



**City of Kansas City
Human Relations Department**

**EXHIBIT 11B
LCRA 6/19/19**

Date: June 5, 2019
 To: LCRA Board Chair
 From: Phillip Yelder, Director
 Subject: Land Clearance for Redevelopment Authority (LCRA) Affirmative Action Report (April, 2019)

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 180535 (§3-401 et seq.) and applies to all Statutory Agency contracts entered into after November 5, 2018 that exceed \$160,000 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 **12 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 180535, § 3-427. As of **April 30, 2019**, 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)	\$7,717,379	\$1,110,370	14%	14%	\$740,014	14%	10%
Construction Services (CS)	\$162,041,029	\$42,342,757	14%	26%	\$14,461,165	14%	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)	N/A	\$0	14%	0%	\$0	14%	0%
Construction Services (CS)	N/A	\$0	14%	0%	\$0	14%	0%

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 **April 2019**, there were **0 out of 12** 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%		

TABLE 3.

Good Faith Efforts Review:

- None

Close-Outs Pending and Payment Discrepancies:

As of **April 31, 2019**, there are **eighteen (18)** 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 **1 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 March 2019** are depicted in Table 4 (below). This report consists of LCRA projects that have a CUP on file.

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 March 2019** 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	89,604	19,466	22%	2,550	3%	7,736	9%

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 April 2019**:

- **Second and Delaware Apartment**
- **600 Central (OGGI Lofts)**
- **Commerce Tower**

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:
April 2019**

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
Active Projects	ACTIVE PROJECTS											
600 Central (OGGI Lofts)	600 Central Apts LLC											
Homoly Construction - GC	Construction Services	\$ 2,495,478.00	15.00%	17.72%	\$ 442,277.01	13.00%	3.25%	\$ 114,286.65	\$ 3,515,219.53	-40.86%	LCRA-CS2016-600CA	Requested Close-out documents; Mediation Settlement Agreement resolved to the satisfaction of all parties... Note: 2 mediations conducted based on discrimination complaints, 3 pending.
600 Central Apts LLC	Professional Services	\$ 293,750.00	24.00%	15.94%	\$ 46,813.98	8.00%	21.29%	\$ 12,665.26	\$ 59,479.24	79.75%	LCRA-PS2016-600CA	Requested close-out documents
905 Broadway	905 Broadway LLC											
Centric Projects - GC	Construction Services	\$ 3,501,792.00	15.00%	12.99%	\$ 631,826.00	15.00%	11.30%	\$ 549,514.80	\$ 4,864,484.67	-38.91%	LCRA-CS2016-905B	Requested close-out documents
905 Broadway, LLC	Professional Services	\$ 516,078.00	18.00%	37.82%	\$ 82,284.89	8.00%	18.33%	\$ 39,886.75	\$ 217,596.14	57.84%	LCRA-PS2017-905B	Compliant
911 Main/Commerce Tower	Commerce Tower Group											
Ryan Construction - GC	Construction Services	\$ 65,488,452.00	14.00%	16.87%	\$ 14,303,174.31	8.00%	6.74%	\$ 5,711,606.57	\$ 84,803,295.76	-29.49%	LCRA-CS2017-CT911	Requested 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	10.00%	24.51%	\$ 270,139.74	\$ 1,102,195.24	60.444%	LCRA-PS2017-CT	Compliant
1608 Locust	Abbott Properties											
Carter Property Group, LLC	Construction Services	\$ 503,983.00	22.00%	0.00%	\$ -	11.00%	0.00%	\$ -	\$ -	100.00%	LCRA-CS2018-1608	CUP Completed, No reporting done on this project
1010 Prospect												
TBD	Construction Services	\$ 583,900.00	15.00%		\$ -	7.00%		\$ -	\$ -		LCRA-CS2017-1010P	1-A Goal and CUP Prime
Arterra 21/2100 Wyandotte	ARTerra LLC											
JE Dunn Construction	Construction Services	\$ 23,457,004.00	16.60%	29.01%	\$ 3,289,089.83	12.70%	28.41%	\$ 3,220,167.61	\$ 11,336,018.00	51.67%	LCRA-CS2017-ART	Compliant
ARTerra LLC	Professional Services	\$ 1,312,007.00	13.00%		\$ -	8.00%		\$ -	\$ -		LCRA-PS2017-ART	1-A Goal and CUP Prime
Blenheim School Apartments	Blenheim School Apartments, LP											
Rau Construction Company	Construction Services	\$ 6,680,453.00	10.00%	14.66%	\$ 1,114,020.31	6.00%	5.01%	\$ 380,303.09	\$ 7,598,291.00	-13.74%	LCRA-CS2017-17091HT	Requested Close-out documents; Project has one, maybe 2 more pay apps to complete.
Blenheim School Apartments, LP	Professional Services	\$ 539,522.00	9.00%	11.97%	\$ 59,097.28	6.00%	7.29%	\$ 36,000.00	\$ 493,652.44	8.50%	LCRA-PS2017-17091HT	Requested Close-out documents; Project has one, maybe 2 more pay apps to complete.
3260 Main Mixed Use Development												
TBD	Construction Services	\$ 13,668,252.00	16.00%		\$ -	8.00%		\$ -	\$ -		LCRA-CS2018-3260	1-A Goal and CUP Prime
TBD	Professional Services	\$ 563,500.00	14.00%		\$ -	7.00%		\$ -	\$ -		LCRA-PS2018-3260	1-A Goal and CUP Prime
ACME- 3200 Gillham	Exact ACME LLC											
Exact ACME LLC	Construction Services	\$ 2,989,250.00	12.00%		\$ -	8.00%		\$ -	\$ -		LCRA-CS2018-3200	1-A Goal and CUP Prime
Exact ACME LLC	Professional Services	\$ 96,500.00	13.00%		\$ -	8.00%		\$ -	\$ -		LCRA-PS2018-3200	1-A Goal and CUP Prime
25th & Troost Beacon Hill Apartments												
	Construction Services	\$ 5,105,336.00	15.00%		\$ -	10.00%		\$ -	\$ -		LCRA-CS2018-2500	1-A Goal and CUP Prime
25th and Troost Beacon Hill Multifamily Development												
TBD	Construction Services	\$ 33,998,329.00	14.00%		\$ -	8.00%		\$ -	\$ -		LCRA-CS2018-2500T	1-A Goal and CUP Prime
TBD	Professional Services	\$ 1,369,790.00	14.00%		\$ -	14.00%		\$ -	\$ -		LCRA-PS2018-2500T	1-A Goal and CUP Prime
Troost 53rd - 63rd URA/5522 Troost Avenue												
TBD	Construction Services	\$ 3,568,800.00	16.00%		\$ -	8.00%		\$ -	\$ -		LCRA-CS2017-5520	1-A Goal and CUP Prime/Waiting on CUP
TBD	Professional Services	\$ 239,790.00	13.00%		\$ -	7.00%		\$ -	\$ -		LCRA-PS2017-5520	1-A Goal and CUP Prime/Waiting on CUP