

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON JANUARY 25, 2022

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Bob Long, LCRA
Susan Tumey, LCRA
Steven Anthony, EDC
David Leader, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Shomari Benton, 1826 Forest
Kathleen Bole, Brinshore
Jan Bolin, Kansas City Public Library
Erika Brice, 1826 Forest
Kevin Collison
Stacy Garrett, Union Hill Neighborhood Association
Kevin Hardy
Geoff Kalender, Hyde Park Neighborhood Association
Chris Koch, Hyde Park Neighborhood Association
Bob Mayer, Exact Landmark
Ilan Salzberg, Exact Landmark
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, 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 December 28, 2021 as presented (Ex. 2)

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

3. Longfellow – Dutch Hill Neighborhood URA – 3130 Gillham Road – Aines Dairy Lofts – Consideration of Approval of Redevelopment Contract with Exact Landmark, LLC (Bob Long) (Ex. 3A-3C)

➤ Financial

- Taxing jurisdiction representatives generally supported the project at the Agency Directors' meeting because it provided housing at affordable rent levels (*Henderson/Long*)
- The difference of a return between 6.6% and 6.24% is about \$25,000 to \$30,000 per year in taxes based on the assessed value of 47 units (*Hazley/Sterrett*)
- The \$100,000 difference between a 100% net present value versus a 70% value is basically what allows the project to provide the apartments at affordable rates (*Hazley/Long*)
 - Cost of making such small units affordable was being passed on to the taxpayer and the renter (*Hazley*)
- Third-party analysis showed that developer's financial projections were reasonable (*Hazley/Mayer*)
- Staff was requested to produce a square footage analysis showing the cost of the properties and if they were affordable or market rate (*Hazley/Long*)

➤ Hyde Park Neighborhood Association

- Opposes all abatements in their district if they are not consulted on them prior to the award of any incentives to a project (*Koch*)
 - Developer's claims that the project is not within Hyde Park are negated by the developer's previous interaction with the association on several adjacent projects (*Koch*)
 - Hyde Park asks that the Board continue its consideration of the project until the developer meets with the association about their proposal (*Koch*)
 - Hyde Park can meet on February 15, 2022 to discuss the project with the developer (*Koch*)
- Developer attempted to speak with Hyde Park several times about criminal activity at the adjacent carwash several months ago but was rebuffed (*Salzberg*)
 - Developer believed project was in the Union Hill neighborhood due to its location (*Salzberg*)
 - Board action on this project should not be postponed due to a simple oversight (*Salzberg*)
- The situation will not have changed if the project is tabled and Hyde Park is unable to have a meeting with the developer prior to the Board's February 22nd meeting (*Henderson*)
 - Board's decision will not be contingent upon the results of the developer's meetings with Hyde Park (*Hazley*)

➤ **Union Hill Neighborhood Association**

- Provided a letter of support for the project shortly before today’s meeting (*Long*)
- Supports postponing the Board’s decision on the project to ensure all parties have been equally informed (*Garrett*)
- Believes that the Aines project will be transformative in reducing crime in the area (*Garrett*)

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

4. **Wendell - Phillips URA** – *Consideration of Approval of Redevelopment Contract with UNI Crescendo, LLC (Bob Long) (Ex. 4A-4D)*

- Staff wishes to change its current incentive recommendation for the project to ask for authorization to issue a request for proposals
 - Developer has just recently amended its request to include a sales tax exemption on construction materials (STECM) (*Long*)
 - A short-term sale/leaseback will be required because the LCRA will temporarily own the property during the construction period (*Long*)
 - The request for proposals (RFP) is required because of LCRA’s ownership of the property (*Long*)
 - Selection of the developer and authorization to proceed with the short-term sale/leaseback will be presented to the Board at a later meeting (*Long*)
- Developer has worked closely with the neighborhood association and it is supportive of the project (*Bole*)
 - Project has also received letters of support from Councilman Robinson, the school district, the Wendell Phillips neighborhood association, and others (*Bole*)
 - Developer made a formal presentation to the neighborhood in November 2021 as part of their rezoning application (*Bole*)
 - The City Planning Commission and the City’s neighborhood planning and development committee have also already approved the project (*Bole*)
- Project is a mixed-income development, with all units being income restricted (*Bole*)
 - Income averaging allows us to serve the lowest incomes (*Bole*)
 - Project is a mix of one, two, and three-bedroom units primarily configured in nine three-story townhome buildings (*Bole*)
 - Developer plans to begin construction in late spring, early summer, with completion scheduled for summer 2023 (*Bole*)
 - Square footage sizes range from about 830 for a one-bedroom, 932 for a two-bedroom, and 1,665 for a three-bedroom (*Hazley/Bole*)

ACTION TAKEN: AUTHORIZED ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (RES. NO. 1-1-22)

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

- URA initially created in 2002, with a 20-year term, to facilitate a historic rehab of the apartments to convert them into affordable housing (*Long*)
 - Tax abatement issued at that time has since expired (*Long*)
- Project was rehabbed again in 2018, to maintain their status as affordable housing, and a new 10-year tax abatement was issued (*Long*)
- The Urban Renewal Area will expire on March 28, 2022, prior to the expiration date of the 2018 abatement (*Long*)

ACTION TAKEN: APPROVED AMENDMENT TO GOTHAM APARTMENTS URBAN RENEWAL PLAN TO EXTEND TERM FOR AN ADDITIONAL TEN (10) YEARS. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. BOUGH AND MS. HENDERSON, AND CARRIED UNANIMOUSLY. (RES. NO. 1-2-22)

6. **21st & Montgall Urban Renewal Area** – *Consideration of Approval of URP's First Amendment* (Bob Long)

- At the time of its initial approval in 2007, the area was predominantly vacant lots (*Long*)
- Construction of affordable single-family homes was begun in 2007, but then halted and eventually terminated because of the recession (*Long*)
- Staff recommends a 10-year extension of the URA due to renewed interest in the area for single-family development (*Long*)

ACTION TAKEN: APPROVED THE FIRST AMENDMENT TO 21ST & MONTGALL URBAN RENEWAL PLAN TO EXTEND ITS TERM FOR AN ADDITIONAL TEN (10) YEARS. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 1-3-22)

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

- URA was created to renovate the former Adams Mark Hotel into a Clarion Hotel and for the development of the Cocoa Keys Waterpark (*Long*)
- Tax abatement for the hotel has expired and there can be no further development in the single parcel URA (*Long*)

ACTION TAKEN: APPROVED THE TERMINATION OF THE CLARION HOTEL URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (RES. NO. 1-4-22)

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

- Creation of the URA was intended to stimulate mixed-use rehab and construction (Long)
 - One project was proposed and approved and its abatement has expired (Long)
 - No further interest in the area’s development has been expressed (Long)

ACTION TAKEN: APPROVED THE TERMINATION OF THE TRUMAN & OAK URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 1-5-22)

[Ms. Henderson left the meeting at @ 11:30 a.m.]

9. **Administrative.**

a. **Executive Director’s Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 9A)

➤ **Wheatley - Provident Hospital URP - 1826 Forest RE Holdings** - *Consideration of an amendment to Redevelopment Contract with 1826 Forest Re Holdings, LLC*

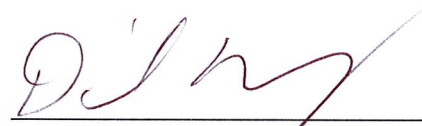
- Developer has requested an extension of the project’s commencement date to September 15, 2022 and its completion date to September 15, 2024 (Engel)

ACTION TAKEN: APPROVED THE AMENDMENT TO 1826 FOREST RE HOLDINGS REDEVELOPMENT CONTRACT TO EXTEND THE PROJECT’S COMMENCEMENT DATE TO SEPTEMBER 15, 2022, AND TO EXTEND THE COMPLETION DATE TO SEPTEMBER 15, 2024. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 1-6-22)

10. **Adjourn.**

There being no further business, the meeting adjourned at 11:45 a.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON FEBRUARY 22, 2022**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley

Absent: Tammy Henderson

Staff: Dan Moye, LCRA
Bob Long, LCRA
Susan Tumey, LCRA
Steven Anthony, EDC
David Leader, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Allison Bergman
Jan Bolin
Diane Botwin
Lisa Brewer
Jerry Burka
Ron Clark
Brian Collins
Rich Cook
Jon Copaken
Daniel Ferguson-Leon
Tom Friestad
Bob Langenkamp
Jean Matzeder
Bob Mayer
Janice Mitchell
Kathleen Pointer
Angie Splittgerber
Mark Sprecker
Pat Sterrett
Ruby Watson
Jeff Zimmerman

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 Hazley were present. [All Board members, staff, and guests participated in the meeting via videoconference.]

2. **Administrative** – Annual Election of Officers for 2022 (Rob Gardner)

The officers of the Authority elected for calendar year 2022 are as follows:

Chairman	Rob Gardner
Vice-Chairman	Melissa Hazley
Secretary	Daniel Moye
Assistant Secretary	Susan Tumey
Treasurer	Vacant

Mr. Moye advised that the Treasurer position would remain vacant for the time being, as the EDC was currently in the process of hiring a new controller.

