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

DATE: May 20, 2020
TIME: 9:30 a.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

VIA VIDEO CONFERENCE

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: June Park, Chouteau Square Apartments, L.P.
Dion Lewis, City of Kansas City Human Relations Dept.
Janice Bolin, Kansas City Public Library
Brian Collins, Ogelsby Hotel
Roxsen Koch, Polsinelli
Lian Dai
Thomas Friestad

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 via video-conference. *[All Board members, staff, and guests participated in the meeting via video-conference.]*

2. **Administrative.** - Review and approval of Meeting Minutes for April 22, 2020 (**Ex. 2**)

ACTION TAKEN: APPROVED THE MINUTES FOR APRIL 22, 2020, AS PRESENTED.
MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER,
AND CARRIED UNANIMOUSLY.

3. **Central Business District URA – 13th & Wyandotte** – Consideration of Bond Authorizing Resolution for Office and Garage Project and Assignment of Development Rights (Brian Engel) (Ex. 3A-3F)

[All statements made by Mr. Engel unless otherwise noted.]

➤ ***Original Approval of Sale/Leaseback Project in October 2018***

- Platform Ventures was selected as the developer for the 3-stage project
 - (1) conversion of former Kansas City Club at 1228 Baltimore into a hotel;
 - (2) conversion of vacant Muehlebach Hotel at 1212 Baltimore into residential units; and
 - (3) construction of an office building and garage at 1219 and 1227 Wyandotte

➤ ***Revised Sale/Leaseback Project Approval in December 2018***

- Financial analysis revised due to withdrawal of hotel component as well as increases in apartment project number of units and office project square footage
 - Hotel renovation performed by a different Platform Ventures entity and plans to open in August, 2020 (*Koch*)
- Developer’s tax contribution agreement with the City requires the hotel and garage phases of the project to be completed (*Koch*)
 - City not required to make their payments if project is not completed timely (*Koch*)

➤ ***Current Project Financing***

- Community Improvement District (“CID”)
 - Developer will use CID tax to possibly generate bond funds for a later development of the overall project (*Engel*)
 - CID current boundaries include the office location and hotel (*Koch*)
 - Residential piece will be included at a later time (*Koch*)
 - City Council recently approved an amendment allowing developer to add a special assessment to the CID area (*Koch*)
- PACE Loan
 - Funds from special assessment on the property to be used solely for environmentally sound construction components as mandated by Missouri statute
- Standard Construction Loan
- Bond Issuance
 - Bond issuance applies only to office and garage phase of the project
 - For LCRA to provide an exemption certificate for construction materials, LCRA funds must be used in order to construct the project
 - Developer will be sole purchaser of LCRA issued bonds
 - Bond term will coincide with term of lease which will coincide with the term of the tax abatement
 - Renovation of the old Muehlebach Building into apartments is a later phase of the project and is not affected by this bond issuance (*Engel/Koch*)

- LCRA/Platform Ventures Funding Agreement
 - MFH Office Property, LLC (“MFH”) will assume all obligations of Platform Ventures and pay all of LCRA fees going forward
- LCRA/UMB Bank Trust Indenture
 - UMB Bank is construction lender and also bond trustee

➤ ***Financial Analysis***

- Staff asked for input from the Board if an updated financial analysis was necessary due to the increase in size of the office project (*Engel*)
- Current Board being asked to approve last financial mechanism step in this phase of a project authorized by the previous Board (*Bough*)
 - No other changes or additions will be made to the project at this time (*Bough*)
- Developer has indemnified the LCRA of all financial responsibility for the project (*Moye/Engel*)

➤ ***Performance Bond Requirement***

- Missouri statute requires a payment bond on public sale/leaseback projects
 - Bond can provide payment as contractors are unable to file mechanic’s liens on public projects
 - LCRA/MFH Redevelopment Agreement requires MFH to purchase a payment bond
- No official LCRA policy requiring performance bonds as they are not specifically required by the statute (*Moye*)
 - Board decided to consider each project on a case-by-case basis and to follow the City’s lead if it mandated their purchase (*Moye*)

