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## LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD MEETING AGENDA

**DATE:** January 29, 2020  
**TIME:** 9:00 a.m.  
**PLACE:** 300 Wyandotte, 4<sup>th</sup> Floor  
Kansas City, Missouri

1. **Roll Call.**
2. **Administrative.** - *Review and approval of Meeting Minutes for December 18, 2019 (Ex. 2)*

*ACTION RECOMMENDED:* APPROVAL OF THE MINUTES FOR DECEMBER 18, 2019,  
AS PRESENTED

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

*ACTION RECOMMENDED:* ACCEPTANCE OF THE FINANCIAL REPORT FOR  
DECEMBER, 2019 AS PRESENTED

4. **22<sup>nd</sup> & Prospect URA** – *Consideration of a Proposed Redevelopment Contract with MacPen Enterprises, LLC (Bob Long) (Ex. 4A-4D)*

**Area Description:** The proposed 22<sup>nd</sup> & Prospect Urban Renewal Area is an area generally bound by E. 21<sup>st</sup> Street on the north, Montgall Avenue on the east, E. 22<sup>nd</sup> Street on the south, and Prospect Avenue on the west. The Plan Area includes the following properties: 2105 Prospect, 2109 Prospect, 2113 Prospect, 2117 Prospect, 2119 Prospect, 2121 Prospect, 2123 Prospect, and 2125 Prospect. All of the properties are owned by MacPen Enterprises, LLC.

**Plan Description:** The proponent of the 22<sup>nd</sup> & Prospect Urban Renewal Plan is MacPen Enterprises, LLC.

The 22<sup>nd</sup> & Prospect area is part of Kansas City's near eastside, lying approximately 2.5 miles southeast of the Central Business District.

The project's proponents have proposed the redevelopment of the Plan Area for a 14,000 square foot development, which will include a 9,600 square foot, 24 – hour daycare and a 4,600 associated pediatric use. MacPen Enterprises, LLC currently owns and operates the Kiddie Depot daycare at 3501 Woodland, which is currently operating at full capacity and has a lengthy waitlist. The proposed new facility will enable Kiddie Depot to quadruple its capacity and result in a significant number of jobs.

MacPen Enterprises, LLC has successfully obtained project funding from the Center City economic development sales tax district, the Public Improvement Advisory Committee, and debt financing.

Per LCRA policy, a financial analysis of this project is not required since it is adjacent to/east of Troost Avenue and located within a “continuously distressed” census tract. Staff believes the proposed project is in compliance with the 22<sup>nd</sup> & Prospect Urban Renewal Plan.

To revitalize the 22<sup>nd</sup> & Prospect area as affordable 24-hour daycare and related uses, 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 properties within the proposed 22<sup>nd</sup> & Prospect Urban Renewal Area by stimulating and facilitating private investment.

**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:** Copies of all project information, financial analyses and draft staff reports have been sent to the taxing jurisdiction representatives as part of the AdvanceKC process.

**Other government/statutory agency action:** City Council will need to approve the Finding of Blight and the proposed 22<sup>nd</sup> & Prospect Urban Renewal Plan, which is expected on Thursday, January 30<sup>th</sup>.

*ACTION RECOMMENDED:* APPROVAL OF 10-YEAR, 100% PROPERTY TAX ABATEMENT FOR MACPEN ENTERPRISES, LLC’S DAYCARE PROJECT IN THE 22<sup>ND</sup> & PROSPECT URBAN RENEWAL AREA.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH MACPEN ENTERPRISES, LLC FOR THEIR DAYCARE PROJECT IN THE 22<sup>ND</sup> & PROSPECT URBAN RENEWAL AREA, CONTINGENT UPON CITY COUNCIL’S APPROVAL OF THE 22<sup>ND</sup> & PROSPECT URBAN RENEWAL PLAN.

5. **Columbus Park URP – Columbus Park Development Group 2, LLC - Phase II –**  
*Consideration of Extension to Real Estate Sale Contract* (Brian Engel) (Ex. 5A-5D)

By Resolution No. 4-3-17 dated May 31, 2017, LCRA approved: (a) an amendment to the Redevelopment Contract to facilitate the transfer of the Phase Two Property to Columbus Park Development Group 2, LLC ("Redeveloper"); (b) the transfer of the Phase Two Property to Redeveloper subject to the terms and conditions of the Real Estate Sale Contract; (c) ten (10) year tax abatement for the Phase Two Property as specified in accordance with the Columbus Park Urban Renewal Plan and the Redevelopment Contract,

as amended; (d) the Redevelopment Plan for Phase Two and establish the Plan Approval Date for Phase Two; and (e) authorized the Executive Director to reimburse the City for approximately \$292,000 to fund public infrastructure improvements within the Urban Renewal Area with proceeds from the sale of the Phase Two Property and to utilize the remaining proceeds from the sale of the Phase Two Property for payment of other public infrastructure improvement costs or eligible project costs within the Urban Renewal Area in accordance with the Redevelopment Contract.