ACTION TAKEN: ELECTED THE SLATE OF OFFICERS NOMINATED FOR THE 2022 CALENDAR YEAR. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 2-1-22)

3. **Administrative** - Review and approval of Meeting Minutes for January 25, 2022 as presented (Ex. 3)

ACTION TAKEN: APPROVED THE MINUTES FOR JANUARY 25, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

4. **33rd & Montgall URA – Palestine Gardens** – TEFRA Public Hearing Related to Issuance of LCRA Bonds (Brian Engel) (Ex. 4A-4B)

➤ **Tax Equity and Fiscal Responsibility Act (TEFRA)**

- Public hearing required by Act in connection with LCRA’s planned issuance of tax-exempt private activity bonds (Moye)
- Purpose for hearing is to receive comments from interested parties about the proposed bonds (Moye)
- In response to COVID-19 restrictions, the US Treasury Department states that the public hearing may be held by teleconference (Moye)
- On February 8, 2022, a Notice of Public Hearing was posted on the EDC website by the LCRA (Moye)
 - The Notice provided information for the public to conveniently access the teleconference by telephone or online zoom virtual conference (Moye)
- 118 units reserved for very low-income seniors age 62 and up (Moye)

- PG PGN, LP, owner of the properties, has been selected as the redeveloper for the project (*Moye*)

➤ **Bonds**

- LCRA approved an inducement resolution at its December 2021 meeting to issue bonds not to exceed \$11 million to facilitate project rehabilitation (*Engel*)
- Sterling Bank will purchase the bonds (*Matzeder*)
 - Bonds are in a private placement with Sterling Bank and the developer is not buying the bonds (*Bough/Collins*)
- Bonds will be funded by rent revenue generated by the project (*Engel*)
- Neither LCRA nor the City of Kansas City will be liable for the bond payments (*Engel*)
 - There are no public funds of the City or any other public body pledged to repay the bonds (*Engel*)

➤ **Palestine Gardens / Palestine Gardens North**

- Project is first time that a full renovation has taken place in the buildings' 30-year history (*Collins*)
 - Closing is scheduled for late May or early June, with the rehab to start mid-year (*Collins*)
- Palestine Church and the groups associated with it have had a long history of involvement and commitment to the neighborhood (*Collins*)

Mr. Moye closed the hearing after receiving no further comments from the Board or the public.

ACTION TAKEN: PUBLIC HEARING ONLY. NO ACTION REQUIRED.

5. **Longfellow – Dutch Hill Neighborhood URA – 3130 Gillham Road – Aines Dairy Lofts**
– *Consideration of Approval of Redevelopment Contract with Exact Landmark, LLC* (Bob Long) (Ex. 5A-5C)

➤ **Hyde Park Neighborhood Association**

- Project was tabled at last month's meeting to allow for project discussions between the developer and the Hyde Park neighborhood association (*Long*)
 - Discussions have since taken place and the Association has issued a letter of support for the project (*Long*)
- The Association and developer also discussed enhancing the project's pet accessibility (*Splittgerber*)
 - Inability to have pets in housing leads to increased homelessness and more animals being surrendered to shelters (*Splittgerber*)
- Developer also met with the Old Hyde Park and Union Hill neighborhood associations and has received their support (*Mayer*)

➤ **Rents**

- Developer provided a chart indicating the square footage and rents of several comparable multi-family units (*Mayer*)
- AMI calculations vary depending on unit size (*Moye/Clark*)
 - Larger units are presumed to have more tenants than smaller ones (*Moye*)
 - Staff will send additional information to Mr. Clark regarding how AMI is calculated (*Moye*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 3130 GILLHAM ROAD AINES DAIRY LOFTS MIXED-USE PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH EXACT LANDMARK, LLC FOR THE 3130 GILLHAM ROAD AINES DAIRY LOFTS MIXED-USE PROJECT IN THE LONGFELLOW-DUTCH HILL NEIGHBORHOOD URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 2-2-22)

6. **Garfield URA** – *Consideration of Approval of Redevelopment Contract with NewView Place II, LLC* (Bob Long) (**Ex. 6A-6F**)

➤ **Project Overview**

- Developer NewView Place 2, LLC is affiliated with Fair Housing Partners, a well-experienced, low-income housing developer (*Long*)
- Affordable housing projects are eligible to receive 100% abatement (*Long*)
- Project is exempt from the City’s prevailing wage requirement since it is east of Troost (*Long*)
- Staff performed the financial analysis per LCRA policy (*Long*)
- AdvanceKC score for the project was one point below the amount to be considered as high impact (*Long*)
- Project is targeted to a totally different demographic, age range, and income level than the previous project (*Moye/Watson*)
- Tenants and other members of the public are welcome to participate in LCRA Board meetings (*Moye/Watson*)
 - The organization, KC Tenants, is also a good source of information (*Moye*)
- Amenities include a full-time social services person to work with both Phase 1 and 2 tenants (*Brenner*)
- Waiting lists for the apartments are very long (*Brenner*)
- Majority of residents are refugees from Somalia with large families (*Brenner*)

- Phase 2 includes the conversion of 5 of the 3-bedroom units into 4-bedrooms to accommodate larger families (*Brenner*)
- Developer is also converting several Phase 2 apartments into ADA accessible units (*Brenner*)
 - Original project was grandfathered from some of the ADA requirements as it was built in the 1970s (*Brenner*)
- No families will be permanently displaced while the renovations proceed (*Brenner/Pointer*)
 - A relocation firm is working with the tenants to find suitable replacement housing either within or close to the existing buildings (*Brenner/Pointer*)
 - Relocation specialist should reach out to the school district to help coordinate student transportation (*Pointer*)

➤ **Rents**

- Phase 2 will include 69 affordable 1- to 4-bedroom units (*Long*)
 - Rents are available at 30% to 60% AMI (*Long*)
- Phase 1 and 2 have been approved by HUD, which dictates strict guidelines regarding rent amounts and types of tenants (*Brenner*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE NEWVIEW PLACE II AFFORDABLE HOUSING PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH NEWVIEW PLACE II, LLC FOR THE NEWVIEW PLACE II AFFORDABLE HOUSING PROJECT IN THE GARFIELD URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 2-3-22)

7. **Columbus Park URA – Columbus Park Apartments** – *Consideration of Approval of Redevelopment Contract with DAK Pacific, LLC* (Bob Long) (**Ex. 7A-7B**)

Mr. Moye advised that the Columbus Park Apartments project should be tabled until next month as the developer was still working with staff to process a couple of items.

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE.

8. **Wendell - Phillips URA** – *Consideration of Approval of a Sale/Leaseback and Redevelopment Contract with UNI Crescendo, LLC* (Bob Long) (**Ex. 8A-8F**)

➤ **Project Overview**

- All sites were vacant lots obtained from the Land Bank (*Long*)

- Project comprised of 9 buildings - 8 multi-family and 1 community center (*Long*)
- 39 affordable units available at 30% and 60% AMI (*Long*)
- Per LCRA policy, projects receiving low-income housing tax credits do not require a full outside financial analysis (*Long*)
 - Project is eligible for 10-year 100% tax abatement as it is also within a continuously distressed census tract (*Long*)
 - Advance KC score was 90, placing the project in the high impact score (*Long*)

➤ **Sale / Leaseback**

- Project was tabled at last month's meeting to allow for the issuance of a Request for Proposals (*Long*)
 - Request for Proposals was required because the LCRA will own the property during the construction period (*Engel*)

ACTION TAKEN: SELECTED UNI CRESCENDO, LLC FOR THE AFFORDABLE MULTIFAMILY PROJECT IN THE 2400 – AND 2500 – BLOCKS OF HIGHLAND AVENUE IN THE WENDELL – PHILLIPS URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR THE UNI CRESCENDO AFFORDABLE HOUSING PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A SALE/LEASEBACK AND REDEVELOPMENT CONTRACT WITH UNI CRESCENDO, LLC FOR THE UNI CRESCENDO AFFORDABLE HOUSING PROJECT IN THE WENDELL - PHILLIPS URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO.2-4-22)

9. **Mount Cleveland Urban Renewal Area - Consideration of Termination and Release of Redevelopment Contract** (Brian Engel) (Ex. 9A-9B)

➤ **Redevelopment Contract Termination**

- Developer has requested termination of the 2002 Redevelopment Contract and subsequent amendments to clear title for its Cleveland duplexes project (*Engel*)
 - 2002 project was never completed but its area partially overlaps the area of the Cleveland duplexes project (*Engel*)

- Project is generally bound by Cleveland and 53rd Street (*Bergman*)

ACTION TAKEN: APPROVED TERMINATION AND RELEASE OF A REDEVELOPMENT CONTRACT IN MOUNT CLEVELAND URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO.2-5-22*)

10. **Arterra 21/2100 Wyandotte Urban Renewal Area** - *Consideration of Assignment, Assumption and Amendment of Amended and Restated Sale/Leaseback and Redevelopment Contract* (Brian Engel) (**Ex. 10A-10C**)

➤ **Tax Incentives**

- At its completion in 2019, the project received 10 year / 100% abatement (*Engel*)
 - A sales tax exemption on construction materials was also provided through a sale/leaseback (*Engel*)
- Buyer will benefit from the existing tax abatement for the remaining term of the abatement period (*Engel*)
 - The identical incentives granted to Arterra, LLC are being transferred to SEMREF Crossroads, LLC and will not be changed (*Moye*)

➤ **Closing Documents**

- Resolution
 - If closing does not occur within 60 days of the scheduled date, the LCRA Resolution becomes null and void (*Engel*)
- Buyer will sign a new Funding Agreement to be responsible for LCRA fees incurred after the sale is closed until the end of the Redevelopment Contract term (*Engel*)
- Assignment and Assumption will amend the Redevelopment Contract only to update the notice provisions (*Engel*)
- Closing Date
 - Resolution can be revised to include flexibility on the closing date (*Engel/Mitchell*)
 - LCRA's Resolution will not inhibit their ability to close when they want to under the contract (*Bough*)
 - 60 days are built into the Sale Contract to allow the parties to delay closing (*Engel*)
 - Resolution will have no effect if the closing does not occur (*Engel*)
 - Parties to the contract should determine when the closing date should be scheduled (*Engel*)

ACTION TAKEN: APPROVED ASSIGNMENT, ASSUMPTION AND AMENDMENT OF AMENDED AND RESTATED SALE/LEASEBACK AND REDEVELOPMENT CONTRACT. MOTION MADE BY MS. BOUGH,

SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.
(RES. NO.2-6-22)

11. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye)
(Ex. 11A)

