
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY

BOARD MEETING AGENDA

DATE: August 22, 2018

TIME: 9:30 a.m.

PLACE: Jackson Room, 17th Floor, Town Pavilion
1100 Walnut, Kansas City, Missouri

1. **Roll Call.**
2. **Administrative** – *Review and Approval of Meeting Minutes for July 25, 2018 (Ex. 2)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR JULY 25, 2018,
AS PRESENTED.

3. **Financial** – *Review of Financial Report (Lee Brown)*

Mr. Brown will give a brief overview of the status of the financial report and the audit for fiscal year 2017.

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

4. **Hospital Hill Urban Renewal Area** - *Consideration of Termination and Release of Contracts to Sell and Purchase – TMC Medical Office Building (Ex. 4A-4E) (Brian Engel)*

On December 20, 1967, LCRA and Brothers of Mercy, Inc., a Missouri benevolent corporation (“Brothers of Mercy”), entered into the Contract to Sell and Purchase (“Brothers of Mercy Contract”), regarding the acquisition and redevelopment of property within the Hospital Hill Urban Renewal Area. On May 24, 1974, LCRA and Kansas City General Hospital and Medical Center, Inc., a Missouri nonprofit corporation (“KC General”), entered into the Contract to Sell and Purchase (“KC General Contract”) regarding the acquisition and redevelopment of property within the Hospital Hill Urban Renewal Area.

Truman Medical Center, Incorporated (“TMC”) is the current owner of the property and the successor in interest to the contracts. TMC intends to build a medical office building on the property located at the southeast corner of the intersection of 22nd Street and Charlotte Street and parking garage improvements at the southwest corner of the intersection to serve the new building and other existing buildings. TMC requests that LCRA release the contracts to clear them as title encumbrances in connection with a financing closing for the project. The new medical office building will replace an outdated building that has been demolished in preparation for the project. TMC is not seeking any incentives or services from LCRA for the project.

ACTION RECOMMENDED: APPROVE TERMINATION AND RELEASE OF
CONTRACTS TO SELL AND PURCHASE.

5. **Blue Valley Urban Renewal Area** – *Selection of Redeveloper for Contract to Acquire and Transfer Property for Redevelopment Project (Ex. 5)* (Brian Engel)

The City owns property within the Blue Valley Urban Renewal Area and intends to transfer the property LCRA for ultimate transfer to a developer to facilitate a redevelopment project on the triangle-shaped site, which is generally bounded by Highway 40 on the north and west, the Big Blue River on the east, and Interstate 70 on the south and west. LCRA published a request for redevelopment contract proposals for redevelopment of the site, subject to the conditions listed in the RFP.

In coordination with the City, LCRA desires to select a redeveloper to implement the project and to authorize LCRA, upon advice of counsel, to negotiate such purchase agreements, development agreements, and such other agreements or documents as deemed necessary or desirable to implement the project. Final agreements and documents will be presented to LCRA for approval at a later meeting.

ACTION RECOMMENDED: SELECT REDEVELOPER OF PROJECT WITHIN BLUE VALLEY URBAN RENEWAL AREA AND AUTHORIZE LCRA AND LEGAL COUNSEL TO NEGOTIATE AGREEMENTS AND DOCUMENTS WITH THE CITY AND THE DEVELOPER AS NEEDED.

6. **Hospital Hill II Urban Renewal Area** - *Consideration of Termination and Release of Redevelopment Contract – Charlie’s House, Inc. (Ex. 6A-6C)* (Brian Engel)

LCRA, MBA Properties, a Delaware corporation, and McCormack Baron & Associates, Inc., a Missouri corporation (collectively, “Original Redeveloper”), entered into the Redevelopment Contract dated October 25, 1989, as amended on August 28, 1990 and restated on February 21, 1991 (“Original Redevelopment Contract”) for redevelopment of certain property located within the Hospital Hill II Urban Renewal Area. It appears that the Original Redeveloper subsequently decided not to acquire the property identified in the Original Redevelopment Contract and the City requested that LCRA (i) transfer a portion of the property to the City, upon which the City built the Health Department building located at 2400 Troost Avenue, and (ii) transfer the remainder of the property to Truman Medical Center, Incorporated (“TMC”).