ACTION TAKEN: APPROVED ASSIGNMENT OF DEVELOPMENT RIGHTS TO MFH OFFICE PROPERTY, LLC AS A SINGLE-ASSET ENTITY CREATED BY PLATFORM VENTURES TO UNDERTAKE THE OFFICE PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A RESOLUTION AUTHORIZING ISSUANCE OF BONDS IN MAXIMUM AMOUNT OF \$70 MILLION AND EXECUTION OF BOND AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF THE OFFICE PROJECT WITHIN THE CENTRAL BUSINESS DISTRICT URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 5-1-20)

4. **3930 Troost Avenue URA (Proposed)** – *Consideration of Proposed Urban Renewal Plan* (Bob Long) (Ex. 4A-4B)

- Creating a new URA is usually initiated by the City Planning Commission’s (“CPC’s”) approval, followed by the LCRA’s finding of blight, and then final approval by the City Council (*Hazley/Moye*)

- CPC has reviewed and approved the proposed Plan and the Plan is currently awaiting introduction to the City Council for their consideration (*Long*)
- Developer has requested the blight recommendation because it has a project at the site, rather than LCRA determining the placement of URAs (*Hazley/Moye*)
- Board's approval of Plan does not mandate approval of any project within the area (*Bough/Moye*)

The Board temporarily tabled its vote on approval of the Plan and a blight recommendation to after its discussion of the 3930 Troost project. The vote to approve the finding of blight and recommend approval of the URP to the City Council was then taken after the project discussion but before the Board's vote about the project's approval.

ACTION TAKEN: APPROVED THE FINDING OF BLIGHT IN THE PROPOSED 3930 TROOST AVENUE URBAN RENEWAL PLAN. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

APPROVED THE 3930 TROOST AVENUE URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 5-2-20)

5. **3930 Troost Avenue URA (Proposed) – 3930 Troost Avenue** - *Approval of Redevelopment Contract with 3930 Troost, LLC (Bob Long) (Ex.5A-5D)*

➤ ***Financial Analysis***

- Staff review confirmed that the project complied with MHDC guidelines (*Long*)
 - Full financial analysis for MHDC and LIHTC projects are not required per LCRA policy (*Long*)

➤ ***Project Overview***

- Commercial building in front will be demolished to preserve the historic tax credits for the remaining original structure (*Hazley/Collins*)
- Residential services include a service group leader on-site part-time to assist with resident needs and the Salvation Army's inclusion of the project in its services for homeless veterans (*Collins*)
- Assessments of affordable project properties are based on income rather than the costs to build them (*Moye*)
 - MHDC Form 2013 also includes a tax estimate in its calculations (*Moye*)
 - State recognizes that rent income for affordable projects will be lower than their market level counterparts, and lowers assessments for these type of properties (*Moye*)
- Rents

- Rents for the 15 units using housing choice vouchers will be 30% of resident incomes
- Rents for the 10 units under the HOME program will be in the \$500 to \$530 range (*Hazley/Collins*)
- Taxing Jurisdictions
 - Taxing jurisdictions were apprised about the project a week ago and had no objections to the same (*Hazley/Moye/Bolin*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 3930 TROOST – OGLESBY HOTEL AFFORDABLE MULTIFAMILY PROJECT. MOTION MADE BY MR. GARDNER, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH 3930 TROOST, LLC FOR THE 3930 TROOST – OGLESBY HOTEL AFFORDABLE MULTIFAMILY PROJECT IN THE 3930 TROOST AVENUE URBAN RENEWAL AREA. MOTION MADE BY MS. HENDERSON, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 5-3-20)

6. **Central Business District URA – Cathedral Square Apartments** - Approval of Redevelopment Contract with Chouteau Square Housing, L.P. (Bob Long) (Ex. 6A-6D)

Mr. Long noted that the address for the project should be 444 W. 12th rather than 411.