➤ **Workable Program**

- The Board discussed at its January 2022 retreat revising its description to a more digestible one-pager (*Moye*)
- Staff has prepared two different versions, which will be distributed to the Board for their review and comment (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

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

➤ **Civil Rights and Equal Opportunity Department (CREO)**

- Formerly the City's Human Relations Dept. (*Rayford*)
- Will no longer provide affirmative action or compliance reports to the agencies (*Rayford*)
 - Agencies will be expected to monitor their own projects (*Rayford*)
- Staff will work with CREO to identify all LCRA projects and hope to be able to generate a report for next month's meeting (*Rayford*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

12. **1914 Main Street Urban Renewal Area** - *Consideration of Assignment, Assumption and Amendment of Redevelopment Contract* (Brian Engel) (Ex. 12A-12C)

➤ **Project Overview**

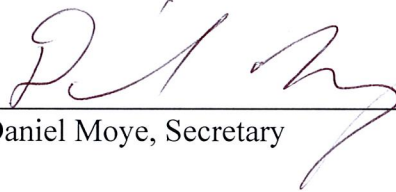
- Crossroads Urban Apartments, LLC, the current owner of the property, wishes to assign its Redevelopment Contract with the LCRA to 1914 Main, the buyer (*Engel*)
- Buyer requests a similar revision to its LCRA Resolution to include flexibility on the closing date (*Sprecker*)
- Contract includes provision that if closing does not occur within 30 days of the scheduled date, the LCRA Resolution becomes null and void (*Engel*)
 - Buyer requests a change in the Resolution's wording to allow closing to occur within 60 days of the scheduled closing date (*Sprecker*)
- Project was first new construction along the streetcar line (*Long*)

ACTION TAKEN: APPROVED ASSIGNMENT, ASSUMPTION AND AMENDMENT OF REDEVELOPMENT CONTRACT. MOTION MADE BY MS. BOUGH,

SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.
(RES. NO.2-7-22)

13. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:15 a.m.



Daniel Moye, Secretary



**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON MARCH 22, 2022**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Dan Moye, LCRA
Bob Long, LCRA
Susan Tumey, LCRA
Steven Anthony, EDC
David Leader, EDC
David Macoubrie, PIEA
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Phil Aftuck
Emalea Black
Janice Bolin, Kansas City Public Library
Diane Botwin
Jared Campbell, Downtown Council
Sean Carroll
Lance Dorn, SB Friedman
Daniel Ferguson-Leon, UMKC
Tom Friestad
Andrew Ganahl
Kevin Hardy
Stephanie Isaacson, New Horizons Enterprises
Kevin Klinkenberg
Katie Martin
Bob Mayer
Kathleen Pointer
Fran Rood, SB Friedman
Pat Sterrett
Mary Szeliga

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:20 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Hazley were present. Ms. Henderson joined 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 February 22, 2022 as presented (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR FEBRUARY 22, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Habitat For Humanity Scattered – Site I URA** – Proposed First Amendment (Bob Long) (Ex. 3)

- Removal of 3320 and 3322 Tracy Avenue from the Plan would remove a title exception from these properties and allow their redevelopment (*Long*)
 - Amendment deletes the two parcels from the legal description and leaves the rest of the Plan intact (*Long*)
- Developer is not seeking tax abatement for the two parcels (*Long*)

ACTION TAKEN: APPROVED THE FIRST AMENDMENT OF THE HABITAT FOR HUMANITY SCATTERED - SITE 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 UNANIMOUSLY. (RES. NO. 3-1-22)

4. **Eastside URA – AT&T Building/500 E. 8th Street** – Consideration of Approval of Redevelopment Contract with Well TBC Kansas City JV, LLC (Bob Long) (Ex. 4A-4C)

Financial Analysis

- **General** (*All statements made by Mr. Dorn, unless otherwise noted*)
 - Two floors of the building will not be built out as they don't contain windows
 - Project expected to begin in the 3rd quarter of 2022 and stabilize in 2025
 - Amenities include a fitness center, yoga room, remote workspace for residents, a lounge, game room, movie room, and a party room
 - Building has six floors of underground parking or 575 spaces
 - Project's AdvanceKC score was 70, which puts it in the standard range of impact (*Long*)
- **Tax Abatement** (*All statements made by Mr. Dorn, unless otherwise noted*)
 - Developer is seeking to maximize its use of historic tax credits (HTC) so is not requesting a STECM which would reduce the qualified rehabilitation expense

- Developer is requesting an abatement of real property taxes for 15 years (above current predevelopment taxes) including:
 - 100% abatement in Years 1-10; and
 - 50% abatement in Years 11-15
- Developer alleges project feasibility is challenged by the blighted condition of the building and substantial additional costs associated with historic preservation
- Factors contributing to the Project’s need for assistance include:
 - Market rents which do not support the construction costs related to historic preservation, remediation and level of finish contemplated
 - Acquisition costs which do not deduct extraordinary redevelopment costs such as demolition or environmental remediation from the purchase price
 - Developer’s purchase price which is at a significant premium relative to the 2019 acquisition of the site by another developer
 - Inclusion of 25 studio units affordable to households at 80% AMI
- Project, as presented, would require public assistance to be financially viable and attract debt and equity investors
- Two alternative assistance scenarios were analyzed:
 - 100% abatement for 10 years
 - 75% abatement for 10 years
 - Under each scenario, the Project achieved a yield on cost and an unleveraged IRR below the benchmark range
 - Below benchmark returns may be acceptable to investors given the tax benefits of the project’s location in an Opportunity Zone
- Sensitivity Analysis
 - Conducted to understand the impact of higher rents on Project returns
 - If 1- and 2-bedroom rents were increased by 10% to be in line with comps, returns would increase but continue to be at the low end of benchmarks
- 10 year / 75% abatement was recommended at the March 11, 2022 agency directors meeting

➤ **Costs** (*All statements made by Mr. Dorn, unless otherwise noted*)

- Developer successfully purchased the building in February 2022 with its bid of \$13 Million
 - Prior developer purchased the site for \$6.5 Million in 2019
 - \$13 Million purchase price was somewhat higher than the average acquisition price for vacant shell buildings in the downtown area
 - Higher acquisition costs typically mean lower construction costs, but this project has high acquisition and hard costs relative to our benchmarks
- Unclear if the extraordinary environmental remediation costs are being deducted from acquisition costs
- Hard costs at this project are based on Developer’s experience at one of its other projects, the Mark Twain tower
 - No detailed construction cost estimates have been prepared specific to this building

- Compared to our comps, this project's hard costs for recent multifamily conversions in the downtown area are at the high end of the range
 - No backups for the historic rehab cost estimates were provided
 - Historic rehab costs are difficult to benchmark because conditions vary by property
 - Developer has had only preliminary discussions with lenders
 - Developer proposes to finance the project with conventional debt, cash equity, historic tax credits, and funds from the Housing Trust Fund
 - Debt coverage ratio appears aggressive but the interest rate and amortization assumptions are within typical ranges
- **Rents** *(All statements made by Mr. Dorn, unless otherwise noted)*
- Developer bases the project's rents on comparable 2022 projects
 - Developer assumed a parking rent of \$65 per unit per month
 - Project's yield on cost without assistance was below benchmark ranges
 - Project's yield on cost with the full amount of requested assistance would increase to the low end of the range
 - With 10 years of abatement at either 100% or 75%, yield on cost continues to be at the low end or just below the benchmark range
 - With 10 years of abatement, yield on costs would drop in year 11 which is below our benchmark range.
- **Conclusions** *(All statements made by Mr. Dorn, unless otherwise noted)*
- Estimated construction costs are at the higher end of the benchmark range and the Project is early in predevelopment
 - Developer's pro forma assumptions will likely continue to evolve as the Project progresses through predevelopment
 - The ongoing public assistance should be recalibrated if cost savings are achieved relative to the current budget at project completion
 - If more than 10 years of assistance is provided, and the Project is outperforming current assumptions, public assistance could be recalibrated
- **Developer Comments**
- Developer plans to open the Mark Twain building in August 2022, which it successfully converted to multifamily *(Mayer)*
 - Several other developers had previously failed to convert the Mark Twain to multifamily or had avoided the project altogether *(Mayer)*
 - Developer is committed to projects such as the Mark Twain to enhance the reasonable rent rate market in the downtown area *(Mayer)*
 - Kansas City's market is becoming stronger, but at the same time, neglected areas still exist *(Mayer)*
 - General contractor for the AT&T project will probably be the same one who developed the Mark Twain building *(Aftuck)*
 - Developer is ready to make the investment and move forward with the project *(Aftuck)*

- Conjecture about the project being a future windfall for a possible downtown baseball stadium because of its parking availability is unrealistic (*Mayer/Carroll*)
 - The possibility of a future downtown stadium is highly speculative and the Royals' current lease lasts until 2032 (*Mayer*)
- The building could remain vacant and be prone to continued decay if it remains undeveloped (*Mayer*)
 - Crime and vandalism have already caused about \$1.3 Million damage in the building (*Aftuck*)
 - When vandals cause damage to pipe insulation, they are also creating a health hazard (*Isaacson*)
- Developer is still waiting on approval of its historic tax credit application (*Aftuck*)
- AT&T project is extremely environmentally contaminated (*Aftuck*)
 - Foam asbestos was used heavily throughout the building (*Aftuck*)
 - No way to renovate this building without touching the asbestos (*Isaacson*)
 - Project is the most expensive building for environmental remediation in the downtown area for at least 20 years (*Isaacson*)
- Prospective tenants are those who want to live downtown by themselves in a building with parking that has amenities (*Aftuck*)
 - One-bedroom units are 677 square feet and are projected to rent for 78% of the MFI (*Aftuck*)

