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

DATE: July 22, 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

Absent: Tammy Henderson

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

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Janice Bolin, Kansas City Public Library

As the Board waited to achieve quorum, Mr. Moye initiated discussions on the following administrative matters which were not on the agenda:

- August 2020 LCRA Board Retreat
 - Staff would coordinate with Commissioners to schedule a retreat in August for Board members to discuss future LCRA strategies (*Moye*)
 - LCRA's broad goals should encourage equitable economic development and communicate to the development community its intentions (*Hazley*)
- Proposed Ordinance 200497
 - Ordinance currently being discussed by City Council which would limit the use of real property tax abatement within several school district boundaries (*Bough*)
 - EDC is preparing a response to the prospective Ordinance (*Moye*)
 - Previous LCRA Board largely acted within the parameters of the previous cap ordinance (160383), although it took the position that any plans already in existence were not technically subject to the Ordinance (*Moye/Engel*)
 - Prior Board exception to Ord. 160383 was to treat properties on both sides of and immediately adjacent to Troost as continuously distressed, even though only the east side was within such a census tract (*Engel*)

The Board achieved quorum as Mr. Gardner joined the meeting via phone conference

Mr. Moyer then 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, and Hazley were present via phone or video-conference. *[All Board members, staff, and guests participated in the meeting via phone or video-conference.]*

2. **Administrative** - *Review and approval of Meeting Minutes for June 24, 2020 (Ex. 2)*

ACTION TAKEN: APPROVED THE MINUTES FOR JUNE 24, 2020, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY.

3. **Linwood-Prospect URA** – *Consideration of Non-Disturbance and Attornment Agreement (Brian Engel) (Ex. 3A – 3B)*

- Standard form agreement proposed by potential tenant for the shopping center was not acceptable as it presumed LCRA would assume landlord's obligations under the tenant's sublease (*Engel*)
- Developer's attorney was to further discuss with the tenant either waiving or substantially modifying the agreement and has not yet replied to counsel (*Engel*)
 - Counsel asks that the Board continue this matter until the next Board meeting or until the developer responds about the tenant's intentions (*Engel*)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. BOUGH, AND CARRIED UNANIMOUSLY.

4. **Hospital Hill II URA –25th & Tracy** - *Approval of Extension of Closing Date and Sale of Lot (Parcel 1) for Residential Development (Brian Engel) (Ex. 4)*

- Closing date for sale contract with EE Devco (Max Howell) was July 15, 2020 (*Engel*)
 - Mr. Howell is still in the process of getting construction financing and was confident sale would close before August 15 (*Engel*)
 - Once sale is closed, LCRA will no longer own any property in Beacon Hill (*Engel*)
- City's frustrations regarding the slow pace of the sale have been communicated to buyer (*Moye*)
 - If sale is not closed by August 15, City intends to find a new buyer (*Moye*)

ACTION TAKEN: APPROVED AN EXTENSION OF CLOSING DATE AND 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 FROM JULY 15, 2020 TO AUGUST 15, 2020. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY. (*RES. NO. 7-1-20*)

5. **BMA - Landmark Tower Urban Renewal Area** – *Approve Termination of the Urban Renewal Plan* (Bob Long)

- Acquisition and rehab of the BMA Tower into condos has been completed and their tax abatement has expired (*Long*)
- 2005 amendment to develop multi-family units on top of the BMA parking garage with a small adjacent commercial building never occurred (*Long*)
 - Staff has received a few inquiries over the past few years about the area but no concrete plans (*Long*)
 - Staff recommends termination of the URA so that any new developer would present a current plan rather than trying to comply with older guidelines (*Moye*)

ACTION TAKEN: APPROVED THE TERMINATION TO THE BMA - LANDMARK TOWER URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 7-2-20)

6. **Main 20 West Urban Renewal Area** – *Approve Termination of the Urban Renewal Plan* (Bob Long)

- URA encompassed three properties - one was completed and its tax abatement has expired and the remaining two were acquired and rehabbed without tax incentives (*Long*)

ACTION TAKEN: APPROVED THE TERMINATION TO THE MAIN 20 WEST URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY. (RES. NO. 7-3-20)

7. **Monroe Hotel Urban Renewal Area** – *Approve Termination of the Urban Renewal Plan* (Bob Long)

- Hotel's rehab into market rate condos is complete and its tax abatement has expired (*Long*)
 - Smallest URA in City (*Long*)
 - Opening in wall on 2nd floor between the hotel and adjacent building allowed the reigning yet unelected 1920's and 1930's ward boss to exit unseen (*Long*)
 - Mechanical system behind the residential building enabled sufficient parking for the project and is one-of-a-kind in the Kansas City area (*Long/Engel*)

The Board briefly lost quorum due to technical difficulties, and Mr. Moye initiated discussions on the following administrative topics not on the agenda:

- ***Update on the Hyatt House project at 9th and Broadway [all statements made by Mr. Engel unless otherwise noted]***

- Board was advised last month that developer's lender declared insolvency resulting in a loss of funding and halt of the project's construction
 - Developer's attorney advises that an agreement with a new lender was close to being finalized and the new proposal may be on the August agenda
- LCRA was recently served with a mechanic's lien by one of the developer's subcontractors on the project
 - Developer hopes to use funds from its new loan to pay the subcontractor rather than tapping into its payment performance bond on the project

The Board regained quorum as Ms. Hazley rejoined the meeting via phone conference

ACTION TAKEN: APPROVED THE TERMINATION TO THE MONROE HOTEL URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. BOUGH, AND CARRIED UNANIMOUSLY. (RES. NO. 7-4-20)

8. **Administrative.**

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

- Ms. Jaax of the Kansas City, Missouri School District has requested that the LCRA share further detail about the single-family tax abatements it grants (*Moye*)
- Update on the Truman Medical Center project at 21st and Charlotte
 - Board approved refinancing documents in March 2020 for the sale/leaseback project, which loan fell apart primarily due to the pandemic (*Engel*)
 - Developer is attempting to extend the loan's October 2020 maturity date, which may be on the August agenda (*Engel*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

b. **Affirmative Action Report** (Sandra Rayford) (**Ex. 8B**)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

9. **Adjourn.**

There being no further business, the meeting adjourned at approximately 10:15 a.m.

Daniel Moye, Secretary