
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY

BOARD MEETING AGENDA

DATE: September 25, 2019
TIME: 9:30 a.m.
PLACE: 300 Wyandotte, 2nd Floor
Kansas City, Missouri

1. **Roll Call.**
2. **Administrative.** - *Review and approval of Meeting Minutes for August 28, 2019 (Ex. 2)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR AUGUST 28, 2019,
AS PRESENTED

3. **Financial**

- a. *Review and acceptance of the Financial Reports for the months of May, June, July, and August, 2019 (Lee Brown) (Ex. 3A-1 – 3A-4)*

ACTION RECOMMENDED: ACCEPTANCE OF THE FINANCIAL REPORTS FOR
MAY, JUNE, JULY, AND AUGUST 2019, AS
PRESENTED

- b. *Review and acceptance of the draft LCRA Audit for fiscal year 2019 (Lee Brown) (Ex. 3B)*

ACTION RECOMMENDED: ACCEPTANCE OF THE DRAFT LCRA AUDIT REPORT
FOR FISCAL YEAR 2019

4. **Marlborough Community Coalition Urban Renewal Plan (Proposed)** – *Consideration of Approval of a Finding of Blight and the Marlborough Community Coalition Urban Renewal Plan (Bob Long) (Ex. 4A-4B)*

Area Description: The proposed Marlborough Community Coalition Urban Renewal Area is located within the area generally bound by E. 77th Street on the North, Prospect Avenue on the East, E. 87th Street on the South, and Troost Avenue on the West, including all parcels that face both sides of Troost Avenue, from E. 75th Street to north and E. 89th Street on the south, in Kansas City, Jackson County, Missouri. The proposed Plan Area encompasses approximately 640 acres and approximately 1,236 parcels.

Plan Description: The proponent of the Marlborough Community Coalition Urban Renewal Plan is the Marlborough Community Coalition.

The Marlborough Community Coalition neighborhood is part of Kansas City's southeast quadrant, lying approximately 8 miles southeast of the Central Business District.

The Marlborough Community Coalition Neighborhood thrived for many years, due to the proximity of industrial districts which offered good-paying jobs. The Marlborough neighborhoods were densely populated and vibrant. As manufacturers and distributors began relocating to more modern suburban industrial and business parks in the '60's and '70's, their jobs also left the area, dramatically weakening the economic base of the adjacent neighborhoods. The out-migration of working-class and middle-income families depressed property values, which made the Marlborough Community Coalition Neighborhood more affordable to lower-income families and attractive to absentee landlords.

Today, the Marlborough Community Coalition Neighborhood is one of the most challenged neighborhoods in the metropolitan area, with a significant number of vacant lots, nuisance properties, and boarded-up houses. There is a high percentage of absentee property ownership. Many of the businesses seem marginal and unkempt, as well as scattered along the major streets, rather than being clustered into cohesive business districts.

There are, however, signs of change in the area. Nearby industrial areas are seeing renewed investment. The City completed a significant "green" infrastructure project along Troost Avenue. The Parks & Recreation Department has invested in its facilities, making them more attractive for neighborhood use. In order to prevent widespread gentrification and the displacement of neighborhood residents, the Marlborough Community Coalition has recently created a Community Land Trust to ensure long-term affordability of housing throughout the neighborhood. The former Robeson School property, located on the west side of Troost Avenue, is being considered for redevelopment as a youth sports facility. Marlborough is well-positioned to benefit from these attributes.

Blight Study: An inter-disciplinary team from the University of Missouri – Kansas City determined that, as of April 25, 2019, the proposed Marlborough Community Coalition Urban Renewal Area of Kansas City, Missouri, is a "blighted area" according to the definition provided in Missouri's Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99) and is a menace to the health, safety, morals, and welfare of the city. An excerpt from the blight study:

Defective or inadequate street layout is an area of concern in the Study Area, with many streets lacking sidewalks, curbing, and proper parking access. The condition of defective or inadequate street layout was present in over 50% of the parcels surveyed throughout the Study Area.