➤ **Taxing District Comments**

- Covid has had a crippling effect on downtown development, stalling at least 4 multi-million-dollar projects in the past two years (*Carroll*)
 - Developer paid \$6 Million more than the prior sale price (*Pointer*)
 - Stalled projects have also suffered millions of dollars in damages from vandals and scrappers (*Carroll*)
 - Such deterioration affects the value of surrounding properties (*Carroll*)
- Vacant buildings do not appreciate in value as they go without basic maintenance and suffer constant criminal attacks from vandals (*Carroll*)
 - This is truly an opportunity to rehab a historic building that otherwise will just sit vacant (*Campbell*)
- Demand for starter or entry level residential housing is a primary need in Kansas City (*Carroll*)
 - Buildings are at the end of their economic lives as offices because of their antiquated infrastructure and limited parking (*Carroll*)
 - The demand for hotels in the downtown area is also limited because it will take several decades for the need to sufficiently increase (*Carroll*)
- Oppose tax abatement for the project at anything more than 100% for 10 years (*Pointer*)
 - Developer's request for more than staff's recommendation is extremely concerning (*Pointer*)

- School district requests more time to analyze the project given that their conversations with the developer occurred only yesterday (*Pointer*)
Staff's recommendation of 10 years and 75% came after conversations with the AdvanceKC group, which includes the taxing jurisdictions, the city manager's office and the mayor's office (*Moye*)
- Need new, current appraisal given Developer's possible over-payment of the purchase price (*Pointer*)
 - Developer requested financial support but also overpaid to purchase the building (*Bolin*)
 - Absence of an appraisal to support the purchase price is balanced by the fact that it is a historic renovation, which is a priority of the city (*Moye*)
- If rents are raised, the need for incentive should be re-evaluated (*Pointer / Bolin*)
 - Rent rates should be kept at today's quoted levels for the entirety of the tax abatement period (*Pointer*)
 - Project rents are not affordable to most people within the Kansas City Public School District (*Pointer*)
 - Re-evaluation of the project's finances is a significant non-starter for the Developer, as it would make it difficult for it to work with potential financial partners (*Mayer*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 75% OF THE INCREASED PROPERTY TAXES FOR 10 YEARS FOR THE AT&T BUILDING MULTIFAMILY PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH WELL TBC KANSAS CITY JV, LLC FOR THE AT&T BUILDING MULTIFAMILY PROJECT IN EASTSIDE URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 3-2-22)

5. **Columbus Park URA – Columbus Park Apartments** – *Consideration of Approval of Redevelopment Contract with DAK Pacific, LLC (Bob Long) (Ex. 5A-5B)*

➤ **Project Overview**

- Mixed use project of 2 buildings of for sale townhomes, 10 apartments at the rear of the property for lease, and a small commercial building at the corner (*Long*)
- Project's debt and equity financing may not be necessarily committed yet, but Developer has had discussions with lenders and equity providers (*Long*)
- The project's AdvanceKC was 62, which is in standard impact range (*Long*)

➤ **Unexpected Costs**

- Extensive site work is needed to rebuild the site to allow for construction (*Long*)
- City requires the replacement of an 1897 water main line so it can support the 20 housing units on the site (*Ganahl*)
- Previous buildings on the site were not demolished properly as they were basically pushed into the ground and covered up (*Ganahl*)
- Can no longer build anything revenue producing on the west side of the alley because of City requirements (*Ganahl*)
- Stormwater retention and installation adds \$450,000 to \$500,000 in costs (*Ganahl*)
- Site costs have risen from Developer's original proposal of \$6.6 Million to \$7.4 Million (*Ganahl*)

➤ **Tax Abatement**

- Columbus Park is part of a continuously distressed census tract which makes it eligible for 10 years and 100% tax abatement (*Long*)
- As there are only 10 rental units, the Project is exempt from the City's prevailing wage and affordable housing requirements (*Long*)
- A financial analysis was not required because the project is in a continuously distressed census tract and directly adjacent to Troost (*Long*)
- Developer requested 10-year 100% tax abatement for the rental units and 10-year 75% abatement for the for-sale townhome (*Long*)
 - Developer revised its abatement request as a result of its conversations with the taxing jurisdictions (*Long*)
 - School district has significant concerns about giving property tax abatement to purchase half-million-dollar homes (*Pointer*)
- Tax abatement used as incentive to buyers to purchase for-sale homes and to establish a market in the area (*Hazley/Moye*)
- Meets City's goal for adding housing along the Troost corridor and in a continuously distressed census tract (*Moye*)
 - City does not need housing which a fairly wealthy person can purchase for a half-million dollars (*Hazley*)
- Abated project will at least generate some taxes, which is better than no taxes being generated by the current vacant space (*Hazley/Moye*)
- If high costs necessitate a project must receive abatement to be constructed, then the project should be stopped or revised (*Hazley/Ganahl*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE RENTAL DUPLEXES AND SMALL COMMERCIAL BUILDING AND 75% FOR 10 YEARS FOR THE FOR-SALE TOWNHOMES IN THE COLUMBUS PARK APARTMENTS PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH DAK PACIFIC, LLC FOR THE COLUMBUS PARK APARTMENTS PROJECT IN COLUMBUS PARK URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY Ms. Hazley, AND CARRIED UNANIMOUSLY.

(RES. NO. 3-3-22)

6. **43rd & Belleview Urban Renewal Area** – *Approve Termination of the Urban Renewal Plan* (Bob Long)

- URA was created to facilitate the rehabbing of an office building and the construction of off-street parking behind it (*Long*)
- URA does not currently appear on the City’s parcel viewer (*Long*)

[Ms. Henderson joined the meeting at approximately 11:30 a.m.]

ACTION TAKEN: APPROVED THE TERMINATION OF THE 43RD & BELLEVIEW URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 3-4-22)

7. **Scarritt Renaissance I URA** –*Proposed First Amendment* (Bob Long)

- URA was created in 2007 with a fifteen-year term to cover the western half of the square neighborhood (*Long*)
 - The First Amendment would extend the term of the URA for ten years to allow existing abatements to expire prior to the termination of the plan (*Long*)
 - Western half of the neighborhood is covered by the Scarritt Renaissance II URA (*Long*)
- URA was designed to encourage housing rehab and neighborhood revitalization (*Long*)
- 40 tax abatements have been issued within the URA and 22 of those are still active (*Long*)

ACTION TAKEN: APPROVED THE FIRST AMENDMENT OF THE SCARRITT RENAISSANCE I 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 UNANIMOUSLY. (RES. NO. 3-5-22)

8. **Administrative.**

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

Mr. Moye advised that he had asked a developer to talk with the Board at its April meeting about work he is interested in doing on the east side. He noted that this would be a good opportunity for the Board to talk about projects in a way that didn't require a vote.


Mr. Moye added that he had also invited the City's new Director of Policy, Anne Jordan, to attend the Board's May 24, 2022 meeting to discuss housing. He stated that Ms. Jordan had worked for a Washington, DC group which had focused on affordable housing.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

9. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:45 a.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON APRIL 26, 2022**

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson
David Kemper

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

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Janice Bolin, Kansas City Public Library
Ron Clark, KC Tenants
Kevin Collison, CitySceneKC
Daniel Edwards, NeighborBuilt
Ebony Edwards, NeighborBuilt
Daniel Ferguson-Leon, UMKC
Tom Friestad, Kansas City Business Journal
Andrew Ganahl, Exact Landmark, LLC
Kevin Hardy
Clay Marcussen
Bob Mayer, Exact Partners
Christine Ostermeyer
Kathleen Pointer, KCMO Public School
Pat Sterrett, Sterrett Urban
Sarah's i-phone
Ruby Watson

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 all five (5) Commissioners were present. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

Mr. Kemper introduced himself as a newly appointed Board member. He advised that he was the Chief Executive Officer of Trust Neighborhoods, a non-profit which helps local and national neighborhood-based organizations establish mixed-income trusts to create their own

ownership groups in the face of gentrification. He added that he was looking forward to participating in future Board meetings as he became more knowledgeable about the LCRA.

2. **Administrative** - *Review and approval of Meeting Minutes for March 22, 2022 as presented (Ex. 2)*

ACTION TAKEN: APPROVED THE MINUTES FOR MARCH 22, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

Mr. Moyer asked that the Board consider the following item out of order.

3. **(4) Main Street - ABC/36 Block URA** –*Consideration of Proposed Urban Renewal Plan (Bob Long) (Ex. 4A-4B)*

➤ **Project Overview**

- Development consists of Project A (3240 and 3244 Main) and Project B (3620 Main) (*Long*)
- Both project areas are in distressed census tracts so tax abatement would be capped at 70% for 10 years (*Long*)
- Both project areas are tax credit projects, which exempts them from the prevailing wage and affordable housing requirements (*Long*)
- Developer met with the Hyde Park Neighborhood Association to discuss the projects (*Mayer*)
- ABC Building, 3244 Main
 - Developer is under contract with the owner (*Mayer*)
 - The State Historic Preservation Program (SHPO) is in the process of determining the building's historic value (*Mayer*)
- Anderson Building, 3240 Main
 - Interconnected with the ABC Building (*Mayer*)
 - First property in Kansas City to have electric cars which were being experimented with in the 1920s (*Mayer*)
- Plan's term should be modified to 15 years rather than the 10 years as originally proposed (*Long*)
 - Lengthening the term of the Plan allows time for the abatement to run its course without having to amend the Plan (*Long*)

➤ **Blight Study** [*All statements made by Mr. Sterrett, unless otherwise noted.*]

- Taxes last year for the eight (8) properties were just under \$83,000, none of which were delinquent
 - Total taxable assessed value last year was just over \$860,000
- Deterioration was a primary blighting factor within both project areas
 - Concrete structures, windows, and finishes had sustained significant damage in all of the buildings

- Damage from water intrusion will require extensive repair to the ABC building
- HTC systems have primarily been dismantled and were no longer operable
- Surface parking lots and sidewalks were also in poor condition
- Insanitary or unsafe conditions which endanger lives or property by fire or other causes were present in more than 50% of the area
- Neither the ABC or Henderson buildings have fire sprinklers
- Deterioration leads to economic liability and reduces negligible income due to low property assessment values

