



City of Kansas City Human Relations Department

EXHIBIT 9B
LCRA 1/23/19

Date: December 17, 2018

To: LCRA Board Chair

From: Phillip Yelder, Director

Subject: Land Clearance for Redevelopment Authority (LCRA) Affirmative Action Report
(September 1st, 2018 – October 31st, 2018)

LCRA M/WBE Status Report:

The LCRA Affirmative Action Program includes the Minority & Women Owned Business Enterprise Program (M/WBE). The Affirmative Action Program is also codified at City Code 130041 (§3-401 et seq.) and applies to all Statutory Agency contracts entered into after September 1, 2007 that exceed \$117,000 for Professional Services and that exceed \$300,000 for Construction Services.

Projects monitored by the Human Relations Department are projects that have an approved Contractor Utilization Plan (CUP) with applicable Letters of Intent (LOIs) *awarded* to certified subcontractors. There are a total of **13 LCRA Construction Projects** currently monitored for compliance by the Human Relations Department. For reporting purposes, the projects are delineated between Active and Inactive Projects. Active Projects include projects that are either in the bidding and/or construction phase. Inactive Projects are projects that have entered the close-out process (which includes the punch list phase) and/or has been placed on hold by the Redeveloper. Inactive Projects are monitored until the Developer submits the following documentation: (1) Developer Affidavit of Compliance and (2) all executed Subcontractor Lien Waivers and/or Subcontractor Final Payment Affidavits.

Per City Code, the LCRA is required to make good faith efforts towards achieving M/WBE participation on contracts it directly solicits, or through redevelopment projects receiving tax incentives. The goals for the LCRA are set by City Code 130041, § 3-427. As of **October 31, 2018**, LCRA, through its Redevelopment Agreements, has achieved the participation levels depicted in Table 1 and Table 2 (below).

M/WBE Performance Summary of Active LCRA Projects

	Total Value of Active Projects	MBE Contracts Awarded	MBE Target Goal %	MBE % Awarded	WBE Contracts Awarded	WBE Target Goal %	WBE % Awarded
Professional Services (PS)	\$7,043,399	\$556,756	13%	13%	\$389,516	9%	12%
Construction Services (CS)	\$101,990,929	\$21,750,054	15%	24%	\$9,759,277	9%	9%

TABLE 1.

M/WBE Performance Summary of Inactive LCRA Projects

	Total Value of All Inactive Projects	MBE Contracts Awarded	MBE Target Goal %	MBE % Awarded	WBE Contracts Awarded	WBE Target Goal %	WBE % Awarded
Professional Services (PS)	\$1,236,211	\$203,470	9%	11%	\$121,220	7%	6%
Construction Services (CS)	\$17,968,101	\$4,022,425	16%	31%	\$1,625,620	9%	10%

TABLE 2.

M/WBE Enforcement Action Update:

As of December 2015, all Redevelopers subject to the Affirmative Action Program are required to report contract payments through the City of Kansas City's electronic B2Gnow system. All reports are due by the 15th of the following month. Subcontractors must confirm receipt of the payments or initiate a discrepancy of the contract amount through this electronic system. If such a discrepancy is initiated, the Compliance Officer investigates the discrepancy to resolution. Once the discrepancy is resolved, the Compliance Officer approves the audit and that amount is reported in the attached detailed report. The M/WBE detailed report ("LCRA M/WBE Expenditure & Progress Report") is included as Exhibit A.

In the month of **October 2018**, there were **2 out of 10** of the **Active Projects** that had expended at least 30% of its estimated budget and are currently not meeting M/WBE goals or has not submitted a required Affirmative Action report(s). Letters have been sent to the Developer allowing fourteen (14) days to provide documentation on how they intend to comply with the M/WBE requirements. The following is a list of projects and the corresponding action taken by the Human Relations Department Contract Compliance Officer(s):

LCRA Projects Not Meeting M/WBE Utilization Goals w/ Corresponding Action

Project Name	Developer	Type	MWBE Goal		Total MWBE Percentage Shortage	Action Taken
			MBE %	WBE%		
600 Central (OGGI Lofts)	600 Central Apts, LLC	Professional Services	24%	8%	32%	Letter Sent; Noncompliance with reporting requirements
600 Central (OGGI Lofts)	Homoly Construction	Construction Services	15%	8%	19%	Letter Sent; Non-reporting

TABLE 3.

