
BOARD MEETING MINUTES

DATE: July 25, 2018
TIME: 9:30 a.m.
PLACE: Jackson Room, 17th Floor, Town Pavilion
1100 Walnut, Kansas City, Missouri

1. Roll Call.

Present: Faiza Alhambra (*by telephone*)
Pat Contreras
Daniel Edwards
Steve Hamilton

Absent: Gabriel Okafor

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

LCRA Legal Counsel: Brian Engel, White Goss

Guests: Jerry Helmick, City of Kansas City, Human Relations Dept.
Jan Parks, CKCEDR
Mike Hughes, TSI/MHCS
Lance Carlton, UC-B Properties

Chairman Hamilton called to order the monthly meeting of the Board of Commissioners of Land Clearance for Redevelopment Authority and declared a quorum as Commissioner Edwards was present in person and Commissioner Alhambra was present by telephone. Commissioner Contreras joined the meeting at a later time.

2. Administrative – *Review and Approval of Meeting Minutes for June 27, 2018 (Ex. 2)*

Mr. Hamilton noted that the last bullet in item 9b at the bottom of page 6 should be deleted. There were no other additions or corrections.

ACTION TAKEN: APPROVED THE MINUTES FOR JUNE 27, 2018 AS REVISED. MOTION MADE BY MR. EDWARDS, SECONDED BY MS. ALHAMBRA, AND CARRIED.

Mr. Brown advised that the financial report would not be given this month because the audit had not yet been finalized. He said that the auditors were still waiting on its national office to verify the debt placed on LCRA books from the convention center hotel bond issuance.

He added that day-to-day operations were proceeding and that he hoped monthly financial reports would resume in August.

3. **Manual Outline Urban Renewal Area** - *Consideration of Termination and Release of Purchase and Redevelopment Contract – Paseo YMCA Building* (Brian Engel) (**Ex. 3A-3B**)

- City will purchase and lease property to Negro League Baseball Museum and will otherwise assist financially with completion of the Buck O'Neil Education and Research Center (*Engel*)
 - Property was recently vandalized from flooding caused by having several pipes cut (*Engel*)
 - LCRA has not obtained detailed terms contained in the proposed contract between the City and NLBM as the Authority's contract is simply a title issue (*Alhambra/Engel*)

ACTION TAKEN: APPROVED TERMINATION AND RELEASE OF PURCHASE AND REDEVELOPMENT CONTRACT, SUBJECT TO CITY ACQUISITION OF THE PROPERTY AND LEASE TO NLBM TO ASSIST DEVELOPMENT AND OPERATION OF THE BUCK O'NEIL EDUCATION AND RESEARCH CENTER. MOTION MADE BY MR. EDWARDS, SECONDED BY MS. ALHAMBRA, AND CARRIED. (*RES. NO. 7-1-18*)

4. **6434 Paseo Urban Renewal Area** – *Selection of Developer for Multi-Family Project* (Brian Engel) (**Ex. 4A-4B**)

- 6410 Paseo Blvd., LLC was the only respondent to the Request for Proposals and made its presentation for the project to the Board last month (*Hamilton/Long*)
 - Drafts of the contract and other financial documents are being prepared and will be sent to developer's attorney for their review

ACTION TAKEN: SELECTED 6410 PASEO BLVD LLC AS REDEVELOPER OF PROJECT WITHIN 6434 PASEO URBAN RENEWAL AREA. MOTION MADE BY MR. EDWARDS, SECONDED BY MS. ALHAMBRA, AND CARRIED. (*RES. NO. 7-2-18*)

Mr. Contreras arrived at this time.

5. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (**Ex. 5A**) (Greg Flisram)
 - **Kansas City Club**
 - Moving forward slowly while developer is working to expire property leases so relocation processes are not triggered (*Flisram*)
 - Developer is also negotiating a different parking package with the City (*Flisram*)

- **Mark Twain**

- Tax abatement was approved on February 22, 2017 but HH KC Mark Twain, LLC has not commenced the project (*Engel/Flisram*)
- HH KC Mark Twain, LLC is no longer part of the project, which was purchased in a recent foreclosure action after the development stalled (*Flisram*)
- New owner plans to sell the property so any future deal would require a new contract with any new developer (*Flisram*)
- Redevelopment Contract with HH KC Mark Twain, LLC is still outstanding as the developer has neither signed the agreement nor provided comments to it (*Flisram*)
- Legal counsel will notify HH KC Mark Twain, LLC in writing that LCRA's offered Redevelopment Contract has been rescinded because it was never signed (*Hamilton/Engel*)

