
**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
BOARD MEETING MINUTES**

DATE: December 18, 2019
TIME: 9:30 a.m.
PLACE: 300 Wyandotte, 2nd Floor
Kansas City, Missouri

1. **Roll Call.**

Present: Faiza Alhambra
Steve Hamilton
Gabriel Okafor

Absent: Pat Contreras
Daniel Edwards

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Lee Brown, EDC
Bob Long, EDC
Sandra Rayford, EDC
Cynthia Wilson

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Dennis Bradley, B+A Architecture
Thong Thai, B+A Architecture
Dion Lewis, City of Kansas City Human Relations Dept.
Matt Wilks, City of Kansas City
Lauren Jensen, Exact KC
Joey Flickner, IUPAT DC3
Ron O’Kane, Leigh & O’Kane
Don Maxwell, Linwood Shopping Center Redevelopment Co.
Bill Kimble, Neighborhoods United

Chairman Hamilton called to order the meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority and declared a quorum as Commissioners Alhambra and Okafor were present in person.

2. **Administrative.** - *Review and approval of Meeting Minutes for November 20, 2019 (Ex. 2)*

ACTION TAKEN: APPROVED THE MINUTES FOR NOVEMBER 20, 2019, AS PRESENTED. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED UNANIMOUSLY.

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

Mr. Brown advised that the November financials had no issues with account receivables and that the one large account payable should be paid by year-end.

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

4. **Garfield URA –2600 – 2618 Independence Avenue** – *Approval of Redevelopment Contract with BA Properties, LLC* (Bob Long) (Ex. 4A-4B)

➤ ***Project Overview***

- Firefighter Memorial (*all statements made by Mr. Long unless otherwise noted*)
 - A plaque and seating area within the project will honor the two firefighters killed at the site in 2015 by an arson fire
 - Current status of the site is a vacant lot
- Financial Analysis (*all statements made by Mr. Long unless otherwise noted*)
 - Per LCRA policy, an independent financial analysis is not required for projects adjacent to or east of Troost and in a continually distressed census tract
 - Staff has reviewed developer's financial information and believes 10-year 100% abatement is appropriate for the project

➤ ***Board Considerations***

- UR Rezoning is the City's catchall, customized zoning classification which is required for all publicly assisted projects (*Alhambra/Long*)
- Board's previous approval of 50% abatement for a different project by the same developer at the same location (*Hamilton*)
 - Staff recommended 50% abatement for developer's original project because of neighborhood opposition and the project's overall appearance (*Moye*)
 - Redevelopment Agreement for previous project was never signed because of substantial neighborhood opposition (*Long*)
 - Staff is comfortable recommending 100% abatement for developer's revised plan because it now has neighborhood support and increased scope (*Long/Moye*)
 - Higher abatement is also indicated because the project carries significant risk from its location in an unproven area (*Long*)
- Developer is incorporating the Independence Corridor Design Overlay District, into the project as part of the UR rezoning process (*Okafor/Long*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 2600 - 2602 INDEPENDENCE AVENUE MIXED-USE PROJECT. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED UNANIMOUSLY

APPROVED A REDEVELOPMENT CONTRACT WITH BA PROPERTIES, LLC FOR THE 2600 - 2602 INDEPENDENCE AVENUE MIXED-USE PROJECT IN THE GARFIELD URBAN RENEWAL AREA. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED UNANIMOUSLY.

(RES. NO. 12-1-19)

5. **E. 23rd Street URA & Independence Plaza URA –multiple properties** – *Consideration of Approval of Sale/Leaseback Redevelopment Contract with Steele Blue Eagle, LLC* (Bob Long) (Ex. 5A-5D)

Mr. Moye advised that the developer had requested that this project be continued until further notice. The developer had initially requested a sale/leaseback to wipe out base taxes for the projects, which was against City policy. The developer is now in discussions with the City about which program might be applicable to the project.

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE.

6. **Waldo Ice House Mixed-Use Project** – *Consideration of Approval of Tax Abatement and a Redevelopment Contract with Ice House Partners, LLC* (Bob Long) (Ex. 6A-6B)

Mr. Long asked that this matter also be tabled because the City Council had recently denied approval for the proposed urban renewal area. He noted that the URA might be reconsidered at a future City Council meeting with additional information in support of the project being provided.

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE

7. **Linwood-Prospect URA – Linwood Square Shopping Center** - *Consideration of Recognition, Non-Disturbance and Attornment Agreement* (Brian Engel) (Ex. 7A-7B)

➤ ***Board Considerations***

- Highlights of the revisions legal counsel made to the initial Citi Trends' agreement were to clarify that: (1) LCRA would not terminate the Ground Lease until a new developer was located to properly maintain and operate the center and (2) LCRA would have no direct lease with the tenant or subsequent obligations to maintain and operate the center (*Alhambra/Engel*)
 - Developer's lenders are reviewing the revised agreement and are expected to agree to LCRA's additions (*Engel*)
 - Non-disturbance agreements are fairly typical for tenants to want for protection against possible developer defaults (*Engel*)
- A new developer would have to recognize the project's tenant subleases to assume the Ground Lease (*Hamilton/Engel*)

ACTION TAKEN: APPROVED RECOGNITION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED UNANIMOUSLY. (RES. NO. 12-2-19)

8. **Hospital Hill II URA –Two Corners – 27th & Troost** – *Selection of Exact as Developer* (Bob Long) (Ex. 8)

