
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY

BOARD MEETING AGENDA

DATE: September 26, 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 August 22, 2018 (Ex. 2)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR AUGUST 22, 2018, AS PRESENTED.

3. **Uptown Theater Urban Renewal Plan** - *Consideration of Master Financing Agreement and Master Lease Extension (Ex. 3A-3C) Brian Engel*

LCRA and UGA, LLC (UGA), entered into the Master Lease dated April 1, 1998, as amended, pursuant to which LCRA leases the Uptown Shoppes (formerly known as the Valentine Shopping Center) property to UGA. The lease is scheduled to expire on October 1, 2018. UGA has entered into a joint venture with Hawthorn Homes LLC and Treanor Investments LLC and together they have formed Uptown Development, LLC (Developer) for the redevelopment of the shopping center site and, at the same, preserve UGA's rights for 380 parking spaces in support of the Uptown Theater.

The Developer submitted an application to EDC regarding a proposed project to redevelop the property. The redevelopment plan includes: (i) Phase I - consists of the construction of: (i) approximately 223 residential units; (ii) approximately 52,400 square feet of commercial (including a bank and including 4,680 square feet of new commercial space); and (iii) a parking garage to service the project, the Uptown Theater, and general public, with approximately 789 total parking spaces, including approximately 339 new parking spaces; and (ii) Phase II - to be constructed at the option of the Developer, consists of a hotel containing approximately 56,000 square feet and 92 rooms.

The financial analysis prepared by SB Friedman examined the incentives requested for Phase I only, which include: (i) sales tax exemption on construction materials (STECM); (ii) tax abatement for 25 years (100% abatement in years 1-10; 50% abatement in years 11-25); (iii) 100% reimbursement of 1% CID sales tax remaining life of CID (approximately 19 years); (iv) 50% reimbursement of revenue generated by the 1% Capital Improvements Sales tax for 20 years; and (v) 50% reimbursement of revenue generated by the 2% Food and Beverage Sales Tax for 20 years, and the report recommends the incentives as requested. With respect to Phase II only, an additional incentive of forty-five percent (45%) of revenues generated by the seven and a half percent (7.5%) hotel/motel tax is requested so long as the hotel has an ADR 120% above the average ADR of hotels in the downtown market.

A Master Financing Agreement (MFA) among LCRA, UGA, the Developer, the City and the Uptown CID is proposed to implement the transfer of the property from LCRA to UGA as provided in the Master Lease and the MFA. At the closing, the property will ultimately be titled in the Developer or related joint venture entity. A parking easement will also be recorded at the closing to preserve parking rights for the benefit of the Uptown Theater. In case the planned transactions do not close by October 1, the MFA extends the Master Lease to December 15, 2018 to allow additional time to finalize the transaction documents and complete the closing. The MFA also outlines the Developer's requested incentives and gives the Developer the option of seeking incentives from LCRA or from PIEA.

ACTION RECOMMENDED: APPROVAL OF MASTER FINANCING AGREEMENT, INCLUDING AN EXTENSION OF THE MASTER LEASE TO DECEMBER 15, 2018, AND RELATED DOCUMENTS IN CONNECTION WITH TERMINATION OF MASTER LEASE AND TRANSFER OF PROPERTY TO FACILITATE REDEVELOPMENT OF PROPERTY.

4. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report (Ex. 4A)* (Greg Flisram)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- b. **Amendment to Workable Program – New Section 5(g)** – *Consideration of Amendment to Workable Program (Ex. 4B)* (Brian Engel)

To promote redevelopment on the East Side, a proposed amendment to the Workable Program has been prepared to reduce the cost of applications for standard tax abatement by eliminating the financial analysis requirement on certain projects.

- (g) To further stimulate investment and redevelopment on the traditional “East Side” of Kansas City, Missouri – generally described as properties on both the west and east sides of and facing Troost Avenue and east of Troost Avenue – that are located within urban renewal areas and in continuously distressed census tracts, the Authority will no longer require that a developer of projects of up to \$15 million in total development costs within such area submit or pay for a financial analysis in connection with an application for standard tax abatement from the Authority. For projects over \$15 million in total development costs within such area, the Authority, in its sole discretion, may waive the requirement that a developer submit or pay for a financial analysis in connection with an application for standard tax abatement from the Authority. All such projects must comply with all other LCRA restrictions, requirements, and policies, applicable neighborhood plans, and must demonstrate a consensus of neighborhood support. This exception to the financial analysis requirement in the Workable Program shall remain in effect until further action of the Board of Commissioners of the Authority. (*Added September 26, 2018*)

ACTION RECOMMENDED: APPROVE AMENDMENT TO WORKABLE PROGRAM.

- c. **Tax Abatements** – There were no tax abatements approved in August, 2018.

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.

RESUME BUSINESS SESSION

- 6. Adjourn.