Good Faith Efforts Review:

- None

Close-Outs Pending and Payment Discrepancies:

As of **October 31, 2018**, there are **three (3)** projects that did not complete reporting for close-out in order for HRD to determine whether the project complied with the good faith efforts in achieving M/WBE utilization (see Exhibit A).

There were **12 payment discrepancies** reported by subcontractors. Those discrepancies are currently being resolved between the parties. No further action is needed at this time.

The following project(s) were closed during the reporting period:

- None

Construction Workforce Action Update:

The Construction Employment Program (commonly referred to as Construction Workforce) requires more than 800 construction labor hours and exceeds a total estimated cost of \$300,000. On December 15, 2009 the Statutory Agencies, including the TIF, adopted the City's Construction Employment Program as embodied in Ordinance No. 070504. The Workforce Ordinance under Chapter 38 was repealed in its entirety June 1, 2013 and replaced with Ordinance 130275, Sections 3-501 thru 3-527. All projects (including public projects, private projects with City funding, and Statutory Agency projects) that started after June 1, 2013 are subject to the monitoring and liquidated damages set forth therein. All TIF projects (including Active and Inactive Projects) that meet these thresholds are required to report construction workforce hours until the Redeveloper has submitted a final audit for workforce.

All workforce reports are due by the 15th of the following month. The report included is the month that the Construction Workforce Board has most recently accepted. The hours for the **month of August 2018** are depicted in Table 4 (below). This report consists of LCRA projects that have a CUP on file. **NOTE: The Construction Workforce Board is scheduled to meet in the month of December 2018 to approve the September, October and November 2018 reports; therefore no updates are reported here.**

Under the Ordinance and LCRA Policy, the Prime contractors are to self-report worker hours for their Company-wide construction workforce in the Kansas City Metropolitan Statistical Area (KCMSA). Primes are also required to self-report worker hours on specific projects funded by the City or that are tax incentivized. Subcontractors are only required to report their Project-specific worker hours. Redevelopers are Prime Contractors for purposes of the Redevelopment agreement. However, because Redevelopers do not have a per se "construction workforce" to report, only subcontractors' hours are reported for purposes of compliance. Accordingly, the information for Company-wide and Project-specific for the Prime (or Redeveloper) is not applicable. NOTE: The General Contractor is considered a subcontractor for purposes of the Redevelopment Agreement and therefore the General Contractor hours are counted in the subcontractors' Project-specific hour totals unless otherwise noted.

The City's Construction Workforce Report, which includes all City and Statutory Agency projects, details hours worked by each contractor and subcontractor and is delineated by ethnicity, sex, and KCMO Resident status. An archive of the Construction Workforce Reports is available at www.kcmo.org/humanrelations.

The established workforce participation hours goals for **minority and female workers are 10 percent (10%) and 2 percent (2%) respectively**. The incentive goals for minority and female workforce participation hours are 20 percent (20%) and four percent (4%) respectively.

Below is a synopsis of the workforce hour totals for the **month of May 2018** for LCRA projects:

LCRA Construction Projects Workforce Hours

	Total Hours Worked	Minority Hours Worked	Actual %*	Female Hours Worked	Actual %	KCMO Hours Worked	Actual*%
Project Specific Hours Worked	33,161	5,752	17%	1,250	4%	5,306	16%

TABLE 4.

Site Visit Report:

As part of the monthly audits, site visits are randomly conducted by Staff to ensure compliance reporting matches onsite work. The following projects were visited during the **month of October 2018**:

- **600 Central (OGGI Lofts)**

Any questions regarding this report may be directed to your Compliance Liaison, Dion Lewis, at dion.lewis@kcmo.org or 816-513-1836.