➤ **Request for Continuance**

- Taxing jurisdictions need to discuss the project more in-depth (*Pointer*)
- Approving the creation of the URA implies that the Board will approve the requested incentives (*Hazley*)
- Need more information about the project, such as rental rates, square footage, etc. (*Hazley*)
 - Developer has not yet determined prices for each building (*Mayer*)
 - ABC Building will probably be one-bedrooms, as it is a smaller facility, with rents under \$1,000 (*Mayer*)
 - Retail space in the Armory will probably be about \$12 to \$14 per square foot (*Mayer*)
 - ABC building will be oriented to single families because of size and capability (*Mayer*)
 - Developer's budget for the expansion of the armory building were provided as ranges as its numbers have not yet been finalized (*Mayer*)
- One month delay may not be sufficient for Developer to be able to provide enough information about where they are in the process (*Bough*)
 - SHPO has tentatively approved the historical designation of the armory building (*Mayer*)
 - Developer believes that its application to the Department of Economic Development for tax credits will proceed quickly (*Mayer*)
- In a footprint plan area like this, which is designed for one developer, project specifics can be integral to approval of the URA (*Moye*)
 - In a larger plan area, with multiple developers and projects, it might be more appropriate to move forward without project specifics (*Moye*)
 - May be feasible to ask for a continuance, especially for projects which still need additional outside information to determine their own costs (*Moye*)
- Any specific questions or comments from the Board or the taxing jurisdictions should be provided to staff for dissemination to the Developer (*Moye*)

ACTION TAKEN: TABLED UNTIL THE LCRA BOARD MEETING ON MAY 24, 2022. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

4. **Administrative.**

a. **Presentation by NeighborBuilt** (Dan Moye)

- **LCRA In-House Development Team** (*all statements made by Mr. Edwards unless otherwise noted*)
 - Proactive program able to rebuild low- to moderate-income communities
 - LCRA would not be limited to just issuing tax abatements
- **Attainable housing**
 - Plans are to build 250 attainable homes at a cost of about \$100,000,000 in private capital investment
 - Plans to make the neighborhood energy self-sufficient are also being discussed to keep utility costs low
 - By 2030, want to have 5,000 attainable units in the Kansas City metro area
 - Neighborhood used to have 15,000 homes but only 27 remain
 - 13,000 homes have been demolished in the last seven years
 - Target is to have 70% owner-occupied and 30% rental
 - Most thriving neighborhoods in Kansas City have a higher percentage of home ownership, who are able to support the surrounding amenities
 - East side is currently about 90% renter
 - Project's goal is to help existing homeowners keep and maintain their homes
 - East side was historically redlined and targeted as a rental area which increased its mobility and had a detrimental effect (*Hazley*)
 - Complete renovation of the east side should also include rental buildings due to their prevalence in the area (*Clark*)
 - Building more affordable housing on the east side is cost prohibitive due to increased costs from the City as well as suppliers (*Edwards/Clark*)
 - Only way to add more rental units is to add additional territory to the project
- **Neighborhood Improvement Fund**
 - Rebuilt communities would not only have more housing, but would be able to sustain themselves through a neighborhood improvement fund
 - Neighborhood would be able to support a grocery store as the units per acre would increase
- **LCRA Assistance**
 - Holding land while Developer acts as master developer

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON MAY 24, 2022**

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Tammy Henderson
David Kemper

Absent: Melissa Hazley

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

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Janice Bolin, Kansas City Public Library
Kevin Collison, CitySceneKC
Bruce Eddy, Community Mental Health Fund
Daniel Ferguson-Leon, UMKC
Tom Friestad, Kansas City Business Journal
Kevin Hardy
Bob Mayer, Exact Partners
Kathleen Pointer, KCMO Public School
Pat Sterrett, Sterrett Urban

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 four (4) of the five (5) Commissioners were present. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

2. Administrative - Review and approval of Meeting Minutes for April 26, 2022 as presented (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR APRIL 26, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

3. **Main Street - ABC/36 Block URA** –*Consideration of Proposed Urban Renewal Plan* (Bob Long) (Ex. 3A-3B)

➤ **Creation of proposed Urban Renewal Plans**

- Project was tabled from last month’s meeting to enable the Developers to respond to Board requests for additional information about the project (*Moye*)
 - Board members have not submitted any more questions since the Board’s April 2022 meeting (*Moye*)
 - Taxing jurisdictions were able to meet with the developer in the interim and have their questions answered (*Henderson/Moye*)
 - Developer advises that it will continue to meet with the taxing jurisdictions and neighborhood associations before presenting the project to the LCRA Board (*Mayer*)
- City Council has the final say to decide if the URA recommended to it by the LCRA or developers should be a target for urban development (*Moye*)
 - Council members Bough, Bunch, and Shields are believed to support the project (*Bough*)
- Developers are not guaranteed any incentives once the URA is created (*Moye*)

➤ **Project Overview**

- Project will include apartment units in the 65% to 75% AMI even though it is exempt from such requirements (*Moye*)

ACTION TAKEN: APPROVED THE FINDING OF BLIGHT IN THE PROPOSED MAIN STREET - ABC/36 BLOCK URBAN RENEWAL PLAN. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

APPROVED THE MAIN STREET - ABC/36 BLOCK URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 5-1-22)

4. **Administrative.**

a. **Presentation by Anne Jordan**

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE

b. **Executive Director’s Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 4B)

- **EDC Fiscal Year – May 1, 2021 to April 30, 2022**

- 18 projects were approved by the land development arm of the EDC for a \$426,000,000 total investment
- 14 of the 18 projects were approved by the LCRA
- 60% of the projects happened within the 3rd District, with the remaining projects mainly within the 4th District
- 3rd District projects were more neighborhood-oriented while those in the 4th District were the larger downtown projects
- 75% of the projects were within continuously distressed areas
- LCRA approved 113 single-family home tax abatements
- Presentation will be presented to the EDC Board and then to the City's Neighborhood Planning and Development Committee (*Bough/Moye*)
- EDC does not currently track projects by the developer's gender or race as the developer is usually a company rather than an individual (*Kemper/Moye*)
- Developers are almost evenly split between out-of-state and local entities (*Kemper/Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

EXECUTIVE SESSION

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

[The Board moved into closed session to discuss legal issues and other matters related thereto, pursuant to Sections 610.010 (1)(2)(3) RSMo]

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

Roll Call Vote to Move into Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Henderson	Aye
Mr. Kemper	Aye

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

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Henderson	Aye
Mr. Kemper	Aye

No action was taken in in closed session.

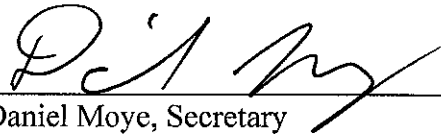
ACTION TAKEN: NONE; INFORMATIONAL ONLY

RESUME BUSINESS SESSION

6. **Adjourn.**

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





Daniel Moye, Secretary

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO-CONFERENCE MEETING

DATE: June 28, 2022
TIME: 10:00 a.m.
PLACE: 300 Wyandotte, 4th Floor
 Kansas City, Missouri

Join Online: [Join Zoom videoconference](#)
Meeting ID: 823 6891 7563
Passcode: 626057
Join by Phone: 1-312-626-6799

AGENDA

1. **Roll Call.**
2. **Administrative** - Review and approval of Meeting Minutes for May 24, 2022 as presented (Ex. 2)

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR MAY 24, 2022, AS PRESENTED

3. **Administrative.**

- a. **Presentation by Anne Jordan**

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- b. **Executive Director's Report** - Active Projects Tracking System Report (Dan Moye) (Ex. 3B)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- c. **Tax Abatements.** There were fourteen (14) tax abatements approved in May, 2022.

URA	Address	Applicant	Category	Type
Garfield	132 Brooklyn	Matthew & Megan Hamer	S/f Residential	Rehab
Habitat for Humanity II	2525 Olive	Antonio Waterhouse-Leal	S/f Residential	New
Indian Mound-Lykins	311 Chelsea	Sarah Kaldenberg	S/f Residential	Rehab
Indian Mound-Lykins	355 N. Lawn	George & Sandra Hague	S/f Residential	Rehab
Indian Mound-Lykins	3463 E. 7 th	Lykins NT Holdings, LLC	S/f Residential	Rehab
Indian Mound-Lykins	352 N. Van Brunt	JPC Property Holdings, LLC	S/f Residential	Rehab
Indian Mound-Lykins	806 Monroe	Lykins NT Holdings, LLC	S/f Residential	Rehab
Longfellow Dutch Hill	2701 Holmes	Skyline Homes KC, LLC	S/f Residential	New
Longfellow Dutch Hill	2705 Holmes	Skyline Homes KC, LLC	S/f Residential	New
Oak Park	3700 Bellefontaine	Hatley Distributing, LLC	S/f Residential	Rehab
Santa Fe Area Council	2955 E. 28 th	Amanda Kitchen	S/f Residential	Rehab

URA	Address	Applicant	Category	Type
Santa Fe Area Council	2645 Lockridge	Timothy & Nina Harris	S/f Residential	Rehab
Scarritt Renaissance II	3735 Garner	Lykins NT Holdings, LLC	S/f Residential	Rehab
Troost Paseo	4441 Tracy	Scott Sweet & Yukie Hiratsuka	S/f Residential	New

EXECUTIVE SESSION

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

RESUME BUSINESS SESSION

5. Adjourn.

CANCELLED

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON JULY 26, 2022

MINUTES

1. Roll Call.

Present: Andrea Bough
Melissa Hazley
Tammy Henderson
David Kemper

Absent: Rob Gardner

Staff: Dan Moye, LCRA
Bob Long, LCRA
Susan Tumey, LCRA
David Leader, EDC (*via Zoom*)
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Janice Bolin, Kansas City Public Library (*via Zoom*)
Tiana Caldwell, Gabriel Tenants (*via Zoom*)
Lance Carlton, 6410 Paseo Blvd, LLC (*via Zoom*)
Melissa Curl (*via Zoom*)
Joey Flickner, IUPAT DC (*via Zoom*)
Gabriel Tower Tenants (*via Zoom*)
Kevin Hardy (*via Zoom*)
Anne Jordan, Policy Director, Mayor's Office (*via Zoom*)

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:50 a.m. when Mr. Moye declared quorum as four (4) of the five (5) Commissioners were present.

