

ORDINANCE NO. 180710

Authorizing the Director of General Services to negotiate, enter into and implement a Purchase Agreement with the Land Clearance Redevelopment Authority of Kansas City, Missouri, to transfer to such Authority by special warranty deed portions of the un-platted real property lying in Section 13, Township 49 North, Range 33 West, in Jackson County, Missouri, generally located in the northeast quadrant of the intersection south of Highway 40 and north of Interstate 70, to facilitate redevelopment within the Blue Valley Urban Renewal Area; and directing the City Clerk to record this ordinance.

WHEREAS, the Land Clearance for Redevelopment Authority of Kansas City, Missouri (“Authority”) is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, RSMo (“LCRA Law”), and is transacting business and exercising the powers granted by the LCRA Law by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council (“City Council”) of the City of Kansas City, Missouri (“City”) on November 21, 1952; and

WHEREAS, the Authority approved the Blue Valley Urban Renewal Plan on July 25, 1997, by Resolution 97-38 and determined that the portion of the City located within the Blue Valley Urban Renewal Area described in such Plan was blighted and insanitary; and

WHEREAS, the City Council approved the Blue Valley Urban Renewal Plan by Ordinance No. 980946 passed on August 27, 1998, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted and insanitary conditions within the Blue Valley Urban Renewal Area; and

WHEREAS, the City owns property within the Blue Valley Urban Renewal Area, which property is legally described below in Section 1, but is retaining existing recorded rights-of-way and easements and further reserving necessary easements for the operation, maintenance and replacement of existing municipal facilities (“Property”); and

WHEREAS, Yana Properties, LLC, a Missouri limited liability company, doing business as Blue Nile Contractors, Inc., a Missouri corporation (“Developer”), with offices at 601 Spratley Street, Birmingham, Missouri 64161, desires to acquire property adjacent to the Property plus all or part of the Property to redevelop the site for its new corporate office and storage yard (“Project”); and

WHEREAS, pursuant to Section 99.450 of the LCRA Act, the Authority caused to be published two times in a newspaper having a general circulation in its area of operation a request for proposals for redevelopment contract proposals (such publication being in a manner that was an open and public competition consistent with Section 1210(b)(2) of the City Charter); the Developer submitted a timely proposal to the Authority to implement the Project; and the Authority selected the Developer as the redeveloper to implement the Project and to authorize the Authority, 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 in

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accordance with Resolution No. 8-2-18 adopted by the Authority on August 22, 2018; and

WHEREAS, on August 30, 2018, the Council received and filed Communication No. 180636 which notified the City that the LCRA Board of Commissioners selected the Developer to integrate the Property into the Project consisting of a new corporate office and storage yard within the Blue Valley Urban Renewal Area; and

WHEREAS, after due notification pursuant to City Administrative Regulation No. 3.07, the Director of General Services received no responses from any City department director indicating either an objection to the sale of the City-owned parcel or a continued need for its public use, as long as the Developer (i) abides by federal and state regulations related to floodplains, and the municipal regulations related to floodplain management as contained in Chapter 28 of the Municipal Code of Ordinances, including without limitation, those prohibitions for floodways contained in Section 28-55 of such Chapter, including no encroachments, fill, new construction, substantial improvements and other development should be contemplated within the adopted regulatory floodway on the Property; (ii) implements a buffer including the planting and maintenance of trees as part of landscaping created as a part of the Project for the anticipated trail which is being constructed by the City for recreational purposes but also to provide access to maintain the re-channeled Blue River; (iii) agrees to restrict the continuation or renewal of any billboards licenses or leases, as a part of the acceptance of the deed from the LCRA and will agree for itself, as the Developer, and its successors and assigns, not to permit any future billboards on the Property and to cause the discontinuation of the existing billboard as soon as practical; (iv) accepts the City's reservation of continued ingress and egress through the Property as needed by the City and/or the State of Missouri Department of Transportation to access the property retained by the City that lies to the south of Interstate I-70; (v) accepts the City's further reservation of existing recorded rights-of-way and easements and the reservation of necessary easements for operation, maintenance and replacement of existing municipal utilities; (vi) agrees to timely complete the renovations and not to seek any tax incentives for the Project; and (vii) such other conditions to transfer of the Property as determined necessary by the Director of General Services in consultation with other departments, including the Water Services Department and the City Planning and Development Department; and

