
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY

BOARD MEETING AGENDA

DATE: November 20, 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 October 23, 2019 (Ex. 2)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR OCTOBER 23, 2019, AS PRESENTED
3. **Financial** - *Review and acceptance of the Financial Report for October, 2019 (Lee Brown) (Ex. 3)*

ACTION RECOMMENDED: ACCEPTANCE OF THE FINANCIAL REPORT FOR OCTOBER, 2019 AS PRESENTED
4. **Walnut Grove Apartments URP – Walnut Grove Apartments, Limited Partnership – Consideration of Termination of Lease (Brian Engel) (Ex. 4A-4D)**

LCRA approved the First Amended and Restated Walnut Grove Apartments Urban Renewal Plan on May 24, 2000 to provide assistance for rehabilitation of blighting conditions found to exist within an 184-unit apartment complex generally bounded by NE 37th Street on the north, Waldron Road on the east, NE Winn Road on the south, and North Antioch Road on the west in Clay County. The plan was approved for a 20-year term and is scheduled to expire in May 2020.

As part of the project, LCRA entered into a sale/leaseback transaction with Walnut Grove Apartments, Limited Partnership (“Developer”) pursuant to the Sale/Leaseback and Redevelopment Agreement and the Lease each dated June 22, 2000. To finance the project, the following funds were loaned to LCRA: (1) the proceeds of bonds issued by the Industrial Development Authority of the City of Kansas City in the aggregate amount of \$6,210,000 (“IDA Bonds”) were initially loaned to the Developer, which loan (“IDA Loan”) was subsequently assigned to LCRA by the Assignment and Assumption Agreement dated June 22, 2000; and (2) Developer equity funds in the amount of \$3,825,721 (“Take-Back Loan”). The IDA Loan and the Take-Back Loan are non-recourse to LCRA and are paid by the Developer as rent under the Lease.

Although the Lease is stated to have a 99-year term, LCRA has the right to terminate the Lease at any time after June 22, 2015. Based on redemption notices issued by the bond trustee, it appears that the IDA Bonds were paid in full in October 2019. Now that the IDA Bonds have been paid in full and due to the impending expiration of the urban renewal plan, LCRA may terminate the Lease and unwind the sale/leaseback transaction,

including achieving a release of LCRA under the IDA Loan and the Take-Back Loan and other related transactions.

ACTION RECOMMENDED: APPROVE TERMINATION OF LEASE AND UNWIND SALE/LEASEBACK AND RELATED FINANCING TRANSACTIONS.

5. **Administrative.**

- a. **Central Business District** – *Status update regarding Mark Twain, 106 W. 11th Street* (Brian Engel)

At its November 28, 2018 meeting, the Board approved (1) sales tax exemption on construction materials purchased after closing and (2) 90% property tax abatement on the assessed value of the project improvements for 10 years for the Mark Twain project.

- b. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 5B**)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- c. **Tax Abatements** – There were seven (7) tax abatements approved in October, 2019.

URA	Address	Applicant	Category	Type
Arterra 21	2100 Wyandotte	Arterra, LLC	M/f Residential	Rehab
Gotham Apartments	2718 E. Linwood	Linwood Apartments, LP	M/f Residential	Rehab
Gotham Apartments	3012 E. Linwood	Linwood Apartments, LP	M/f Residential	Rehab
Longfellow Dutch Hill	2704 Charlotte	Allison Bergman Living Trust	S/f Residential	Rehab
Independence Plaza	2821 Independence	Cynthia Herrington & John Lancaster	S/f Residential	Rehab
Longfellow Dutch Hill	2716 Charlotte	Jeremy Hartman & Leslie Michaud	S/f Residential	Rehab
Oak Park	4319 Bales	Legacy Asset Group	S/f Residential	Rehab

EXECUTIVE SESSION

6. *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

7. Adjourn.

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Password - **72106**