestine Gardens North** - *Selection of Developer and Approval of Sale/Leaseback and Redevelopment Contract* (Bob Long)

➤ **Request for Proposals (RFP)**

- Applicant submitted the only response to the RFP (*Long*)
 - Receiving a single RFP response is common as there is usually only one applicant working on a project at the site (*Moye*)
 - LCRA must issue the RFP as part of a statutory requirement (*Moye*)

ACTION TAKEN: SELECTED PG PGN OWNER, LLC AS THE DEVELOPER FOR THE RENOVATION OF THE PALESTINE GARDENS AND PALESTINE GARDENS NORTH PROPERTIES FOR CONTINUED USE AS AFFORDABLE HOUSING FOR LOW INCOME SENIORS IN THE 33RD & MONTGALL URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

➤ **Tax Incentives**

- Developer has requested a STECM and a full property exemption on the buildings for up to 50 years (*Engel*)

- LCRA will acquire title to the properties and lease them to the developer (*Engel*)
- Additional terms will be negotiated to give LCRA the ability to approve any change in ownership or management of the project, and to unwind the sale/leaseback after a certain period of time (*Engel*)
- Developer has also requested that the LCRA issue bonds to assist the financing of the project (*Engel*)
 - Bond documents, once prepared, will be brought back to the Board for approval (*Engel*)
- Kansas City Public Schools are supportive of the project (*Henderson/Moye*)
 - Except for the tax credits, the project would be a not-for-profit and exempt from taxes (*Moye*)

ACTION TAKEN: APPROVED A SALE/LEASEBACK AND REDEVELOPMENT CONTRACT WITH PG PGN OWNER, LLC FOR THE RENOVATION OF THE PALESTINE GARDENS AND PALESTINE GARDENS NORTH PROPERTIES FOR CONTINUED USE AS AFFORDABLE HOUSING FOR LOW INCOME SENIORS IN THE 33RD & MONTGALL URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(*RES. NO. 11-3-21*)

6. (12.) **Garfield URA – 2600 – 2618 Independence Avenue** – *Consideration of Approval of Completion Deadline Extension in Redevelopment Contract with BA Properties, LLC* (Bob Long)

➤ **Extension Request**

- Due to the COVID pandemic and the resulting labor and supply chain issues, the project is behind schedule (*Long*)

ACTION TAKEN: APPROVED AN AMENDMENT TO THE REDEVELOPMENT CONTRACT WITH BA PROPERTIES, LLC TO EXTEND THE COMPLETION DEADLINE TO FEBRUARY 28, 2022 FOR THE 2600 - 2602 INDEPENDENCE AVENUE MIXED-USE PROJECT IN THE GARFIELD URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 11-4-21*)

[*Ms. Bough left the meeting*]

7. (3.) **Financial**

- a. *Review and acceptance of the Financial Reports for October, 2021* (Lee Brown) (**Ex. 3A**)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE

- b. *Review and acceptance of the draft LCRA Audit for fiscal year 2021* (Lee Brown) (**Ex. 3B**)

[All statements made by Mr. Holst unless otherwise noted.]

➤ **Draft Audit**

- Waiting on a couple of responses and management discussions before audit is finalized
 - Financial information and narratives may change slightly, if at all

➤ **Opinion**

- Audit found no significant issues or major problems
 - One minor change to the debt note related to a new standard this year that wasn't considered significant enough to be pointed out in the financial statements or governance letter
 - Other minor changes involved recording tax abatement revenue and a legal service payable
- One material adjustment regarding accounts receivable was made which related to a double payment to the City of land sale proceeds

ACTION TAKEN: ACCEPTED THE DRAFT LCRA AUDIT REPORT FOR FISCAL YEAR 2021. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED. (RES. NO. 11-5-21)

8. (5.) **Hospital Hill II URA –2500 Block Troost Avenue** – *Ratification of Estoppel Certificate* (Brian Engel) (**Ex. 5A - 5B**)

[All statements made by Mr. Engel, unless otherwise noted.]

- Redeveloper refinanced its loan for the project and new lender requested that LCRA sign an estoppel certificate
- Due to the timing constraints of the loan's closing and its standard content, LCRA has already signed and delivered the certificate to the redeveloper
 - The certificate affirmed that there were no known defaults under the LCRA's lease on the completed project

ACTION TAKEN: RATIFIED, APPROVED AND CONFIRMED ESTOPPEL CERTIFICATE TO FACILITATE REDEVELOPER'S LOAN REFINANCING FOR THE PROJECT. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED. (RES. NO. 11-6-21)

9. (8.) **Gotham Apartments Urban Renewal Area** – *Consideration of Approval of URP's First Amendment* (Bob Long)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE.

10. (9.) **21st & Montgall Urban Renewal Area** – *Consideration of Approval of URP's First Amendment* (Bob Long)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE.

11. (10.) **Clarion Hotel URA** – *Consideration of termination of Urban Renewal Area* (Bob Long)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE.