➤ ***Board Considerations***

- Effect of premature selection of developer with no proposed project (*Hamilton/Okafor*)
 - City asked that the LCRA designate the developer as the intended purchaser before year-end to preserve the project's Opportunity Zone funds (*Engel/Moye*)
 - Benefit of Opportunity Zone funds decreases substantially after December 31, 2019, making the project financially unfeasible (*Moye*)
 - LCRA's limited involvement will end once it acts as the pass-thru entity to transfer the land from the City to the developer (*Engel*)
 - City Council approval of the Hospital Hill II URP 6th Amendment will also be needed to enable LCRA's acquisition of both lots (*Engel*)
 - Selecting Exact as the developer allows the sale transaction to move forward premised on their assuming ownership of the property (*Moye*)
 - Exact intends to act as developer for the project but they are not obligated to do so because of their designation (*Moye*)
 - City will not enter into the sale contract unless LCRA has approved the contracted party as the redeveloper (*Moye/Engel*)
 - At the time of project approval, the developer would not have to be reapproved (*Moye*)
- Selecting a developer prior to determining project tax incentives (*Hamilton*)
 - Developer has not yet indicated what incentive structure it will seek (*Moye*)
 - Any proposed project would have to meet several abatement and City permitting standards, prior to its initiation and/or completion (*Engel*)
 - Designation of Exact as the site's developer does not entitle them to any type of tax incentive (*Moye*)
- More information about developer needed prior to approval (*Hamilton/Okafor*)
 - Both the City and staff have reviewed the RFP response and are comfortable with developer's ability to move forward with the project (*Moye*)
 - Exact cannot only complete the project but has the ability to find commercial tenants (*Jensen*)
 - Developer plans to continue its expansion of the corridor and has also successfully completed several projects in the area (*Jensen*)
 - As the site is fairly small with limited parking, the development will be geared towards commercial users rather than residential (*Moye/Jensen*)

- Exact invests heavily in its commercial tenants but does not know why a nearby commercial building owned by an unrelated entity is not occupied (*Jensen*)
- Development timeline concerns (*Okafor*)
 - Exact has already invested in the area and plans to move forward quickly with this project (*Moye*)
 - City will enact the timeframe through the purchase agreement once the contract is finalized (*Moye*)
 - City could also condition the title transfer upon certain deadlines (*Engel*)
 - Developer submitted a proposed timeline in its RFP reply of 6-month design and due diligence and a 12-month construction period (*Long*)
 - City can ignore recommended/conditional timeline if opportunity zone funds would be negatively affected (*Moye*)

ACTION TAKEN: SELECTED EXACT (OR AN AFFILIATE) AS REDEVELOPER OF THE TWO CORNERS PROJECTS WITHIN HOSPITAL HILL II URBAN RENEWAL AREA WITH THE UNDERSTANDING THAT THEY WILL COMPLETE THE DESIGN WITHIN SIX (6) MONTHS AND BE ABLE TO COMPLETE THE PROJECT WITHIN AN ADDITIONAL EIGHTEEN (18) MONTHS. MOTION MADE BY MR. OKAFOR, SECONDED BY MS. ALHAMBRA, AND CARRIED BY THE FOLLOWING VOTE:

MS. ALHAMBRA	AYE
MR. HAMILTON	ABSTAIN
MR. OKAFOR	AYE

(*RES. NO. 12-3-19*)

9. **16th & Jefferson Urban Renewal Area** – Approve URP’s First Amendment (Bob Long)

- 5-year extension of URP to 2025 will ensure that the URA’s one active tax abatement will not extend beyond the term of the URP (*Long*)
- 3-year extension with an end date of December 31, 2023 would coordinate with the end date of the single active tax abatement (*Alhambra/Hamilton/Long*)

ACTION TAKEN: APPROVED AMENDMENT TO 16TH & JEFFERSON URBAN RENEWAL PLAN TO EXTEND TERM TO DECEMBER 31, 2023. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED UNANIMOUSLY. (*RES. NO. 12-4-19*)

10. **Manheim Park Urban Renewal Area** – Approve URP’s Second Amendment (Bob Long)

- 15-year extension would cover the terms of the several existing tax abatements as well as allow for future incentives in the emerging neighborhood (*Long*)

ACTION TAKEN: APPROVED THE SECOND AMENDMENT TO THE MANHEIM PARK URBAN RENEWAL PLAN TO EXTEND TERM FOR AN ADDITIONAL FIFTEEN (15) YEARS. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED UNANIMOUSLY. (RES. NO. 12-5-19)

11. **23rd & Jarboe Urban Renewal Area** – *Approve Termination of the Urban Renewal Plan* (Bob Long)

- Area has seen little activity and its last LCRA abatement expired in 2012 (*Long*)
- Acknowledgment of the expiration by the LCRA and City Council will ensure records and maps about the City’s various URAs are kept current (*Hamilton/Long*)

ACTION TAKEN: APPROVED THE TERMINATION TO THE 23RD & JARBOE URBAN RENEWAL PLAN AND FORWARD THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. ALHAMBRA, SECONDED BY MR. OKAFOR, AND CARRIED UNANIMOUSLY (RES. NO. 12-6-19)

12. **Administrative.**

a. **Executive Director’s Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 12A**)

Mr. Moye advised that the one issue of note was the City Council’s denial of the creation of the Waldo Ice House URA and that staff was working with the developer to resolve the matter.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

13. **Adjourn.**

Mr. Hamilton stated that this was probably the last LCRA meeting for this Board’s members as the new mayor was expected to appoint all new Commissioners. He advised that while the new members had not yet been officially appointed, he was still resigning from his 20 plus years on the Board, effective immediately.

There being no further business, the meeting adjourned at approximately 10:30 a.m.

Daniel Moye, Secretary