To effectuate an assignment of development rights under the Original Redevelopment Contract, the parties entered into the following agreements: (i) Amendment to Redevelopment dated August 3, 1995, between LCRA and the Original Redeveloper; (ii) Assignment of Redevelopment Rights and Consent to Transfer of Land dated August 3, 1995, between LCRA and the Original Redeveloper; (iii) Acceptance of Assignment of Redevelopment Rights dated August 9, 1995, executed by TMC; and (iv) Amended and Restated Redevelopment Contract dated August 9, 1995 between LCRA and TMC (collectively, “Redevelopment Contract”). The property subject to the Redevelopment Contract is the site of the Center for Behavioral Medicine (formerly the Western Missouri Mental Health Center) located at 100 E. 24th Street and owned by the State of Missouri. The City owns the block immediately south of the state’s property, which is known as Lot 1, KANSAS CITY HEALTH DEPARTMENT, a subdivision in the City of Kansas City, Missouri (“Lot 1”) and is the site of the City’s Health Department building. The City has

agreed to enter into a ground lease with Charlie's House, Inc., a Kansas non-profit corporation ("Charlie's House"), for a portion of Lot 1 for construction of a demonstration house for children's safety issues, which ground lease contemplates collaboration with Turn the Page KC, Inc., a Missouri non-profit corporation, of an existing building on Lot 1 formerly known as 2401 Campbell Street, now known as 900 E. 24th Terrace, as more specifically described in Ordinance No. 180414 passed June 7, 2018 and Ordinance No. 180537 passed August 2, 2018.

To facilitate the transaction with Charlie's House, the City has requested that LCRA and TMC release the Redevelopment Contract as an encumbrance against the property. No LCRA incentives or services are being sought for the project.

ACTION RECOMMENDED: APPROVE TERMINATION AND RELEASE OF REDEVELOPMENT CONTRACT.

7. **6434 Paseo Urban Renewal Area** – *Consideration of Bond Authorizing Resolution for Multi-Family Project (Brookside East Apartments) (Ex. 7A-7I) (Brian Engel)*

In July, LCRA selected 6410 Paseo Blvd, LLC, a Missouri limited liability company (the "Company"), as redeveloper to implement a redevelopment project within the 6434 Project Area consisting of acquisition and construction of an approximately 96,443 square foot, 82-unit age-restricted (senior) apartment building with parking and other related improvements located at 6404 Paseo Boulevard (the "Project").

The Company has requested that LCRA (i) issue taxable bonds in a principal amount not to exceed \$14,500,000 to finance the Project, (ii) acquire the Project and related property upon which the Project is to be built and lease the property to the Company during the construction period for the Project, (iii) grant a sales tax exemption incentive on construction materials to facilitate construction of the Project on behalf of LCRA, and (iv) transfer title to the Project and related property back to the Company and grant tax abatement to the Company upon completion of the Project as provided in the Redevelopment Contract, all for the purpose of eliminating blighting conditions found to exist in the Project Area and in accordance with and pursuant to the LCRA Act and subject to the terms and conditions of the following LCRA documents,

(a) Trust Indenture (the "Indenture") between LCRA and Commerce Bank, as corporate trustee (the "Bond Trustee"), providing for the issuance of the bonds and setting forth the terms and provisions applicable to the bonds, including a pledge and assignment by LCRA of the Trust Estate to the Bond Trustee for the benefit and security of the owners of the bonds upon the terms and conditions as set forth in the Indenture,

(b) Lease Agreement (the "Lease Agreement"), between LCRA and the Company, under which LCRA will make the proceeds from the sale of the bonds available to the Company for the purposes described in this Resolution in consideration of payments which will be sufficient to pay the principal of, redemption premium, if any, and interest on the bonds as set forth in the Lease Agreement,

(c) Bond Purchase Agreement (the "Purchase Contract"), among LCRA, the Company, and the Company as purchaser of the bonds ("Purchaser"), under which LCRA

agrees to sell the bonds to the Purchaser upon the terms and conditions as set forth in the Purchase Contract,

(d) Sale/Leaseback and Redevelopment Contract (“Redevelopment Contract”), between LCRA and the Company under which the Company will implement the Project and LCRA will provide certain assistance and incentives to facilitate the Project, including acquiring the property from the Company and leasing it back to the Company under the Lease Agreement,

(e) Such other related documents necessary to complete the planned transactions, including documents required by the Company’s lender.

ACTION RECOMMENDED: APPROVE RESOLUTION AUTHORIZING ISSUANCE OF BONDS IN MAXIMUM AMOUNT OF \$14,500,000 AND EXECUTION OF BOND AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF MULTI-FAMILY PROJECT WITHIN 6434 PASEO URBAN RENEWAL AREA.

8. **Administrative.**

- a. **Executive Director’s Report** - *Active Projects Tracking System Report (Ex. 8A)* (Greg Flisram)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- b. **Beacon Hill** – *Consideration of Amendment No. 5 to Development Agreement for Services between the City, Authority, and Beacon Hill Developers, LC (Ex. 8B)* (Greg Flisram)

ACTION RECOMMENDED: APPROVAL OF AMENDMENT NO. 5 TO DEVELOPMENT AGREEMENT

- c. **Affirmative Action Report** (Ex. 8C) (Sandra Rayford)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- d. **Tax Abatements** – There was one (1) tax abatement approved in July, 2018.

URA	Address	Applicant	Category	Type
Columbus Park	1122 E. Missouri Avenue	George & Sandra Hague	S/F Residential	Rehab

EXECUTIVE SESSION

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

RESUME BUSINESS SESSION

10. Adjourn.