The presence of improper subdivision and obsolete platting is prevalent throughout the Study Area. Parcels frequently demonstrated conditions such as faulty lot shape, inadequate layout, non-conformity of use, and obsolete platting. The presence of dysfunctional and restrictive configurations is common within the Study Area.

Deterioration of site improvements is apparent throughout the Study Area. Deterioration and aging are present in many primary structures as well as in a

number of outbuildings in the area. Site improvements in the Study Area often demonstrate roof and wall deterioration, poorly maintained exterior finishes, fascia deterioration, and deterioration of fences, walls, gutters, and stairways/steps. The presence of deterioration is a frequent occurrence, particularly among vacant parcels. There is a high rate of vacancy among parcels, with vacant parcels comprising 35% of the total parcels in the Study Area.

The presence of insanitary or unsafe conditions is the most prevalent blighting factor in the Study Area. Over 50% of the parcels surveyed in the Study area exhibited conditions considered unsafe or insanitary, including the existence of trash/debris, weeds, cracked or uneven sidewalks, and graffiti. Additionally, at the time of the study there were 478 open 311 cases against parcels in the Study Area for property violations or other service requests made to the city. The presence of billboards also adds to the overall insanitary condition of the area as there are seven billboards with visible deterioration present in the Study Area.

In the past few decades, the Study Area has seen either a significant decrease or little to no improvement in life expectancy. If a resident within the Study Area simply decided to move two miles west, it is possible their life expectancy would increase by more than ten years. In addition, there is a general lack or complete absence of health services, grocery stores, and public libraries within the Study Area, and there is a clear representation of inequitable circumstances. The Kansas City Health Department notes that blighted areas lead to an increase in crime and likelihood of encountering environmental hazards. Addressing blight is a fundamental first step in tackling the overall community health concerns the Study Area is facing.

Crime data indicates that high crime rates are present within the Study Area and pose a danger to both life and property. Incidents of violent crime in the Study Area are 2.79 times more prevalent than in the City as a whole, and 9.07 times more prevalent than the State of Missouri. Incidents of property crime are 1.61 times higher in the Study Area than the City, and 2.58 times higher than the rate for the State of Missouri. Further, violent crime rates in the Study Area are 12.52 times higher than the national rate and property crime rates are 3.01 times higher than the national rate.

Because most of the components of the Chapter 99 criteria are present in the proposed Marlborough Community Coalition Urban Renewal Area of Kansas City, Missouri, in April 2019, the UMKC team concluded that the Study Area is a “blighted area” consistent with the definition provided by Missouri’s Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99), and is a menace to the health, safety and welfare of the city. The blight study can be found in Exhibit F of the draft Plan. Staff believes that blighting conditions exist.

To revitalize the Marlborough Community Coalition neighborhood, the Plan’s proponents believe that assistance from the Land Clearance for Redevelopment Authority (the “Authority”), consisting of real property tax abatement, will present opportunities to revitalize the Marlborough Community Coalition neighborhood by stimulating and

facilitating private investment in both commercial and residential uses and building upon the architectural appeal, property values and ethnic diversity of these neighborhoods.

Affirmative Action Policy and MBE/WBE Participation: Project proponents will be required to meet with the EDC's MBE/WBE Compliance Officer to discuss their projects and the LCRA's Affirmative Action Policy and MBE/WBE Participation requirements.

Taxing Jurisdictions: A copy of all project information, financial analysis and draft staff report will be sent to the taxing jurisdiction representatives as individual commercial and multifamily projects are brought forward for consideration.

Other government/statutory agency action: The City Planning Commission will need to consider the proposed Urban Renewal Plan at an upcoming meeting. City Council will need to approve the Finding of Blight and the proposed Marlborough Community Coalition Urban Renewal Plan.