➤ ***Continually Distressed Census Tract***

- City classifies an area as continually distressed if it has been so for the prior consecutive ten years (*Henderson/Moye*)
 - City chose not to update its existing map in 2018 of designated distressed areas but could use the 2020 Census to do so (*Henderson/Moye*)

➤ ***Project Overview***

- Cathedral Apartments has been affordable housing for seniors for the past 40 to 50 years (*Hazley/Park*)
 - Tenants have to be least 62 years old (*Henderson/Park*)
 - Existing tenants will maintain their current apartments during the building’s rehabilitation (*Hazley/Park*)
- Taxing jurisdictions had no objections to the project (*Moye*)
- MHDC financial analysis was used by staff to evaluate the project (*Long*)
 - M/WBE goals are also set by the MHDC rather than by the City (*Engel*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE CATHEDRAL SQUARE APARTMENTS AFFORDABLE SENIOR CITIZEN PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH CHOUTEAU SQUARE HOUSING, L.P. FOR THE CATHEDRAL SQUARE AFFORDABLE SENIOR CITIZEN PROJECT AT 444 W. 12TH STREET IN THE CENTRAL BUSINESS DISTRICT URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

(RES. NO. 5-4-20)

7. **Columbus Park URA – Columbus Park Plaza** - *Approval of Redevelopment Contract with Columbus Park Housing, L.P.* (Bob Long) (Ex. 7A-7D)

➤ ***Project Overview***

- Project is very similar to the preceding Cathedral Square project, as it is also an affordable MHDC senior housing rehabilitation and has a related developer (*Long*)
 - Columbus Park project will follow similar MHDC rules and guidelines (*Long*)
- Taxing jurisdictions had no objections to the project (*Moye*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE COLUMBUS PARK PLAZA AFFORDABLE SENIOR CITIZEN PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH COLUMBUS PARK HOUSING, L.P. FOR THE COLUMBUS PARK PLAZA AFFORDABLE SENIOR CITIZEN PROJECT AT 801 PACIFIC STREET IN THE COLUMBUS PARK URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY.

(RES. NO. 5-5-20)

8. **Waldo Ice House URA** – *Consideration of Approval of a Collateral Assignment of LCRA Redevelopment Contract* (Brian Engel) (Ex. 8A-8B)

➤ ***Collateral Assignment requested by lender***

- Bank would have cure rights if the developer defaulted on its obligations on the project under its Redevelopment Contract with the LCRA (*Henderson/Engel*)
- Lenders usually only ask for collateral assignments for sale/leaseback projects where LCRA owns the property (*Engel*)
 - Developer retains ownership of the property for this project (*Engel*)

ACTION TAKEN: APPROVED A COLLATERAL ASSIGNMENT OF LCRA REDEVELOPMENT CONTRACT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (RES. NO. 5-6-20)

9. **Grand Avenue South Urban Renewal Area** – *Approve URP’s Third Amendment* (Bob Long)

➤ ***Extension of URA Plan Term***

- URA terms should be extended at least as long as their most recent active abatement, as LCRA statute mandates that every project has to be within a URA (*Hazley/Engel*)
 - If another project is proposed in an expiring URA, an amendment to further extend the Plan’s term can be decided upon at that time (*Engel*)
 - Staff will also notify the Board about the termination of any expiring URAs which contain no active abatements (*Engel*)

ACTION TAKEN: APPROVED THE THIRD AMENDMENT TO THE GRAND AVENUE SOUTH URBAN RENEWAL PLAN TO EXTEND ITS TERM UNTIL DECEMBER 31, 2027. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 5-7-20*)

10. **Administrative.**

a. **Executive Director’s Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 10A**)

Mr. Moye advised that no major projects were currently on the horizon. He stated that he planned to have a discussion with the full Board in the next few months about policy questions and suggestions or any other issues the Board would like to discuss. He noted that previous Boards often had an annual retreat to discuss policy matters.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

b. **Affirmative Action Report** (Sandra Rayford) (**Ex. 10B**)

Mr. Lewis said that there were no current issues with LCRA projects. He asked that the Board appoint members to its affirmative action subcommittee to prepare for any issues which might arise. Mr. Moye asked any Board member who wished to be on the subcommittee to let him know of their interest.

11. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:18 a.m.

Daniel Moye, Secretary