2. Oak Park URA –3855 Woodland Avenue - *Amendment of Redevelopment Contract with HMC Holdings, LLC* (Bob Long) (Ex. 2A-2B)

➤ Project Overview

- Project was approved in 2019 by the prior LCRA Board (*Long*)
- Project consists of two vacant buildings on one parcel owned by the three-person developer HMC Holdings (*Long*)
 - HMC Holdings is not a traditional developer as their plans are to build an office for their own use (*Moye*)

- Third-party financial analysis for the initial project was not required per LCRA policy (*Long*)
 - Financial analysis performed by staff showed a need for the abatement (*Long*)

➤ **Board Considerations**

- Construction financing
 - Construction budget increase from \$400,000 in 2019 to about \$600,000 in 2022 seems insufficient (*Hazley/Long*)
 - Current costs have significantly increased because of covid and supply chain issues, so Developer is seeking additional funding (*Long*)
- Extension of Redevelopment Contract
 - Current agreement expired on June 30, 2021 (*Long*)
 - Staff believes that Developer should be able to obtain additional financing and complete the project (*Kemper/Long*)
 - Staff will provide more information on each individual comprising HMC Holdings and their initial application for abatement (*Hazley/Kemper/Long*)
 - City has not yet implemented a clawback process for developer agreements (*Lewis/Moye*)
 - LCRA has terminated previous redevelopment contracts for lack of progress (*Long*)
 - Granting extensions carries risks of developers abandoning half-finished projects which then become eyesores (*Lewis*)
 - Board could either approve the extension today, given the deadline is over a year old, or continue the matter to next month's meeting (*Moye/Engel*)

ACTION TAKEN: CONTINUED CONSIDERATION OF THE AMENDMENT OF THE REDEVELOPMENT CONTRACT WITH HMC HOLDINGS, LLC TO EXTEND THE PROJECT COMPLETION DEADLINE FOR ONE (1) MONTH TO THE BOARD'S SCHEDULED MONTHLY MEETING ON AUGUST 23, 2022. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 7-1-22*)

Mr. Moye asked that the Board consider the following item out of order.

3. **6434 Paseo URA – Brookside East Apartments (also known as BLVD 64 Apartments) – Consideration of Approval of Estoppel Certificate** (*Brian Engel*) (**Ex. 4A-4B**)

➤ **Estoppel Certificate**

- Sunflower Bank, developer's new lender requested the Estoppel Certificate to ensure that no defaults existed under the Redevelopment Contract (*Engel*)
 - Lender's attorney has approved the Certificate (*Engel*)
 - Request by a lender is fairly standard (*Engel*)
- Previous developer construction loan, which matured August 1, 2022, was refinanced with Sunflower Bank (*Carlton*)

ACTION TAKEN: APPROVED ESTOPPEL CERTIFICATE TO FACILITATE REDEVELOPER'S LOAN REFINANCING FOR THE PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (RES. NO. 7-2-22)

4. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 3A)

➤ **Gabriel Towers Update**

- Air Conditioning
 - Board previously found Developer in default based on claims of substandard conditions from the City and tenants (*Moye*)
 - Week-long air conditioning outages occurred again this summer so the City finally ordered Developer to purchase individual apartment units (*Moye*)
- MHDC
 - Developer hopes to receive MHDC tax credits by the end of this year to finance the project's renovation process in the third quarter (*Moye*)
 - MHDC approved funding to allow for a complete renovation of the property (*Moye/Lewis*)
- Developer Accountability
 - Healthy Homes should be notified if Developer refuses responsibility to fix existing maintenance issues (*Moye/Caldwell*)
 - Developer pays fines but refuses to make repairs so tenants must live with issues such as mold and rats (*Caldwell*)
 - LCRA should be provided with copies of Healthy Homes' reports and will also ask Developer to update the Board at next month's meeting (*Moye*)
 - LCRA enforcement options for breach of contract are essentially limited to returning title of the property to the Developer (*Moye*)
 - Staff will contact MHDC to determine if it has any influential power over the Developer (*Moye/Lewis*)
 - Forcing the Developer to sell the property would be a much slower process than exerting imminent financial influence (*Kemper/Lewis*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

➤ **Presentation by Anne Jordan** (*continued from June 28, 2022 LCRA Board meeting*)


- Mayor's policy director to speak with the Board about how the LCRA can sync with the Mayor's office on forthcoming initiatives (*Moye*)
- One of main directives is advancing housing affordability (*Jordan*)
 - Housing Trust Fund aids in subsidizing deeper affordability (*Jordan*)
 - LCRA and Chapter 353 tools can be used to supplement and incentivize affordability (*Jordan*)

- Standardization of policies across the different agencies can help to alleviate incentive shopping (*Kemper/Jordan*)
 - Definitions of and reasons for incentive stacking should be clear throughout the agencies (*Moye*)
- Super Board / By Right
 - Goal is for agencies to become more coordinated, direct, consistent, and equitable when awarding incentives (*Hazley/Jordan*)
 - Attempting to determine a good baseline incentive package should take into consideration where the project is located (*Jordan*)
 - Developers have no rights to incentives but could have an easier pathway for approval if they complied with certain requirements (*Jordan*)
 - Local buyers should be favored over non-local buyers (*Hazley/Jordan*)
 - Northland affordable housing issues include prices exceeding the incomes of younger buyers as well as an influx of institutional purchases (*Henderson*)
 - International investors buying American properties are a problem throughout the country and help to increase home values (*Lewis*)

5. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:40 a.m.





Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING**

DATE: August 23, 2022
TIME: 10:00 a.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

Join Online: [Join LCRA Zoom videoconference](#)
Meeting ID: 839 1536 3216
Passcode: 004651
By phone: (312) 626-6799

AGENDA

1. **Roll Call.**
2. **Minutes** - Review and approval of Meeting Minutes for July 26, 2022 as presented (**Ex. 2**)
3. **Oak Park URA –3855 Woodland Avenue** – Consideration of Amendment of Redevelopment Contract with HMC Holdings, LLC (Bob Long) (**Ex. 3A-3B**)
4. **The Cleveland Duplexes URA** – Consideration of Proposed First Amendment of The Cleveland Duplexes Urban Renewal Plan (Bob Long) (**Ex. 4**)
5. **Brittany Pointe Urban Renewal Area** – Approval of Termination of the Urban Renewal Plan (Bob Long)
6. **Infill Housing #217 - #220 Urban Renewal Area** – Approval of Termination of the Urban Renewal Plan (Bob Long)
7. **Administrative.**
 - a. **Executive Director’s Report** - Active Projects Tracking System Report (Dan Moye) (**Ex. 7A**)
 - b. **Tax Abatements.** There were ten (10) tax abatements approved in July, 2022.

EXECUTIVE SESSION

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

RESUME BUSINESS SESSION

9. Adjourn.

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON SEPTEMBER 27, 2022**

MINUTES

1. Roll Call.

Present: Andrea Bough
Melissa Hazley
Tammy Henderson
David Kemper (*via Zoom*)

Absent: Rob Gardner

Staff: Dan Moye, LCRA
Bob Long, LCRA (*via Zoom*)
Susan Tumey, LCRA
David Leader, EDC (*via Zoom*)
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Matt Coates, St. Michael's (*via Zoom*)
Daniel Ferguson-Leon, UMKC (*via Zoom*)
Joey Flickner, IUPAT DC (*via Zoom*)
Mark Jones, HMC Holdings (*via Zoom*)
Heather Laird, HMC Holdings (*via Zoom*)

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:00 a.m. on September 27, 2022 when Mr. Moye declared quorum as four (4) of the five (5) Commissioners were in attendance.

2. Minutes - Review and approval of Meeting Minutes for July 26, 2022 as presented (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR JULY 26, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. Seven Oaks Urban Renewal Plan – St. Michael's Veterans Center - Consideration of Phase III Incentives for Veterans Housing Project (Brian Engel) (Ex. 3A-3F)

➤ **Project Background**

- Mr. Engel stated that his sister is the Executive Director of St. Michael's Veterans Center and advised that the relationship was not a conflict of interest (*Engel*)

- The St. Michael's Veterans Center site was formerly known as Holy Temple Homes and was developed to provide housing and supportive services to military veterans (*Engel*)
 - Phase 1 began in 2011, when the EDC and LCRA issued a Request for Proposals for redevelopment of the Holy Temple Home Site (*Engel*)
 - Phases 1 and 2 have been completed and are now receiving LCRA tax abatement (*Engel*)
 - LCRA currently owns the property for Phase 3, which will house an additional 62 apartment units (*Engel*)
 - Court Order governed the transfer of the properties from HEDFC to the LCRA (*Engel*)
 - Phase 1 was completed in 2014 and has 58 affordable units set aside for veterans who have experienced homelessness (*Coates*)
 - 100% of the units are supported by project-based vouchers which makes them generally affordable to persons making below 30% AMI (*Coates*)
 - Phase 2 has 59 units and is also supported by vouchers for those making below 30% AMI (*Coates*)
 - Phase 2 includes the service support center as well as a community kitchen, fitness room, computer lab, theater, and coffee shop (*Coates*)
- **Developer Incentive Requests for Phase 3** (*All statements made by Mr. Engel, unless otherwise noted*)
- Sales Tax Exemption on Construction Materials (STECM)
 - New incentive for Phase 3
 - LCRA will own the property during construction, which, when complete, will transfer title to the developer and issue a tax abatement certificate
 - Issuance of LCRA bonds in the maximum amount of \$17,000,000 to facilitate the financing and construction of Phase 3
- **Board Considerations**
- Pedestrian traffic between the VA Hospital and St. Michael's may not be ideal as it is not a direct route and follows busy streets (*Kemper/Coates*)
 - Many residents of St. Michael's have their own vehicles and the VA Hospital is only two bus stops to the north (*Kemper/Coates*)
 - No residents have expressed concerns about accessing the VA Hospital to Mr. Coates (*Kemper/Coates*)
 - St. Michael's provides many services on campus, so that residents don't have to go to the VA for their case work needs (*Kemper/Coates*)
 - Neighborhood groups are highly supportive of the St. Michael's development (*Kemper/Coates*)
 - A large conference room at St. Michael's is available for neighborhood use (*Coates*)
 - The existing Second Amended and Restated Redevelopment Contract from 2015 will need to be amended to provide for the Phase 3 incentives (*Engel*)