ACTION TAKEN: TERMINATED ITS OFFER OF A REDEVELOPMENT CONTRACT WITH HH KC MARK TWAIN LP REGARDING THE MARK TWAIN BUILDING REHABILITATION AND MIXED-USE PROJECT AT 106 W. 11TH STREET IN THE CENTRAL BUSINESS DISTRICT URBAN RENEWAL AREA. MOTION MADE BY MR. EDWARDS, SECONDED BY MR. CONTRERAS, AND CARRIED UNANIMOUSLY. (*RES. NO. 7-3-18*)

b. **Affirmative Action Report** (Sandra Rayford) (**Ex. 5B-1 - 5B-2**)

- **600 Central**

- Employee assigned to do reporting no longer works for general contractor but another employee is scheduled to attend HRD training to do so (*Rayford*)

- **Morningstar**

- Developer has asked for a good faith effort review on professional services which is not yet complete (*Rayford*)

Ms. Rayford advised that the Affirmative Action Subcommittee did not meet this month as there were no other unresolved issues on HRD's May 2018 report.

➤ **Uniform Affirmative Action Ordinance Update**

- Councilman Fowler version (*All statements by Mr. Engel unless otherwise noted*)
 - Transportation & Infrastructure Committee version supported by developers and agencies but voted down by City Council two weeks ago
 - Ordinance will return to committee for further review and discussion
 - Committee-approved version included provision that agencies make final determinations about good faith efforts and liquidated damages
- Councilman Reed version (*All statements by Mr. Engel unless otherwise noted*)
 - Reversion to HRD's original and includes no comments from developers or agencies

- Confusion over the different versions may have prompted return to starting over with the original proposal
- Includes provision that developers turn in CUPs within 48 hours of bid date, which HRD won't remove and developers say is impossible due to the length of time to review numerous bids (*Rayford/Flisram*)
- Councilman Wagner version (*All statements by Mr. Engel unless otherwise noted*)
 - Includes provisions critical to agencies regarding liquidated damage determinations but deletes the additions from the Fowler proposal
 - If HRD and the agency disagree about a good faith effort determination, an appeal can be made to the Fairness & Construction Board for a final decision
 - Agency decisions about liquidated damages would be final with no possibility of appeal
 - Includes provision that developers turn in CUPs within 48 hours of bid date, which HRD won't remove and developers say is impossible due to the length of time to review numerous bids (*Rayford/Flisram*)
- **Can Downtown and/or Crossroads areas be declared successes?**
 - Question if abatement requests in these areas should face additional skepticism or even elimination (*Hamilton*)
 - Need statistical evidence such as maps or summaries of projects within last 5 years before can determine if any area is a success (*Alhambra/Contreras*)
 - Intra-agency work session to discuss goals, including transit-oriented agencies (*Contreras/Edwards*)
 - Project scrutiny can be more stringent rather than restricting or eliminating incentives (*Flisram*)
 - Tax abatement has been viewed as distorting area real estate markets because sellers factor in value of tax abatement in asking price (*Flisram*)
 - Restrictions without uniformity between the agencies may increase developer forum shopping (*Flisram*)
 - SB Friedman is already extremely thorough and vets every line item in its financial analyses (*Edwards/Flisram*)
 - Construction and labor costs have risen dramatically at this time which can mean projects can't be financed without incentives (*Flisram*)
 - Projects rarely disproved by Board because it depends on staff to pre-vet projects (*Hamilton*)
 - Affordable housing projects would be exempt from any restriction (*Hamilton/Edwards/Flisram*)
 - Some City projects which come to the Board prepackaged could be exception to standard abatement incentives (*Edwards/Alhambra/Flisram*)
- Proactive methods to incentivize development in other areas of City
 - Lower or waive but/for test (*Edwards/Flisram*)
 - cursory financial analysis to screen and vet project to enable smaller developers unable to afford \$10,000 to \$20,000 for a full analysis

- Additional screening methods and monitoring tools such as neighborhood and zoning approvals can help ensure that substandard projects are not developed
- Sale/leaseback tool to extend tax abatement time period (*Hamilton/Flisram*)
 - Currently in use sparingly as staff disseminates information via word of mouth
- Incentive transfer (*Edwards/Engel/Flisram*)
 - Can be used as long as don't violate cap ordinance 75% incentive percentage limit or statutorily authorized abatement term
- Modifying workable program in existing URAs (*Long/Engel*)
 - More latitude because already have blight designation
 - Board can amend its own workable program and but/for test
- Meet with current mayor to discuss proposed actions and obtain his approval (*Hamilton*)
- Need for more market rate east of Troost and other distressed census tracts (*Edwards*)
 - Warehousing poor people in one area just keeps that area poor and doesn't rebuild neighborhood

ACTION TAKEN: NONE; INFORMATIONAL ONLY

6. **Adjourn.**

There being no further business, the meeting was adjourned at 10:30 a.m.

Greg Flisram, Executive Secretary