(end report)

LCRA Expenditure Progress Report thru:
September 1, 2018 - October 31, 2018

Status Code Legend:	Meeting Goals
	Risk of Not Meeting Goals
	Not Meeting Goals

Project Name	Developer	Original Estimated Budget	MBE CUP Goal	MBE % Met To Date	MBE Paid To Date	WBE CUP Goal	WBE % Met To Date	WBE Paid To Date	Total YTD Budget Spent	Remaining % of Budget	System Proj #	Comments	Special Notes
Active Projects	ACTIVE PROJECTS												
600 Central (OGGI Lofts)	600 Central Apts LLC												
Homoly Construction - GC	Construction Services	\$ 2,495,478.00	15.00%	4.08%	\$ 101,858.67	8.00%	0.00%	\$ 114,286.65	\$ 73,718.00	97.05%	LCRA-CS2016-600CA	Access Granted to Authorized User, No Reporting completed; NMG letter sent	Mediation Settlement Agreement resolved to the satisfaction of all parties
600 Central Apts LLC	Professional Services	\$ 293,750.00	24.00%	0.00%	\$ -	8.00%	0.00%	\$ -	\$ -	100.00%	LCRA-PS2016-600CA	Requested CUP; NMG letter sent	Non-reporting
905 Broadway	905 Broadway LLC												
Centric Projects - GC	Construction Services	\$ 3,501,792.00	15.00%	19.10%	\$ 668,855.03	15.00%	15.17%	\$ 531,083.70	\$ 4,531,805.89	-29.41%	LCRA-CS2016-905B	On track to meet WBE with remaining payments	Requested close-out documents
905 Broadway, LLC	Professional Services	\$ 516,078.00	13.00%	14.61%	\$ 75,396.39	8.00%	7.73%	\$ 39,886.75	\$ 217,596.14	57.84%	LCRA-PS2016-905B	Compliant	Requested close-out documents
911 Main/Commerce Tower	Commerce Tower Group												
Ryan Construction - GC	Construction Services	\$ 65,488,452.00	14.00%	23.43%	\$ 12,797,821.22	8.00%	12.79%	\$ 6,985,239.17	\$ 54,611,955.34	16.61%	LCRA-CS2017-CT911	Waiting for close-out documents	NOTE: Davis-Bacon issues with HUD; HRD notified incentive agencies (TIF and LCRA) of Davis-Bacon issues
Commerce Tower Group	Professional Services	\$ 2,786,442.00	15.00%	36.64%	\$ 403,864.22	8.00%	24.51%	\$ 270,139.74	\$ 1,102,195.24	60.444%	LCRA-PS2017-CT	Waiting for close-out documents	
915 Broadway	The Yarco Companies												
Rau Construction - GC	Construction Services	\$ 5,765,891.00	15.00%	30.02%	\$ 941,649.75	10.00%	18.96%	\$ 594,793.00	\$ 3,136,442.75	45.60%	LCRA-CS2016-915-BDY	Requested Close-out Documents	
Yarco Development	Professional Services	\$ 944,869.00	16.00%	0.00%	\$ -	9.00%	0.00%	\$ -	\$ -	100.00%	LCRA-PS2016-915BDY	Requested Close-out Documents; Reporting will be reconciled at close-out	Developer processing close-out documents
1600 Cherry	Abbott Properties												
TBD	Construction Services	\$ 256,206.00	14.00%	0.00%	\$ -	5.00%	0.00%	\$ -	\$ -	100.00%	No reporting required at this time	Goal is set as advice only	Budget is below threshold for goal setting
Abbott Properties	Professional Services	\$ 25,000.00		0.00%		8.00%	0.00%	\$ -	\$ -	100.000%	No reporting required at this time	No numerical goal	
1608 Locust	Abbott Properties												
Carter Property Group, LLC	Construction Services	\$ 503,983.00	14.00%	0.00%	\$ -	11.00%	0.00%	\$ -	\$ -	100.00%	1A Goal	CS CUP in process	CUP submitted and in process
Abbott Properties	Professional Services	\$ 24,200.00	0.00%	0.00%	\$ -	0.00%	0.00%	\$ -	\$ -	100.000%	No reporting required at this time	No numerical goal	
Hotel Indigo @ 2020 Grand	Crossroads Hotel Group												
Abbott Properties	Construction Services	\$ 5,161,850.00	16.00%	19.24%	\$ 713,035.83	8.00%	5.37%	\$ 198,944.80	\$ 3,706,607.13	28.19%	LCRA-CS2016-2020	Requested close-out documents	
Abbott Properties	Professional Services	\$ 320,800.00	17.00%	49.51%	\$ 47,402.25	20.00%	55.18%	\$ 52,829.68	\$ 95,736.00	70.16%	LCRA-PS2016-2020	Requested close-out documents	
Interstate Building /13th Locust	Lotus Hospitality												
HCM-KC - GC	Construction Services	\$ 6,213,647.00	15.00%	0.00%	\$ -	8.00%	0.00%	\$ -	\$ -	100.00%	1A	GFE completed	Assessed LDs by LCRA for Construction Services
Lotus Hospitality	Professional Services	\$ 237,000.00	15.00%	0.00%	\$ -	9.00%	0.00%	\$ -	\$ -	100.00%	1A	Requested PS CUP	No Response to PS CUP
Morningstar Senior Apartments	Morningstar Senior LP												
MHP Construction Services, LLC	Construction Services	\$ 5,438,597	18%	111%	\$ 5,373,483.26	5%	8%	\$ 368,022.91	\$ 4,840,633	10.99%	LCRA-CS-2016-MSA	Compliant; Close out completed	Will be removed in Nov 2018 report
Morningstar Senior LP	Professional Services	\$ 1,567,860.00	15.00%	#DIV/0!	\$ -	10.00%	#DIV/0!	\$ -	\$ -	100.00%	LCRA-PS2016-MSA	Close out documents in review	
Norman School Lofts	Norman School ApartmentsLL												
Haren Laughlin	Construction Services	\$ 8,698,524.00	16%	39.12%	\$ 1,450,400.00	9%	28%	\$ 1,055,109.54	\$ 3,707,094.00	87.38%	LCRA-CS2016-NSA	Compliant	
New England Lofts	New England Lofts, LLC												
Rau Construction - GC	Construction Services	\$ 4,232,400.00	16.00%	25.78%	\$ 644,600.25	9.00%	20.26%	\$ 506,590.77	\$ 2,500,000.00	40.93%	LCRA-CS2016-NEL	Requested Close-out documents	
New England Lofts LLC	Professional Services	\$ 327,400.00	13.00%	33.51%	\$ 30,093.56	7.00%	29.68%	\$ 26,660.00	\$ 89,817.56	72.57%	LCRA-PS2016-NEL	Requested Close-out documents	