12. (11.) **Truman & Oak** – *Consideration of termination of Urban Renewal Area* (Bob Long)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE.

13. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 13A)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE

- b. **Administrative** – *Affirmative Action Report* (Sandra Rayford)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE

14. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 10:45 a.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON DECEMBER 28, 2021**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Daniel Moye, LCRA
Susan Tumey, LCRA
Steven Anthony, EDC
David Leader, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Phil Aftuck
Jan Bolin
Deke Clayborn
Brian Collins
Kevin Collison
Daniel Ferguson – Leon
Rocky Govind
Matt Fulson
Kevin Hardy
Shannon Hesterberg
Fatunah Kelley
Roxsen Koch
Bob Langenkamp
Jean Matzeder
Bob Mayer
Chris Robertson
Pat Sterrett

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:00 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Henderson were present. Ms. Hazley joined shortly thereafter. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. **Administrative** - Review and approval of Meeting Minutes for November 30, 2021 as presented (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR NOVEMBER 30, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

3. **E. 23rd Street URA –2331 -2333 Lister Avenue** – Consideration of Approval of a Redevelopment Contract with ACS, LLC (Bob Long) (Ex. 3A-3D)

[All statements made by Mr. Moye unless otherwise noted]

➤ **Project Overview**

- The original six-plex was split into additional units and has been vacant for many years
 - Developer will restore the buildings to their original six 3-bedroom units
- Rents in all 6 of the units will be affordable to households between the 60% to 70% MFI range
 - Monthly rents will be about \$1,225 (*Bough/Moye*)
- Project is within a continually distressed census tract so did not require a full financial analysis
- Project has no debt on the property as it is self-funded

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 2331-2333 LISTER AVENUE RESIDENTIAL PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY

APPROVED A REDEVELOPMENT CONTRACT WITH ACS, LLC FOR THE 2331-2333 LISTER AVENUE RESIDENTIAL PROJECT IN THE E. 23RD STREET URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 12-1-21)

4. **Cleveland Duplexes URA** – Consideration of Bond Authorizing Resolution for Multifamily Project (Brian Engel) (Ex. 4A-4I)

[All statements made by Mr. Engel, unless otherwise noted]

➤ **Tax Incentives**

- Taxable bonds issued in a principal amount not to exceed \$7 million to finance the project
 - Bonds will be purchased by the Redeveloper
- LCRA will acquire and lease the property to the Redeveloper during the lease term

- 25-year tax abatement is for a longer period than normal that can be achieved through the sale/leaseback structure
- Sales tax exemption on construction materials to facilitate construction of the Project on behalf of LCRA
- Tax abatement to the Redeveloper upon completion of the Project as provided in the Redevelopment Contract, which includes the tax abatement period PILOT
 - 100% tax abatement is lessened slightly by the payment included in the Redevelopment Contract (*Henderson/Engel*)
 - Redeveloper has agreed with the Kansas City School District to increase the property tax level 25% above what it is currently (*Hesterberg*)
 - PILOT includes a step-up 2% increase which correlates with the Redeveloper's receipt of an HTC grant (*Hesterberg/Engel*)

ACTION TAKEN: APPROVED A RESOLUTION AUTHORIZING ISSUANCE OF BONDS IN THE MAXIMUM AMOUNT OF \$7 MILLION AND EXECUTION OF BOND AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF THE PROJECT WITHIN THE CLEVELAND DUPLEXES URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 12-2-21*)

5. **33rd & Montgall URA – Palestine Gardens** – *Consideration of Inducement Resolution for Issuance of LCRA Bonds* (Brian Engel) (**Ex. 5**)

[All statements made by Mr. Engel, unless otherwise noted]

➤ **Bonds**

- Redeveloper has identified the lender who will purchase the bonds to generate funds for construction of the project
- Proposed inducement Resolution is the first step in the bond process
 - Proposed bond documents will be presented for approval to the Board at a later date

ACTION TAKEN: APPROVED INDUCEMENT RESOLUTION FOR ISSUANCE OF BONDS IN CONNECTION WITH THE REHABILITATION OF THE PALESTINE GARDENS AND PALESTINE GARDENS NORTH APARTMENT BUILDINGS TO PRESERVE AFFORDABLE HOUSING UNITS. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 12-3-21*)

6. **Central Business District URA** – *Consideration of Redeveloper Proposal, Incentives, and Bond Authorizing Resolution for Historic Building Renovation Project – 906 Grand Hotel* (Brian Engel) (**Ex. 6A-6G**)

[All statements made by Mr. Moye unless otherwise noted]

➤ **Financial Analysis**

- Incentives for the renovation of the historic property include historic tax credits
 - Historic buildings are considered a priority by the City
- SB Friedman performed the financial analysis but are unable to attend today's meeting due to the holidays