WHEREAS, the Property consists of 221,672 square feet, appraised at approximately \$0.60 per square foot, for an aggregate value of \$133,003.20, but the City is willing to convey the Property to the Authority for redevelopment within the Blue Valley Urban Renewal Area as authorized by Sections 99.580 and 99.590, RSMo, with nominal consideration of a \$1.00 in lieu of the Developer seeking any tax incentives for the Project, subject to conditions recited herein including that the Authority enter into a Purchase and Development Agreement with the Developer to cause the commencement and timely completion of the redevelopment of the existing structure on the Property for a leasable office, shop and parts storage, with no less than 15,000 usable square feet, a façade enhancement, new roofing, paving and landscaping to retain 125 jobs; and

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WHEREAS, any such conveyance is further conditioned upon the following: (i) the City being able to convey the Property to the Authority free and clear of all leases, liens and encumbrances unacceptable to the Authority and the Developer, (ii) the Authority receiving its transaction and administrative costs (including survey, environmental studies, legal and closing costs), for the transfer of the Property on or before closing from the Developer and (iii) the Authority receiving enforceable assurances from the Developer that the Project will be pursued with diligence and completed in a timely manner with a recovery of the Property upon failure to timely complete the Project; and

WHEREAS, Subsection 2-422(a)(1), Code of Ordinances, generally grants to the Director of the General Services Department the power and responsibility for the disposition of City-owned real property; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. Pursuant to Section 1210(b) (2) of the City Charter, the Council hereby finds and declares that the parcel of City-owned real property bearing the following legal description is no longer needed for public use and is hereby declared surplus property, but that the transfer of such property by the City to the Authority is permitted under Article VI, Section 21, of the Constitution of the State of Missouri, as the transfer will serve the public purpose of the redevelopment of a blighted area provided that it is subject to certain restrictions and conditions that are in the public interest; that legal description being:

All that part of the south 625 feet of Lot 5, Commissioners Plat No. 2 of Levi Owings Estate, lying south of U.S. Highway 40 cut-off, east of Interstate I-70 and west of the west bank of Big Blue River, and all that part of the Southeast Quarter of the Southwest Quarter of Section 13, Township 49 North, Range 33 West, lying north of Interstate I-70 and west of the west bank of Big Blue River described as follows:

Commencing at the northwest corner of the Northeast Quarter of the Southwest Quarter of said Section 13; thence South 87 degrees 53 minutes 52 seconds East, along the south line of said Section 13, a distance of 936.71 feet to the point of beginning; thence North 02 degrees 06 minutes 08 seconds East (North 0 degrees 00 minutes East, Deed), a distance of 90.00 feet; thence North 51 degrees 14 minutes 22 seconds West (North 53 degrees 20 minutes 30 seconds West, Deed), a distance of 259.10 feet to a point on the south right of way line of U.S. Highway 40 cut-off; thence the following courses and distances along said right of way line; thence North 70 degrees 27 minutes 08 seconds East (North 68 degrees 21 minutes East, Deed), a distance of 345.00 feet; thence South 19 degrees 32 minutes 52 seconds East (South 21 degrees 39 minutes East, Deed), a distance of 10 feet; thence North 70 degrees 27 minutes 08 seconds East, (North 68 degrees 21 minutes East, Deed), a distance of 143.37 feet; thence departing said south right of way line, along a curve to the right,

