
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
BOARD MEETING MINUTES

DATE: April 24, 2019
TIME: 9:30 a.m.
PLACE: Jackson Room, 17th Floor, Town Pavilion
1100 Walnut, Kansas City, Missouri

1. **Roll Call.**

Present: Faiza Alhambra
Daniel Edwards
Steve Hamilton
Gabriel Okafor

Absent: Pat Contreras

Staff: Greg Flisram, LCRA
Susan Tumey, LCRA
Lee Brown, EDC
Deborah Davis, EDC
Bob Long, EDC
T'Risa McCord, EDC
Cynthia Wilson, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Jerry Helmick, City of Kansas City, Human Relations Dept.
John Snyder, Dentons
Ian DeGalan, GSSW WRIII
Joey Flickner, IUPAT DC3
Jim Woodson, IUPAT DC3
Mike Hughes, TSI Geotech

Chairman Hamilton called to order the monthly meeting of the Board of Commissioners of Land Clearance for Redevelopment Authority and declared a quorum as Commissioners Alhambra and Okafor were present. Commissioner Edwards arrived at a later time in the meeting.

2. **Administrative**

a. *Review and approval of Meeting Minutes for March 27, 2019 (Ex. 2A)*

ACTION TAKEN: APPROVED THE MINUTES FOR MARCH 27, 2019, AS PRESENTED. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED.

b. *Review and approval of Meeting Minutes for April 5, 2019 (Ex. 2B)*

ACTION TAKEN: APPROVED THE MINUTES FOR APRIL 5, 2019, AS PRESENTED. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED.

3. **Financial** - *Review and acceptance of the Financial Report for the month of March, 2019 (Lee Brown) (Ex. 3)*

Mr. Brown advised that:

- As the Authority issued the Convention Center Hotel Series A and B bonds, it is required to show the expenses on its books until the bonds are paid off, which will be in approximately the year 2030
 - Liabilities and assets on the bond accounts will never completely match up because of the timing of interest payments, cash amounts, and other fluctuations
- One late payment over 90 days was being paid today while all other payments and receivables were under 30 days

Mr. Edwards arrived at the meeting at @ 9:37 a.m.

Mr. Brown introduced two new staff members:

- Cynthia Wilson, who will handle all day-to-day operations for the LCRA; and
- Deborah Davis, who will be the business development loan officer acting as a liaison between the community and EDC Loan Corporation to generate loan leads

Ms. McCord added that the Accounting Department was now fully staffed for the first time in over a year

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORT FOR MARCH 2019 AS PRESENTED. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED UNANIMOUSLY.

4. **Hospital Hill II URA – 2500 Block Troost Avenue** – *Consideration of Bond Authorizing Resolution for Multifamily Project and Assignment of Development Rights (Beacon House) (Brian Engel) (Ex. 4A-4E)*

» ***Board Considerations***

- Today's Resolution requests authorization to issue bonds and execute project documents for the previously approved project (*Hamilton/Engel*)
 - Resolution also includes an assignment of development rights from the original redeveloper, GSSW WR III, to its affiliate Beacon House, LLC (*Engel*)
- LCRA's bond issuance is triggered by its grant of a sales tax exemption on construction materials (STECM) to the project (*Alhambra/Engel*)
 - LCRA ownership of the property enables the sole buyer of the bonds, the developer, to use the bond monies to purchase construction materials (*Engel*)
 - Bond purchases are book entry transactions only (*Engel*)

- Developer will make PILOT payments during the construction period in amounts that will equal the current taxes on the vacant land as if LCRA was not the owner (*Okafor/Engel*)
- Project is not prevailing wage (*Okafor/DeGalan*)
- Project intends to commence almost immediately once a platting issue is resolved (*Okafor/DeGalan*)
- Developer has received its MBE/WBE goals and almost completed its bidding (*Okafor/Rayford/DeGalan*)
- General Contractor for the project is Centric Projects (*Okafor/DeGalan*)

ACTION TAKEN: APPROVED ASSIGNMENT OF DEVELOPMENT RIGHTS TO BEACON HOUSE, LLC AS A SINGLE-ASSET ENTITY CREATED BY GSSW WR III, LLC TO UNDERTAKE THE PROJECT. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. EDWARDS, AND CARRIED.

APPROVED RESOLUTION AUTHORIZING ISSUANCE OF BONDS IN MAXIMUM AMOUNT OF \$43 MILLION AND EXECUTION OF BOND AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF THE PROJECT WITHIN THE HOSPITAL HILL II URBAN RENEWAL AREA. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. EDWARDS, AND CARRIED.

(RES. NO. 4-1-19)

5. Administrative

- a. Executive Director's Report - *Active Projects Tracking System Report* (Greg Flisram) (**Ex. 5A**)

Mr. Flisram advised that negotiations were ongoing with the developer of the Arterra project about LCRA fees and that the remaining LCRA projects were routinely progressing.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- b. Hospital Hill II – *Authorize Preparation and Issuance of a Request for Proposals Regarding Property Sale* (Bob Long) (**Ex. 5B-1 – 5B-2**)

» *Board Considerations*

- Request for Proposal (RFP) required to sell the lots at issue as the properties were never included in previous RFPs of HEDFC properties (*Hamilton/Long*)
 - 25th & Tracy lots were acquired from the HEDFC and not included when the LCRA transferred most of its property inventory to the City (*Long*)
- Sale Contract will need to be modified as it set closing for April 15, 2019 (*Hamilton/Engel*)

- Transferring ownership of the property to the City would entail more bureaucracy and require City Council approval (*Hamilton/Alhambra/Engel*)
- Sale proceeds will go into the ReBuild KC account, which is used to offset predevelopment costs in the Beacon Hill area (*Hamilton/Flisram*)
 - Account is managed by the LCRA but controlled by the City (*Flisram*)
- Standard LCRA performance requirements will be included in the real estate sale contract (*Hamilton/Okafor/Engel/Flisram*)
 - Stringent design standards established by the neighborhood association will need to be followed (*Engel*)
 - Sale contract stipulations will allow the LCRA to repurchase or otherwise retain the property if construction is not timely (*Flisram/Engel*)
 - Scheduling the property's sale closing with a buyer's loan closing lowers the risk a buyer does not have the financial means to commence construction (*Engel*)

ACTION TAKEN: AUTHORIZED PREPARATION AND ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE ACQUISITION AND REDEVELOPMENT OF THE PARCEL ON THE NORTHEAST CORNER OF E. 25TH STREET AND TRACY AVENUE IN THE HOSPITAL HILL II URBAN RENEWAL AREA AS A SINGLE-FAMILY HOME. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. EDWARDS, AND CARRIED. (*RES. NO. 4-2-19*)

6. **Adjourn.**

There being no further business, the meeting adjourned at 10:05 a.m.

Greg Flisram, Secretary