ACTION RECOMMENDED: APPROVAL OF THE FINDING OF BLIGHT IN THE PROPOSED MARLBOROUGH COMMUNITY COALITION URBAN RENEWAL PLAN.

APPROVAL OF THE MARLBOROUGH COMMUNITY COALITION URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL.

5. **Waldo Ice House Urban Renewal Plan (Proposed)** – *Consideration of Approval of a Finding of Blight and the Waldo Ice House Urban Renewal Plan (Bob Long) (Ex. 5A-5B)*

Area Description: The Plan Area consists of a single parcel, 226 W. 75th Street, on the north side of W. 75th Street, between Broadway and Wyandotte Street, in the Waldo business district portion of the Tower Homes neighborhood.

Plan Description: The proponent of the Waldo Ice House Urban Renewal Plan is the Ice House Partners, LLC, which is a joint venture of Linden Street Partners and Botwin Real Estate.

The Waldo Ice House, 226 W. 75th Street, is located within the Waldo business district. The Waldo business district is home to a diverse mixture of restaurants, bars, offices, service businesses, light industrial uses, retail shops, galleries, vacant buildings, and surface parking lots. 226 W. 75th Street was the Waldo Ice House for many years, but was remodeled for retail use, most recently as an "antiques mall". The building has been vacant and deteriorating for a few years.

The Plan's proponents have proposed the demolition of the former Waldo Ice House building and the construction of a four (4) – story mixed-use structure, with three (3) stories of approximately 33 apartments above ground floor commercial office spaces, along with approximately 33 parking spaces provided to the rear of the building. At least three (3) of the apartments will be affordable to households at or below 70% of the area median income. In order to strengthen the streetscape/façade wall of the Waldo business

district, the new mixed-use building will be close to the W. 75th Street right-of-way, with its' off-street parking to the rear. The Plan's proponents believe that this proposed project is well-positioned to attract new residents to Waldo because of the new housing units being constructed and its location in the heart of the Waldo business district.

Blight Study: Staff conducted a site inspection of the project area on August 19, 2019. 226 W. 75th Street is currently a vacant commercial building located on the north side of W. 75th Street. The property is nearly square in shape. The off-street parking lot, which lies directly adjacent to W. 75th Street and in front of the existing building, has deteriorating pavement, large potholes, has no stormwater runoff controls, has no interior or perimeter landscaping, and does not comply with the City's Chap. 52 requirements. There is a freestanding pole-mounted sign at the edge of the right-of-way that is deteriorating, non-functional, and has electrical or telephone wire drooping across it's top. The building is currently vacant and has been for some time. The building exterior has failing surface treatments, deteriorating wood and masonry components, damaged awnings and storefronts, and deteriorating stairways. The building's interior has water-damaged and rotting wood studs, joists, and rafters, damaged walls, floors, and ceilings, extensive roof damage, dripping and standing water in various locations, and mold. None of the heating, air-conditioning or ventilating systems were functional, nor were the electrical or plumbing systems.

Staff believes most of the components of the Chapter 99 criteria are present in the proposed Waldo Ice House Urban Renewal Area and that the Study Area is a "blighted area" consistent with the definition provided by Missouri's Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99), and is a menace to the health, safety and welfare of the city. The blight study can be found in Exhibit F of the draft Plan.

The former Waldo Ice House, 226 W. 75th Street, is not located within a "continuously distressed" census tract and is, therefore, only eligible for up to 75% property tax abatement. This provision has been incorporated into the proposed Plan.

To redevelop the former Waldo Ice House property, the Plan's proponents believe that assistance from the Land Clearance for Redevelopment Authority (the "Authority"), consisting of real property tax abatement, will present opportunities to redevelop the Waldo Ice House property by stimulating and facilitating private investment in a new mixed-use building.

