
**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
VIDEO-CONFERENCE BOARD MEETING MINUTES**

DATE: April 22, 2020
TIME: 9:30 a.m.
PLACE: 300 Wyandotte, 2nd Floor
Kansas City, Missouri

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Lee Brown, EDC
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Matt Meier, Alexander Co.
Dion Lewis, City of Kansas City, Human Relations Dept.
Larry Maxfield, Columbus Park Development Group 2, L.L.C.
Rodger Kube, Half Napkin, LLC
Diane Hershberger, Half Napkin, LLC
Allison Bergman, Hardwick Law

Mr. Moye called to order the monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority and declared a quorum as Commissioners Bough, Gardner, Hazley, and Henderson were present. *[All Board members, staff, and guests participated in the meeting via video-conference.]*

2. **Administrative.** - Review and approval of Meeting Minutes for March 4, 2020 (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR MARCH 4, 2020, AS PRESENTED. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. BOUGH, AND CARRIED UNANIMOUSLY.

3. **Financial** - Review and acceptance of the Financial Report for February and March, 2020 (Lee Brown) (Ex. 3)

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORTS FOR FEBRUARY AND MARCH, 2020 AS PRESENTED. MOTION MADE BY MR. GARDNER, SECONDED BY MS. BOUGH, AND CARRIED UNANIMOUSLY

4. **Marlborough Community Coalition URA – 8026 Paseo** – *Consideration of Approval of Redevelopment Contract with Half Napkin, LLC (Bob Long) (Ex. 4A-4C)*

➤ ***Financial Analysis***

- Project is exempt from a traditional financial analysis as it is within a continually distressed census tract and east of Troost (*Long*)
- LCRA staff reviewed developer's proforma and budget and determined that the request for 10-year/100% abatement was reasonable (*Long*)
- Staff financial analyses will more clearly differentiate tax revenues generated by a project with versus without abatement on future projects (*Hazley/Moye*)

➤ ***Taxing Jurisdictions Support for Project***

- Center School District supports the project (*Long*)
 - Developer met with Rick Chambers of the Center Foundation, who advised that the Superintendent had no concerns about the project (*Henderson/Kube*)
 - Superintendent was not able to write a letter of support due to time restrictions (*Henderson/Kube*)
 - Ms. Bergman received a note from Mr. Chambers, indicating his full support of the project (*Bergman*)
- Coalition for Kansas City Economic Development Reform issued its letter of support for the project yesterday (*Moye*)

➤ ***Affirmative Action Guidelines***

- Project is exempt from compliance with the City's MBE/WBE Ordinance but is voluntarily complying (*Kube*)
- Redevelopment Contract between the developer and the LCRA will need to be revised to show developer's voluntary compliance (*Engel*)
 - An additional revision will also need to be made to clarify that the project site covers the Mama Tio's building site (*Engel/Hershberger*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 8026 PASEO BOULEVARD COMMERCIAL PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH HALF NAPKIN, LLC FOR THE 8026 PASEO BOULEVARD COMMERCIAL PROJECT IN THE MARLBOROUGH COMMUNITY COALITION URBAN RENEWAL AREA.

MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY.

(RES. NO. 4-1-20)

5. **14th & Agnes URA – 1328 Agnes/1301 Agnes & 3020 E. 14th** – *Consideration of Approval of Redevelopment Contract with Centerfield Asset Properties, LLC* (Bob Long) (Ex. 5A-5C)

➤ ***Financial Analysis***

- Developer plans a minimal renovation of the small commercial space into affordable art studios, which are in high demand (*Long*)
- Project is eligible for 10-year 100% abatement as it is within a continually distressed census tract (*Long*)
- LCRA staff reviewed developer's proforma and budget and determined that the project barely breaks even with full abatement and that its returns are well below market range (*Long*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 1328 AGNES AVENUE COMMERCIAL PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH CENTERFIELD ASSET PROPERTIES, LLC FOR THE AFFORDABLE ARTIST STUDIOS PROJECT AT 1328 AGNES AVENUE IN THE 14TH & AGNES URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 4-2-20)

6. **Central Business District URP – 1025 Grand Sale/Leaseback (Shopper's Parkade)** – *Consideration of Receipt of Notice of Extension and Estoppel* (Brian Engel) (Ex. 6A-6B)

➤ ***Project Overview***

- Developer's renovation of the Professional Building, adjacent to the deteriorating Shoppers Parkade site, would only be successful if the neighborhood was also cured of blight (*Meier*)
- Federal grants used by the developer to help create parking for the Professional Building from the Shoppers Parkade site necessitated LCRA's ownership (*Meier*)
 - Grants could only be awarded to a public entity (*Meier*)
- Affordable 30-year compliance period began in 2006 and developer has no current plans to change the building's affordable component once the requirement has lapsed (*Moye/Meier*)

➤ ***Lease Expiration***

- Project is an existing sale/leaseback, with LCRA owning the current surface parking lot and leasing it to Historic Grand, L.L.C. (*Engel*)
- Tenant has timely notified the LCRA of its intent to exercise the two 5-year extension periods to extend the current lease from its expiration on July 1, 2020 to July 1, 2030 (*Engel*)

ACTION TAKEN: APPROVED RECEIPT OF NOTICE OF EXTENSION AND ESTOPPEL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 4-3-20*)

7. **Columbus Park URP – Columbus Park Development Group 2, LLC - Phase II – Consideration of Extension to Real Estate Sale Contract** (Brian Engel) (**Ex. 7A-7D**)

➤ ***Contract Extension***

- Developer was unable to meet the current contract's closing date of March 31, 2020 due to delays caused by the health pandemic shutdown (*Engel*)
- Developer's plans to remodel 401 Charlotte into live/work lofts rather than to demolish the building also caused additional delays (*Maxfield*)
 - Developer's financial and insurance providers required additional assurances because of the condition of the 401 Charlotte building (*Maxfield*)

ACTION TAKEN: APPROVED FOURTH AMENDMENT TO REAL ESTATE SALE CONTRACT FOR SALE OF REMAINING LCRA LAND TO COLUMBUS PARK DEVELOPMENT GROUP 2, LLC. MOTION MADE BY MS. BOUGH; SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 4-4-20*)

8. **Hospital Hill II URA –25th & Tracy – Consideration of Approval of Sale of Lot (Parcel 1) for Residential Development** (Brian Engel) (**Ex. 8**)

- Offer approved by the Board in January 2020 has been withdrawn by the prospective buyer (*Engel*)
- City recommends acceptance of the significantly higher offer of \$61,500 from the new buyer (*Engel*)
 - Buyer/Developer plans to construct a single-family home on the site (*Engel*)

ACTION TAKEN: APPROVED A SALE CONTRACT WITH MAXIMILLIAN HOWELL (OR OWNERSHIP ENTITY CONTROLLED BY HIM) FOR THE ACQUISITION AND REDEVELOPMENT OF PARCEL 1 AT E. 25TH & TRACY AVENUE IN THE HOSPITAL HILL II URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH; SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (*RES. NO. 4-5-20*)

9. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 9A**)

- Sale of two lots at 27th & Troost
 - City and developer agreed to slightly revise the time frames of the project due to the pandemic delays (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

b. **Affirmative Action Report** (Sandra Rayford) (**Ex. 9B**)

Mr. Lewis advised that the report was informational only and the Board had no additional questions

ACTION TAKEN: NONE; INFORMATIONAL ONLY

10. **Adjourn.**

There being no further business, the meeting adjourned at approximately 10:25 a.m.

Daniel Moye, Secretary