By Resolution No. 5-4-17 dated April 26, 2017, LCRA approved and authorized execution of: (a) the Amendment to Amended and Restated Redevelopment Contract dated July 7, 2017 and recorded as Document No. 2017E0087115 (“Amendment to Redevelopment Contract”); (b) the Real Estate Sale Contract dated July 7, 2017 (“Real Estate Sale Contract”) between LCRA and the Redeveloper, as amended; (c) the Assignment, Assumption and Implementation Agreement dated July 7, 2017 and recorded as Document No. 2017E0087121 (“Assignment”) of the Redevelopment Contract, as amended, from Columbus Park Development Group, LLC to the Redeveloper; (d) its prior approvals as stated in Resolution No. 4-3-17; and (e) a Funding Agreement between LCRA and the Redeveloper for the purpose of providing a revenue source to fund costs, including legal fees, incurred by LCRA in connection with LCRA’s performance of rights and obligations under the Redevelopment Contract, as may be further amended in the future to accommodate future phases, and the transactions contemplated thereunder, all in furtherance of the Urban Renewal Plan.

The Real Estate Sale Contract contemplates that LCRA will sell the Phase Two Property to the Redeveloper in one or more transactions. The first transaction closed on or about December 15, 2017. The Redeveloper has requested that LCRA transfer the remainder of the Phase Two Property. Under the Real Estate Sale Contract, the deadline for completing the transfer all of the Phase Two Property was December 31, 2019, which LCRA approved in October 2019. The Redeveloper is finalizing a loan from its lender and the Third Amendment to Real Estate Sale Contract extends the deadline to allow additional time to complete the closing.

*ACTION RECOMMENDED:* APPROVE THIRD AMENDMENT TO REAL ESTATE SALE CONTRACT FOR SALE OF REMAINING LCRA LAND TO COLUMBUS PARK DEVELOPMENT GROUP 2, LLC.

6. **Hospital Hill II URA – 25<sup>th</sup> & Tracy** - *Approval of Sale of Lots for Residential Development* (Brian Engel) (Ex. 6A-6C)

**Area Description:** The Hospital Hill II Urban Renewal Area is an area generally bound by E. 22<sup>nd</sup> Street on the north, Paseo/Martin Luther King, Jr. Boulevard on the east, E. 27<sup>th</sup> Street on the south, and Troost Avenue on the west. The Project site consists of three residential lots on the northeast corner of E. 25<sup>th</sup> Street & Tracy Avenue.

**Project Description:** At the request of the City of Kansas City and Beacon Hill Developers, the Authority, at its April 2019 meeting, approved the issuance of a Request for Proposals for the acquisition and redevelopment of three lots on the northeast corner of E.

25<sup>th</sup> Street & Tracy Avenue as owner-occupied single-family homes. The Authority owns these lots, but is acting as a conduit on behalf of the City and Beacon Hill Developers (the Master Developer). The RFP was issued on May 3<sup>rd</sup>. The Authority previously approved two proposals for the sale of Parcels 2 and 3. The Authority recently received a proposal for the sale of the remaining lot, known as Parcel 1, and the City has provided a written recommendation of approval. Copies of the documents are attached.

*ACTION RECOMMENDED:* APPROVAL OF A SALE CONTRACT WITH MELISSA RAINE FOR THE ACQUISITION AND REDEVELOPMENT OF PARCEL 1 AT E. 25<sup>TH</sup> & TRACY AVENUE IN THE HOSPITAL HILL II URBAN RENEWAL AREA.

7. **Central Business District URA** – *Consideration of Conflict Waiver Letter* (Brian Engel)

In 2007, LCRA approved tax abatement for the Quality Hill II-B project, which includes an 84-unit housing project and associated surface parking at 9th and Washington. The tax abatement period expired in 2017. In 2007, LCRA also approved an Escrow Agreement to facilitate the sale of condominium units by utilizing available LCRA funds for down payment assistance. The final escrow funds were depleted in 2019 and the Escrow Agreement has been terminated. The developer has asked legal counsel for assistance in the transition of control of the homeowner association from the developer to the condominium owners.

*ACTION RECOMMENDED:* APPROVE CONFLICT WAIVER LETTER.

8. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 8A)

*ACTION RECOMMENDED:* NONE; INFORMATIONAL ONLY

- b. **Tax Abatements** – There were four (4) tax abatements approved in December, 2019.

URA	Address	Applicant	Category	Type
Oak Park	4101 College	Crowe Opportunity Fund	S/f Residential	Rehab
3200 Gillham Road	3200 Gillham Road	Exact Acme, LLC	M/f Residential	Rehab
Longfellow Dutch Hill	2724 Campbell	Smith-Martens Investments	S/f Residential	New
Scarritt Renaissance I	509 Gladstone Blvd.	Victoria Strong & Jay Howell	S/f Residential	Rehab

***EXECUTIVE SESSION***

9. 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***

10. Adjourn.