Financial Analysis: Baker Tilly (which merged with Springsted last year) performed the financial analysis (Exhibit __). All budget items and proforma items were determined to be reasonable and in line with other current projects. Baker Tilly cited a range of 5.25% - 10.0% for similar projects, with an average return of 7.11%. The unleveraged IRR without assistance is 4.84%, which falls below the bottom of the range of returns. With 10-year tax abatement at 75%, the unleveraged IRR is 8.67%, which is within the range cited. Staff believes the 8.67% return is appropriate given the level of risk since this is the first residential mixed-use project within the Waldo business district. A Redevelopment Contract will be presented for the Authority's consideration after approval of the proposed Urban Renewal Plan.

Affirmative Action Policy and MBE/WBE Participation: Project proponents will be required to meet with the EDC's MBE/WBE Compliance Officer to discuss their projects and the LCRA's Affirmative Action Policy and MBE/WBE Participation requirements.

Taxing Jurisdictions: A copy of all project information, financial analysis and draft staff report was sent to the taxing jurisdiction representatives as part of the City's AdvanceKC process.

Other government/statutory agency action: The City Planning Commission will need to consider the proposed Urban Renewal Plan at an upcoming meeting. City Council will need to approve the Finding of Blight and the proposed Waldo Ice House Urban Renewal Plan.

ACTION RECOMMENDED: APPROVAL OF THE FINDING OF BLIGHT IN THE PROPOSED WALDO ICE HOUSE URBAN RENEWAL PLAN.

APPROVAL OF THE WALDO ICE HOUSE URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL.

6. **Linwood-Prospect URA** – *Consideration of Amendment to Assignment, Assumption and Amendment of Ground Lease and Redevelopment Contract* (Brian Engel)

LCRA owns the property known as the Linwood Square Shopping Center generally located on the east side of Prospect Avenue between E. 30th Street on the north and E. Linwood Boulevard on the south. LCRA leases the land to Linwood Center Redevelopment Company, LLC ("Developer"), a Missouri limited liability company, pursuant to the Ground Lease and the Redevelopment Contract (each dated February 14, 1992), which LCRA assigned to the Developer, and the Developer assumed, by the Assignment, Assumption and Amendment of Ground Lease and Redevelopment Contract dated January 31, 2017.

LCRA approved an amendment to the Redevelopment Contract extending certain deadlines in June 2019, including a financing deadline of September 30, 2019. The Developer expects a financing closing to occur before the deadline. In an abundance of caution, the Developer is seeking a one-month extension of the current project deadlines.

ACTION RECOMMENDED: APPROVE AMENDMENT TO AMENDMENT, ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND REDEVELOPMENT CONTRACT TO UPDATE DEVELOPMENT DEADLINES.

7. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 7A**)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- b. **Affirmative Action Report** (Sandra Rayford) (**Ex. 7B**)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- c. **Legislative Update** – Amendment to Section 107.170, RSMo, Concerning Payment Bonds (Brian Engel) (**Ex. 7C**)

ACTION RECOMMENDED: DISCUSSION AND ACTIONS ON LEGAL OR POLICY MATTER AS BOARD MAY DETERMINE.

- d. **Tax Abatements** – There were six (6) tax abatements approved in August, 2019.

URA	Address	Applicant	Category	Type
Columbus Park	1317 E. 5th Street	Michael Todd	S/f Residential	Rehab
Key Coalition	2911 Olive Street	Kelli Hare-Moore	S/f Residential	Rehab
Oak Park	3539 Brooklyn Avenue	Htee Thwee	S/f Residential	Rehab
Oak Park	3633 Woodland Avenue	Zac Hoppenstedt & Rachel Bohn	S/f Residential	Rehab
Scarritt Renaissance I	512 Bellefontaine	James & Laura Hays	S/f Residential	Rehab
Scarritt Renaissance I	3435 Anderson Avenue	JPC Property Holdings, LLC	S/f Residential	Rehab

EXECUTIVE SESSION

8. *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

9. Adjourn.

To access the meeting by phone:
Call in number - 816-691-2102
Password - 72106