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September 1, 2018 - October 31, 2018

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Inactive Projects	INACTIVE PROJECTS												
1914 Main	Lindenstreet Partners, LLC												
Centric Projects - GC	Construction Services	\$ 5,115,751.00	16.00%	27.34%	\$ 1,049,146.53	9.00%	9.87%	\$ 378,819.78	\$ 3,837,640.43	24.98%		Compliant; Waiting for close out docs	
Lindenstreet Partners, LLC	Professional Services	\$ 376,820.00	16.00%	16.41%	\$ 62,061.45	11.00%	7.66%	\$ 28,980.46	\$ 378,145.46	0%		Compliant; Waiting for close out docs	
Columbus Park Lofts Ph 1	CP Lofts LP												
Prairie Fire Construction - GC	Construction Services	\$ 10,972,570.00	15.00%	14.61%	\$ 1,769,730.67	8.00%	8.32%	\$ 1,007,330.10	\$ 12,113,699.33	-10.40%	LCRA-CS400-CPL	Requested Close-out documents	Will be moved to Inactive Projects in August 2018 report
Columbus Park Developers, LC	Professional Services	\$ 859,391.00	12.00%	15.55%	\$ 141,408.60	10.00%	10.14%	\$ 92,240.00	\$ 909,649.99	-5.85%	LCRA-PS400-CPL	Requested Close-out documents	Will be moved to Inactive Projects in August 2018 report
Columbus Park Infrastructure Ph1	Columbus Park Developers, LC												
Prairie Fire Construction - GC	Construction Services	\$ 1,879,780.00	16.00%	52.34%	\$ 1,203,548.69	9.00%	10.41%	\$ 239,471.00	\$ 2,299,404.21	-22.32%	LCRA-CS2013-CPI	Waiting for close-out	Will be moved to Inactive Projects in August 2018 report
Columbus Park Developers, LC	Professional Services										LCRA-PS400-CPL	See Professional Services for Columbus Park Lofts Ph. 1 (above)	Will be moved to Inactive Project in August 2018 report

AAS=Affirmative Action Subcommittee

CS=Construction Services

CUP=Contractor Utilization Plan

GC=General Contractor

PS= Professional Service

MBE=Minority Business Enterprises

TBA=To be Assigned

TIF=Tax Increment Finance

WBE= Women's Business Enterprise

1A=Goals have been set but waiting for Contractor Utilization Plan

#VALUE!