

CHAPTER 353 BOARD MEETING

AGENDA

DATE: November 20, 2019
TIME: 9:15 a.m.
PLACE: 300 Wyandotte, 2nd Floor
Kansas City, Missouri

1. **Roll Call.**
2. **Administrative** - *Review and approval of Meeting Minutes for October 23, 2019 (Ex. 2)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR OCTOBER 23, 2019
AS PRESENTED

3. **Beacon Hill Redevelopment Area** – *Consideration of and Public Hearing on Proposed Third Amendment to Beacon Hill Chapter 353 Plan* (Representatives of EDCKC, City and Redeveloper) (Ex. 3A-3B)

Area Description: An approximately 94-acre tract of land generally bounded by 22nd Street on the north, Bruce R. Watkins Drive and The Paseo on the east, 27th Street and approximately 100 feet south of 27th Street at Troost Avenue on the South, and Troost Avenue and approximately 150 feet west of Troost Avenue at 27th Street on the west.

Plan Intro: Beacon Hill Redevelopment Corporation (“Redeveloper”), at the request of the City of Kansas City, Missouri (“City”), is proposing the Third Amendment to extend the phasing schedule under the current Chapter 353 Plan to coincide with the termination date of a “Memorandum of Agreement for the Completion of Activities Under Federal Receivership and Ongoing Administration of the CDBG and HOME Programs” (the “HUD MOA”) with the Department of Housing and Urban Development (“HUD”).

Background: On August 1, 2000, Redeveloper and the Housing and Economic Development Financial Corporation (“HEDFC”) entered into a Predevelopment Services Agreement (the “2000 Predevelopment Agreement”) wherein Redeveloper agreed to undertake various predevelopment activities in Beacon Hill, and HEDFC, the majority owner of Beacon Hill.

On November 30, 2001, the City approved the original Beacon Hill Redevelopment Plan for the Beacon Hill Redevelopment Area, an approximately 94-acre project. On June 3, 2002, the Beacon Hill Redevelopment Corporation (the “Redeveloper”) entered into a contract with the City (the “Original 353 Contract”) to implement the Original 353 Plan. The Original 353 Contract contemplated that the Redeveloper would serve as a master developer to implement the redevelopment projects of property owners in the Redevelopment Area, pursuant to the execution of parcel development agreements.

By 2004, Redeveloper had completed many of the predevelopment activities contemplated by the 2000 Predevelopment Agreement with HEDFC and the Original 353 Plan. Shortly thereafter, HEDFC was placed into a federal receivership under Order dated May 16, 2005, by the United States District Court for the Western District of Missouri, Western Division (the “Court”), Case No. 05-00368-CV-W-GAF. As a part of the receivership, the City imposed, and required HEDFC to impose, restrictive covenants upon the Redevelopment Area, to require implementation of the Original 353 Plan. In 2009, the Redeveloper proposed an amendment and restatement of the Original 353 Plan to allow for the development of workforce house by the Housing Authority of Kansas City, Missouri (the “Amended and Restated 353 Plan” or “353 Plan”). The Amended and Restated 353 Plan also recognized the impediments the receivership created, and modified the phasing schedule to tie it to a period following the termination of the receivership. On September 10, 2009, the City adopted Ordinance No. 090770 to renew the blight determination of the Redevelopment Area and approve the Amended and Restated 353 Plan.

On April 1, 2013, the City of Kansas City, Missouri entered into a 10-Year Memorandum of Agreement (the “MOA”) with the Department of Housing and Urban Development (“HUD”). The City’s execution of the MOA was a requirement for ending the federal court’s receivership of HEDFC.

The MOA requires the City to complete various urban housing projects and activities, until the MOA expires on April 1, 2023 or later, if HUD determines that additional time is needed to perform the obligations under the MOA. The locus of many of those requirements is the “Greater Downtown Strategy Area” which includes, specifically by name, the neighborhood which is the subject of the Beacon Hill Chapter 353 Redevelopment Plan.

Since 2013, in furtherance of the MOA, the City has worked with various public agencies, the Redeveloper and private developers, to implement the Beacon Hill 353 Plan, so the City could demonstrate progress toward achieving the performance measures and milestones delineated in the MOA. The ability to leverage the tools available from the Beacon Hill 353 Plan has been key to the City’s success.

In 2014, the 353 Plan was amended to allow for the development of a student housing facility by the University of Missouri-Kansas City. In 2017, the 353 Plan was further amended to allow for the construction of a 93-room limited service hotel and amenities. In addition, throughout the duration of the Beacon Hill Redevelopment project, the City Council has approved urban redevelopment district rezoning and plats, and various lot reconfigurations and density changes have been administratively approved by the Director of City Planning and Development. Currently, the Redeveloper, pursuant to numerous service contracts, continues to act merely as a master service provider to the City in connection with implementation of the 353 Plan.

The HUD MOA requires that the City continue to implement the Beacon Hill 353 Plan, at least until April 1, 2023, and perhaps longer, if HUD determines the MOA has not been fully performed. If the Beacon Hill 353 Plan were to expire, the City’s redevelopment efforts could be hampered which, in turn, could give rise to questions about its performance under the MOA. Because of the material legal implications to the City if the

Beacon Hill 353 Plan expires before the MOA is complete, the City has requested that the Redeveloper submit a third amendment to the 353 Plan to extend the expiration date so that the phasing schedule corresponds with the expiration of the MOA. The proposed Third Amendment will also bring the 353 Plan into line with the underlying UR development plan.

On October 23, 2019, the Redeveloper, at the request of the City, appeared before the Board to informally present a request for a recommendation in support of a proposed Third Amendment to the Amended and Restated Development Plan of Beacon Hill Redevelopment Corporation to extend the expiration date of the 353 Plan to correspond to the MOA Termination Date and to bring the 353 Plan into line with the underlying UR development plan. The Board expressed unanimous support for the proposed Third Amendment, but, due to published notice time constraints, was unable to make a formal recommendation at that time.

On October 31, 2019, the Redeveloper, at the request of the City, submitted the proposed Third Amendment to the Amended and Restated Development Plan of Beacon Hill Redevelopment Corporation, prepared in accordance with the Act and Chapter 74, which proposed Third Amendment was revised and resubmitted on November 20, 2019 (together, the “Third Amendment”).

All notices required to be published or given by the Board with respect to the proposed Third Amendment have been given and/or published. EDC staff has reviewed the proposed Third Amendment and believes it to be complete and accurate.

ACTION RECOMMENDED: APPROVAL OF A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL APPROVE THE THIRD AMENDMENT TO THE BEACON HILL CHAPTER 353 PLAN

4. **Administrative** – *Executive Director’s Report* (Dan Moye) (**Ex. 4**)

ACTION RECOMMENDED: NONE; DISCUSSION PURPOSES ONLY

EXECUTIVE SESSION

5. Consideration of legal or real estate matters, pursuant to Section 610.021(1), RSMo, in closed session, if necessary. (Chair)

ADJOURN

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