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having an initial tangent bearing of South 21 degrees 14 minutes 16 seconds East, a radius of 275 feet, a central angle of 32 degrees 57 minutes 09 seconds and an arc distance of 158.16 feet; thence tangent to the last described course, South 11 degrees 42 minutes 52 seconds West, a distance of 21.48 feet to a point of curvature; thence along a curve to the left, having a radius of 365 feet, a central angle of 38 degrees 54 minutes 15 seconds and an arc distance of 247.84 feet to a point on the south line of said Northwest Quarter; thence South 87 degrees 53 minutes 52 seconds East, along said south line, a distance of 9.00 feet; thence departing said south line, South 15 degrees 07 minutes 02 seconds East, a distance of 194.97 feet; thence South 00 degrees 54 minutes 25 seconds West, a distance of 216.49 feet to a point on the north right of way line of Interstate I-70; thence the following courses and distances; thence North 59 degrees 28 minutes 45 seconds West, distance of 113.85 feet, thence North 32 degrees 38 minutes 04 seconds West, a distance of 112.18 feet; thence North 59 degrees 22 minutes 52 seconds West, a distance of 274.29 feet; thence North 02 degrees 12 minutes 12 seconds East, a distance of 125.35 feet to a point on the south line of the Northwest Quarter of said Section 13; thence departing the north right of way line of Interstate I-70 and along the south line of said Northwest Quarter, South 87 degrees 53 minutes 52 seconds East, a distance of 27.25 feet to the point of beginning; subject to that part in 31st Street; and further subject to the reservation of (i) the City's certain Right of Way interests held pursuant to the three instruments each recorded August 16, 1934, successively in Book B-3152, Page 325, and Book B-3152, Page 326, and Book B-3152, Page 328, all as related to the Blue River, which the City intends to continue to retain after the City transfers title to the Authority and an express reservation of those rights will be made in the Special Warranty Deed; (ii) the City's rights under the Easement for sewer purposes recorded on June 20, 1986, as Document No. K-720106, in Book K-1552, Page 945 which the City intends to continue to retain after the City transfers title to the Authority and an express reservation of those rights will be made in the Special Warranty Deed; (iii) such non-exclusive easement for ingress and egress as set forth in the instrument recorded June 20, 1986, as Document K-720106, in Book K-1552, Page 945 which the City intends to continue to retain after the City transfers title to the Authority and an express reservation of those rights will be made in the Special Warranty Deed; and such other easements as may need to be reserved for any existing water or sewer lines, including without limitation the water line that exists for which an easement of approximately the northerly 25 feet of the Property will be needed, the more specific legal description for which will be determined and reserved in the Special Warranty Deed;

(hereinafter "Property").

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Section 2. That the Director of the General Services Department is authorized to negotiate, enter into and implement a Purchase and Development Agreement with the Authority to transfer the Property to the Authority by special warranty deed, subject to conditions that the Developer (i) abides by federal and state regulations related to floodplains, and the municipal regulations related to floodplain management as contained in Chapter 28 of the Municipal Code of Ordinances, including without limitation, those prohibitions for floodways contained in Section 28-55 of such Chapter, including no encroachments, fill, new construction, substantial improvements and other development should be contemplated within the adopted regulatory floodway on the Property; (ii) implements a buffer including the planting and maintenance of trees as part of landscaping created as a part of the Project for the anticipated trail which is being constructed by the City for recreational purposes but also to provide access to maintain the re-channeled Blue River; (iii) agrees to restrict the continuation or renewal of any billboards licenses or leases, as a part of the acceptance of the deed from the Authority, and will agree for itself, as the Developer, and its successors and assigns, not to permit any future billboards on the Property and to cause the discontinuation of the existing billboard as soon as practical; (iv) accepts the City's reservation of continued ingress and egress through the Property as needed by the City and/or the State of Missouri Department of Transportation to access the property retained by the City that lies to the south of Interstate I-70; (v) accepts the City's further reservation of existing recorded rights-of-way and easements and the reservation of necessary easements for operation, maintenance and replacement of existing municipal utilities; (vi) enters into a Purchase and Development Agreement that pays consideration to the Authority in the amount of at least its transaction and administrative costs (including survey, environmental studies, legal and closing costs) for the transfer of the Property on or before closing from the Developer and grants the Authority enforceable assurances from the Developer that the Project will be pursued with diligence and completed in a timely manner with a recovery of the Property upon failure to timely complete the Project; (vii) agrees to timely complete the renovation of the Project and not to seek any tax incentives for the Project; and (viii) and such other conditions to transfer of the Property as determined necessary or appropriate by the Director of General Services in consultation with other departments, including the Water Services Department and the City Planning and Development Department, including, without limitation, requiring the Developer or its predecessor in interest to grant on abutting real property an easement twenty-five feet in width for an existing 12 inch water line that lies southwesterly along the north right of way of Interstate 70, and northerly along the southern right of way of Highway 40, with such twenty-feet measured from the rights of way, into the abutting property, which grant of easement will be contemporaneous with and a condition of the transfer by the City to the Authority.

Section 3. That the Director of the General Services Department is authorized: (i) to execute a Special Warranty Deed conveying the above Property to Authority with the final legal description being consistent with the administratively approved Certificate of Survey if different than that set out above, with such of the conditions stated as appropriate in such Deed; (ii) to execute any and all other real estate and closing documents necessary; and (iii) to take such further actions as are required to carry out the intent of this ordinance.

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Section 4. That the City Clerk is directed to record a certified copy of this ordinance with the Jackson County, Missouri Recorder of Deeds.

Approved as to form and legality:

Amelia McIntyre
Associate City Attorney