➤ **Tax Incentives**

- Staff proposed that the project receive a sales tax exemption on construction materials and 85% abatement the first 2 years and by 75% in the remaining 8 years
 - SB Friedman recommended 10-year abatement at 75%
 - Redeveloper had initially requested a 25-year tax abatement with a sales tax exemption on construction materials
 - Splitting the abatement percentages does not meaningfully impact the developer's rate of return
 - Taxing jurisdictions are ambivalent towards the proposed 85% / 75% split

➤ **Board Considerations**

- Designating a building historic does not necessarily mean that taxpayers should underwrite its renovation project (*Hazley*)
 - Renovation of a historic building brings many cost challenges to meet updated city code requirements (*Koch*)
 - Parking for the 239-room hotel, which is two blocks away and valet only, is not included in the abatement request (*Henderson/Koch*)
- The City does not need another hotel (*Hazley*)
 - Conventioneers not only look at how many rooms are available but also how many different types can be provided (*Koch*)
 - Project brings back a long-term vacant historic structure that otherwise does not really have a readily available use (*Koch*)
- Redeveloper could have applied to the City for Chapter 100 incentives, which are longer and deeper than LCRA's proposal (*Henderson/Moye*)
- LCRA issued a Request for Proposals for the project (*Hazley/Moye*)

ACTION TAKEN: SELECTED 906 GRAND BOULEVARD HOSPITALITY, LLC (OR CONTROLLED AFFILIATE) AS REDEVELOPER OF THE PROJECT AND APPROVED THE ACQUISITION AND LEASE OF THE PROJECT PROPERTY BY LCRA TO THE REDEVELOPER PURSUANT TO A SALE/LEASEBACK TRANSACTION TO IMPLEMENT A SALES TAX EXEMPTION ON THE PURCHASE OF CONSTRUCTION MATERIALS AND TAX ABATEMENT AS PROVIDED IN THE REDEVELOPMENT CONTRACT AND THE LEASE AGREEMENT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MS. HAZLEY	NAY
MS. HENDERSON	AYE

(RES. NO. 12-4-21)

APPROVED A RESOLUTION AUTHORIZING ISSUANCE OF BONDS AND EXECUTION OF A BOND IN THE MAXIMUM AMOUNT OF \$73 MILLION AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF THE PROJECT WITHIN THE CENTRAL BUSINESS DISTRICT URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MS. HAZLEY	NAY
MS. HENDERSON	AYE

(RES. NO. 12-5-21)

7. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 6A)

- Follow-up to the Board's retreat in October is January 10, 2022 (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

b. **Administrative** – *Affirmative Action Report* (Sandra Rayford)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

Mr. Moye initiated a discussion on the following administrative matter which was not on the agenda:

➤ **AT&T Building, 500 E. 8th**

- Redevelopers asked to present an informational only synopsis of their plans to determine the Board's opinions about the project (*Moye*)
 - Developers plan to present the project for Board consideration at a later meeting (*Henderson/Aftuck*)
- Plans are for a 250 to 265-unit multi-family building with a floor for co-working and office space (*Aftuck*)
 - This part of Kansas City could benefit from more density (*Aftuck*)

➤ **Development Costs**

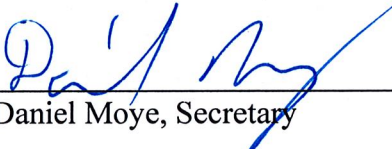
- Total construction costs will be about \$91,250,000 (*Sterrett*)

- Parking will not be part of the costs as there is an underground garage beneath the building (*Aftuck*)
- Severe asbestos contamination and other environmental challenges are main factors in increased costs (*Aftuck*)
 - Other cost factors include replacing windowless floors and preserving the building's historical significance (*Aftuck*)
 - Multiple floors could be lost if the windows are unable to be replaced (*Aftuck*)
- **Tax Abatement**
 - A sale/leaseback with five additional years and a 50% abatement in years 11 to 15, would keep the rents at \$2 per foot and make the project feasible (*Sterrett*)
 - Redeveloper plans to but has not yet met with the taxing jurisdictions (*Henderson/Mayer*)
- **Rents**
 - Rents are planned to be about \$2 per square foot (*Sterrett*)
 - Rent for some studio units could be under \$1,000 (*Hazley/Aftuck*)
 - Market rate units would consist of 100 studios of about 639 square feet, with 61 one-bedrooms at 700 square feet, and 105 two-bedrooms at 980 square feet (*Sterrett*)
 - Size to cost ratio is not conducive to families with children (*Hazley*)
 - Units represent a good mix of studios, one- and two-bedrooms (*Aftuck*)
 - Historical properties were exempted from the City Ordinance requiring a percentage of affordable units in new developments (*Mayer*)
 - Redeveloper should be able to demonstrate why the project can or cannot comply with the City Ordinance (*Bough*)
 - Redeveloper is currently under contract to purchase the building (*Hazley/Aftuck*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

8. **Adjourn.**

There being no further business, the meeting adjourned at 10:55 a.m.


 Daniel Moye, Secretary