- Bond documents and a lease between the LCRA and St. Michael's for the construction period are also included in the Board packet (*Engel*)

ACTION TAKEN: APPROVED RESOLUTION RATIFYING PREVIOUS APPROVAL OF TAX ABATEMENT FOR THE ST. MICHAEL'S VETERANS HOUSING AND SUPPORTIVE SERVICES PROJECT, INCLUDING PHASE III, AND APPROVING SALES TAX EXEMPTION ON PURCHASE OF CONSTRUCTION MATERIALS FOR PHASE III OF THE PROJECT IN ACCORDANCE WITH THE LEASE AGREEMENT AND AMENDED REDEVELOPMENT CONTRACT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 9-1-22*)

APPROVED RESOLUTION AUTHORIZING ISSUANCE OF BONDS IN MAXIMUM AMOUNT OF \$17 MILLION AND EXECUTION OF BOND AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF PHASE III OF THE ST. MICHAEL'S VETERANS HOUSING AND SUPPORTIVE SERVICES PROJECT WITHIN THE SEVEN OAKS URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 9-2-22*)

4. **Oak Park URA –3855 Woodland Avenue** – *Consideration of Amendment of Redevelopment Contract with HMC Holdings, LLC* (Bob Long) (**Ex. 4A-4B**)

➤ **Project Overview**

- Project consideration continued from the July 26, 2022 Agenda (*Long*)
- Developer HMC Holdings has already purchased the property and plans to rehab it into two office spaces for their existing individual businesses (*Long*)
 - Developer bought the property because of its location and purchase price (*Hazley/Laird*)

➤ **Project Financing**

- Project costs have increased causing developer to seek additional funding and partnerships (*Jones*)
- Renovation costs continue to be revised as the economy continues to increase (*Kemper/Jones*)
- Developer continues to maintain the property while they seek further capital (*Laird*)
- Developer has also considered developing the project in phases as a method to manage costs (*Laird*)
- The bank required additional partners or funding as project costs have now exceeded the Developer's approved loan amount (*Hazley/Jones*)
- New Market Tax Credits, Rebuild KC grants, 8¢ sales tax should be considered as possible funding sources (*Kemper/Jones/Laird*)

ACTION TAKEN: APPROVED AMENDMENT OF THE REDEVELOPMENT CONTRACT WITH HMC HOLDINGS, LLC TO EXTEND THE PROJECT COMPLETION DEADLINE TO DECEMBER 31, 2023 FOR THE COMMERCIAL ACQUISITION AND RENOVATION PROJECT AT 3855 WOODLAND AVENUE IN THE OAK PARK URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 9-3-22)

5. **Brittany Pointe Urban Renewal Area** – *Approval of Termination of the Urban Renewal Plan* (Bob Long)

- Brittany Pointe URA is completely within the boundaries of the Marlborough Community Coalition URA (*Long*)
 - Properties within the Brittany Pointe URA would therefore remain eligible for tax abatement as they would remain within a URA (*Long*)

ACTION TAKEN: APPROVED THE TERMINATION TO THE BRITTANY POINTE URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (RES. NO. 9-4-22)

6. **Infill Housing #217 - #220 Urban Renewal Area** – *Approval of Termination of the Urban Renewal Plan* (Bob Long)

- URA Plan was created to help with infill housing by Westside Housing (*Long*)
- Houses have been built and their tax abatements have expired (*Long*)

ACTION TAKEN: APPROVED THE TERMINATION TO THE INFILL HOUSING #217 - #220 URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (RES. NO. 9-5-22)

7. **Administrative.**

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

ACTION TAKEN: NONE; INFORMATIONAL ONLY

EXECUTIVE SESSION

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

[The Board moved into closed session to discuss legal issues and other matters related thereto, pursuant to Sections 610.010 (1)(3) RSMo]

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

Roll Call Vote to Move into Executive Session

Ms. Bough	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye
Mr. Kemper	Aye

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

Ms. Bough	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye
Mr. Kemper	Aye


No action was taken in closed session.

RESUME BUSINESS SESSION

9. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:30 a.m.




Daniel Moye, Secretary

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON OCTOBER 27, 2022**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Absent: David Kemper

Staff: Dan Moye, LCRA
Bob Long, LCRA (*via Zoom*)
Susan Turney, LCRA
David Leader, EDC (*via Zoom*)
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Brian Collins, Dromara Development, LLC (*via Zoom*)
Andrea Dorch, CREO (*via Zoom*)
Jean Hardwick, PG/PNG, LLC (*via Zoom*)
Jean Matzeder (*via Zoom*)
Robb Preston, AV-RH JV LLC (*via Zoom*)

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:00 a.m. on October 27, 2022 when Mr. Moye declared quorum as three (3) of the five (5) Commissioners were in attendance.

2. **Minutes** - *Review and approval of Meeting Minutes for September 27, 2022 as presented (Ex. 2)*

ACTION TAKEN: APPROVED THE MINUTES FOR SEPTEMBER 27, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

3. **33rd & Montgall URA** - *Consideration of Bond Authorizing Resolution for Multifamily Project (Palestine Gardens Apartments) (Brian Engel) (Ex. 3A-3K)*

➤ **Project Overview**

- Purpose of project is preservation and rehabilitation of 118 apartment units reserved for very low-income residents, ages 62 and over (*Engel*)

- Funding for the project includes LIHTC tax credits, the Kansas City, Missouri Housing Trust Fund, and the issuance of tax-exempt bonds by the LCRA (*Engel*)
- Documents include: (*Engel*)
 - Trust Indenture – LCRA and UMB Bank as Bond Trustee
 - Loan Agreement – LCRA and PG/PGN, LLC
 - Tax Compliance Agreement – LCRA, PG/PGN, LLC, and UMB Bank
 - Bond Purchase Agreement – LCRA, PG/PGN, LLC, and Legacy Bank
 - Redevelopment Contract – LCRA and PG/PGN, LLC
 - Release of Redevelopment Contract dated August 2, 1996 – LCRA and Community Development Corporation
 - Certificate of Completion – LCRA and PG/PGN, LLC relating to the 1996 Redevelopment Contract
- Dromara Development, LLC
 - Acts as consultant to the Palestine Economic Development Corp. (*Collins*)
 - Original development built in 1997, with the addition of Senior Activity Center and Commons added in 2012 (*Collins*)
 - A 39-bed assisted living facility will be constructed concurrently with the rehabilitation of the two buildings (*Collins*)
 - Average age of residents is 79 (*Collins*)
 - Rents are based on the resident’s income (*Collins*)
 - Comprehensive relocation plan entails moving all residents from one building at a time to a nearby location during the 6-to-8-month construction period (*Collins*)

➤ **Board Considerations**

- LCRA Board and many other departments, including the City, have previously reviewed and supported the project (*Bough*)
 - This meeting involves approving the bond documents (*Bough*)

ACTION TAKEN:

(1) RATIFIED APPROVAL OF PG/PGN LP AS SELECTED REDEVELOPER TO UNDERTAKE THE PROJECT. MOTION MADE BY Ms. BOUGH, SECONDED BY Ms. HENDERSON AND CARRIED UNANIMOUSLY.

(2) APPROVED RESOLUTION AUTHORIZING ISSUANCE OF BONDS IN MAXIMUM AMOUNT OF \$11 MILLION AND EXECUTION OF BOND AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF THE PROJECT WITHIN 33RD AND MONTGALL URBAN RENEWAL AREA. MOTION MADE BY Ms. BOUGH, SECONDED BY Ms. HENDERSON AND CARRIED UNANIMOUSLY. (*RES. NO. 10-1-22*)

(3) APPROVED RESOLUTION RELEASING AND TERMINATING REDEVELOPMENT CONTRACT DATED AUGUST 2, 1996. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON AND CARRIED UNANIMOUSLY. (RES. NO. 10-2-22)

4. **Switzer-West Schools Urban Renewal Area** - *Consideration of Assignment, Assumption and Amendment of Redevelopment Contract* (Brian Engel) (Ex. 4A-4C)

➤ **Project Overview**

- LCRA and Switzer Apartments, LLC (“Seller”) entered into a redevelopment contract in 2015 to rehab the former school into 114 market rate apartments (Engel)
 - The project was completed and a Certificate of Qualification for Tax Abatement was issued in 2017 (Engel)

➤ **Assignment, Assumption and Amendment of Redevelopment Contract**

- AV-RH JV LLC (“Buyer”), a joint venture between Alchemy Ventures and RockCrest Holdings, intends to purchase the project (Engel)
- Buyer and Seller requested that the LCRA consent to the assignment of the redevelopment contract to the buyer (Engel)
 - Buyer will also assume all of Seller’s obligations under the Redevelopment Contract to maintain the project (Engel)
- Buyer will also enter into a new Funding Agreement to pay all costs and expenses incurred by the Project since the date of the Assignment (Engel)
- The buyer has also purchased approximately 1,500 units in Kansas City in recent years
- The Assignment continues to be negotiated but the agreement is close to being finalized (Engel)
 - Buyer’s lender has requested a Collateral Assignment of the Redevelopment Contract

ACTION TAKEN: APPROVED ASSIGNMENT, ASSUMPTION AND AMENDMENT OF REDEVELOPMENT CONTRACT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON AND CARRIED UNANIMOUSLY. (RES. NO. 10-3-22)

5. **Administrative.**

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

➤ **Tax Abatement for investor-owned single-family properties**

- LCRA’s current policy allows owner-occupied and local investors to qualify for the single-family tax administrative grant of abatement (Moye)

- Staff has recently received requests from several institutional investors, which own hundreds of homes, about the single-family process (*Moye*)
 - Granting abatement to investor-owners could allow them to purchase homes at cheaper rates than homeowners (*Moye*)
- Board considerations
 - To keep our neighborhoods strong, investors should not be given single-family abatement (*Henderson*)
 - Investors should have to seek Board approval to obtain the abatement, which would allow the Board to assess certain restrictions (*Bough*)
 - Viewing investor-owned homes as individual properties or as a group could determine if restrictions such as prevailing wage would apply (*Moye*)
 - Staff will advise investor-owner groups that a different process with restrictions will occur if they pursue a larger portfolio (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- **Cleveland Duplexes URA – Cleveland Duplexes – Project Update** (Dan Moye)
 - MHDC has placed new restrictions on the payment bond and the term of the abatement which have delayed closing the project (*Moye*)
 - MHDC advises that the new restrictions stem from the unique, never been seen before, abatement and financing for the project (*Moye*)
 - Restrictions imposed by MHDC on the project are existing requirements, the interpretation of which are based on this specific situation (*Lewis*)
 - Developer has progressed a long way into the project and needs a MHDC decision quickly (*Lewis*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- **Central Business District URA - 906 Grand Hotel** – Project Update (Dan Moye)
 - Issues arose when the developer believed their goals had been set one way and the CREO office believed the goals had been set differently (*Moye*)
 - Developer and CREO have agreed that the developer can appeal their goal issues through normal procedures (*Moye*)

EXECUTIVE SESSION

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

[The Board moved into closed session to discuss legal issues and other matters related thereto, pursuant to Sections 610.010 (1)(3) RSMo]

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

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. Bough and seconded by Ms. Henderson

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

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


ACTION TAKEN: NONE; INFORMATIONAL ONLY

RESUME BUSINESS SESSION

7. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:45 a.m.





Daniel Moye, Secretary

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON DECEMBER 12, 2022

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Tammy Henderson
David Kemper
Melissa Patterson-Hazley

Staff: Dan Moye, LCRA
Bob Long, LCRA (via Zoom)
Susan Tuney, LCRA
Steven Anthony, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Craig Blockwick (via Zoom)
Sean Carroll (via Zoom)
Kevin Collison (via Zoom)
Tom Denaway, Baker Tilly (via Zoom)
Daniel Ferguson-Leon (via Zoom)
Joey Flickner, IUPAT DC (via Zoom)
Tom Friestad, KC Business Journal (via Zoom)
Robin Martinez (via Zoom)
Bob Mayer (via Zoom)
Pat Sterrett (via Zoom)
Joey Taylor, DC3 (via Zoom)

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:00 a.m. on December 12, 2022 when Mr. Moye declared quorum as three (3) Commissioners were in attendance. (Ms. Henderson arrived at approximately 10:30 a.m.) The December 12, 2022 meeting was intended to replace the November and December 2022 individual monthly meetings.

2. Minutes

- a. Review and approval of Meeting Minutes for October 27, 2022 as presented (Ex. 2A)

ACTION TAKEN: APPROVED THE MINUTES FOR OCTOBER 27, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MR. KEMPER, AND CARRIED UNANIMOUSLY.

- b. Review and approval of Meeting Minutes for May 24, 2022, as presented (**Ex. 2B**)

ACTION TAKEN: APPROVED THE MINUTES FOR MAY 24, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MR. KEMPER, AND CARRIED UNANIMOUSLY.

3. **Central Business District URA – Historic rehabilitation of 802 Broadway Boulevard for mixed uses** – *Consideration of Approval of a Redevelopment Contract with EXACT 802, LLC (Bob Long) (Ex. 3A-3G)*

➤ **Project Overview**

- Known as the Isaac's Building or the Carnival Building, located on the southwest corner of West 8th and Broadway (*Long*)
- Historic rehab of the commercial building into 39 loft style apartments and @ 4,300 square feet of retail and restaurant space (*Long*)
- Rents
 - 12 units will be studios, 1 bath, with rents of @ \$945 a month (*Long*)
 - 21 units will be one-bedroom, 1 bath, with monthly rents of @ \$1,195 (*Long*)
 - 6 units will be two-bedroom, 2 bath, with monthly rents of @ \$1,425 (*Long*)
- Affordability
 - Studios are affordable to households at 67% of area median income (*Long*)
 - One- and two-bedroom units are affordable to households at 77% of area median income (*Long*)
 - All units are below 80% of the area median income (*Long*)
- Cost estimate for project is \$9.8 Million (*Long*)
- Historic rehab projects are not subject to the City's 70% cap ordinance or its prevailing wage or 20% affordable housing requirements (*Long*)
 - Developer has requested 10 years of abatement at 75% (*Long*)

➤ **Financial Analysis**

- Project would not likely be completed without assistance (*Denaway*)
- Rate of return with assistance is 6.57% and without assistance is 5.91% (*Denaway*)
 - 5.91% is at the low end of the 4.75% and 10.00% desired return (*Denaway*)
 - 6.57% was preferred as it was nearer the average of the desired return (*Denaway*)
- Stabilization is a one-year test based on the second year of the project (*Kemper/Denaway*)

- Deferring a larger portion of the developer’s fee would lower the amount of equity provided by the historic tax credit program (*Kemper/Denaway*)
 - Deferment of the developer’s fee is an additional reserve and was a requirement of the lender (*Mayer*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 75% FOR 10 YEARS FOR THE 802 BROADWAY MIXED-USE PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MS. HAZLEY	ABSTAINED
MS. HENDERSON	AYE
MR. KEMPER	AYE

APPROVED A REDEVELOPMENT CONTRACT WITH EXACT 802, LLC FOR THE 802 BROADWAY MIXED-USE PROJECT IN THE CENTRAL BUSINESS DISTRICT URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MS. HAZLEY	ABSTAINED
MS. HENDERSON	AYE
MR. KEMPER	AYE

(RES. NO. 12-1-22)

4. **Central Business District URA – 900 Broadway / Hyatt House Hotel** – *Consideration of Assignment of LCRA Incentives to New Redeveloper* (Brian Engel) (Ex. 4)

➤ **Overview**

- The original Redeveloper began construction of the extended stay hotel in December, 2019 (*Engel*)
 - Original Redeveloper consists of 900 Broadway KC Development Co., LLC, Oak Holdings LLC and REMSK, LLC (*Engel*)
- Construction halted in March 2020 because its lender defaulted and failed to fund the project (*Engel*)
 - Numerous mechanic’s lien and other related claims have been filed by several parties (*Engel*)
- Original Redeveloper is working with HH KC Partners, LLC, the New Redeveloper, to obtain a new construction loan (*Engel*)
 - New Redeveloper is a joint venture of O’Reilly Hospitality Management, LLC and Lotus Holdings, LLC (*Engel*)

➤ **Assignment**

- Assignment of the project's previously approved tax incentives to the New Redeveloper is a key condition to its efforts to obtain construction financing (*Martinez*)
 - Approval of the assignment is subject to several conditions, primarily the New Developer's ability to obtain financing for the project (*Engel*)
- Potential lenders for the New Redeveloper mainly want assurances that the previously approved incentive structure will remain (*Bough/Martinez*)
- Original Redeveloper's contracts with the LCRA will not be assigned to the New Redeveloper, which would enter new Redevelopment Contract and leases (*Bough/Engel*)
 - The Board will be asked to approve the new contracts and agreements once they are finalized (*Engel*)
 - LCRA's redevelopment contract with the Original Redeveloper remains in effect (*Bough/Engel*)
 - Original Redeveloper issued a force majeure notice (*Martinez*)
- Original Redeveloper and New Redeveloper have an agreement in principle with sub/contractors to accept a partial settlement of their claims to give New Developer time to obtain new financing (*Blockwick*)

[The vote to approve Res. No. 12-2-22 occurred immediately following resumption of the open business session.]

5. **Administrative.**

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

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- b. **Administrative** - *Affirmative Action Report* (Sandra Rayford) (Ex. 5B)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- c. **Historic Manheim Park Neighborhood Association** (Bill Drummond)

This item will be continued to the next available meeting as Mr. Drummond was not in attendance at today's meeting (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

EXECUTIVE SESSION

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

[The Board moved into closed session to discuss legal issues and other matters related thereto, pursuant to Sections 610.010 (1)(2) RSMo]

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

Roll Call Vote to Move into Executive Session

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

ACTION TAKEN IN CLOSED SESSION: NONE; INFORMATIONAL ONLY

RESUME BUSINESS SESSION

Motion to move out of Executive Session made by Ms. Bough and seconded by Ms. Henderson

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

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

ACTION TAKEN IN OPEN SESSION: APPROVED ASSIGNMENT OF PREVIOUSLY APPROVED TAX INCENTIVES TO NEW REDEVELOPER, SUBJECT TO SATISFACTION OF CERTAIN CONDITIONS AND REQUIREMENTS OUTLINED IN THE RESOLUTION. MOTION MADE BY MS. BOUGH, SECONDED BY MS. PATTERSON-HAZLEY. (RES. NO. 12-2-22)

7. **Adjourn.**

There being no further business, the meeting adjourned at approximately 12:00 p.m.





Daniel Moye, Secretary