

RESOLUTION No. 11-1-2019

**A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, AUTHORIZING THE TERMINATION OF THE LEASE WITH WALNUT GROVE APARTMENTS, LIMITED PARTNERSHIP, AS TENANT; AUTHORIZING THE UNWINDING OF THE SALE/LEASEBACK TRANSACTION AND RELATED FINANCING; AND AUTHORIZING FURTHER ACTIONS RELATED THERETO.**

**WHEREAS**, the Land Clearance for Redevelopment Authority of Kansas City, Missouri (the "Authority") is a public body corporate and politic created pursuant to the Land Clearance for Redevelopment Law, sections 99.300, et seq., RSMo. (the "LCRA Law"), and is transacting business and exercising the powers granted by the LCRA Law by virtue of the Committee Substitute for Ordinance No. 16120, duly passed on November 21, 1952, by the City Council of the City of Kansas City, Missouri (the "City"); and

**WHEREAS**, on March 29, 2000, by its Resolution No. 3-3-00, the Authority's Board of Commissioners (the "Board") approved the Walnut Grove Apartments Urban Renewal Plan (the "Plan"), found the area covered by the Plan, which is generally bounded by NE 37<sup>th</sup> Street/Terrace on the north, Waldron Road on the east, NE Winn Road on the south, and North Antioch Road on the west in Clay County (the "Redevelopment Area"), to be blighted, and authorized the issuance and publication of a request for proposals to redevelop the Redevelopment Area in accordance with the Plan (the "RFP"); and

**WHEREAS**, Walnut Grove Apartments, Limited Partnership ("Developer") responded to the RFP with a proposal to redevelop the Redevelopment Area in accordance with the Plan (the "Proposal"), and the Board selected the Developer as the developer under the Plan on April 26, 2000; and

**WHEREAS**, on May 18, 2000, by its Committee Substitute for Ordinance No. 000469, the City Council approved the Plan conditioned on certain revisions being made to the Plan by the Authority; and

**WHEREAS**, on May 24, 2000, by its Resolution No. 5-2-00, the Board approved the Plan, as amended and restated to include the revisions required by the City Council, to provide assistance for the rehabilitation of the 184-unit apartment complex known as the Walnut Grove Apartments; and

**WHEREAS**, to facilitate the project, the Authority entered into a sale/leaseback transaction with the Developer pursuant to the Sale/Leaseback and Redevelopment Agreement recorded in Book 3166 at Page 204 and the Lease, as evidenced by the Memorandum of Lease recorded in Book 3166 at Page 283, each dated June 22, 2000; and

**WHEREAS**, to finance the project, the following funds were loaned to the Authority: (1) the proceeds of bonds issued by the Industrial Development Authority of the City of Kansas City in the aggregate amount of \$6,210,000 ("IDA Bonds") were initially loaned to the Developer, which loan ("IDA Loan") was subsequently assigned to the Authority by the Assignment and



Assumption Agreement dated June 22, 2000 and recorded in Book 3166 at Page 276; and (2) Developer funds in the amount of \$3,825,721 ("Take-Back Loan"). The IDA Loan and the Take-Back Loan are non-recourse to the Authority and are paid by the Developer as rent under the Lease; and

**WHEREAS**, the Lease has a 99-year term and the Authority has the right to terminate the Lease at any time after June 22, 2015; and

**WHEREAS**, based on redemption notices issued by BNY Mellon, as bond trustee, and as confirmed by the bond trustee, the IDA Bonds were paid in full in October 2019; and

**WHEREAS**, the Plan was approved for a twenty (20)-year term and is scheduled to expire in May 2020; and

**WHEREAS**, in consideration of the full payment of the IDA Bonds and in anticipation of the expiration of the Plan, the Authority desires to terminate the Lease and unwind the sale/leaseback transaction, including achieving a release of the Authority under the IDA Loan and the Take-Back Loan and other actions as may be deemed necessary or desirable to fully unwind the sale/leaseback transaction and related financing.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI AS FOLLOWS:**

1. As permitted under the Lease, the termination of the Lease is approved by the Board and the unwinding of the sale/leaseback transaction and related financing is approved by the Board. The Authority is authorized to transfer title to the property within the Redevelopment Area back to the Developer as provided in the Lease and the related sale/leaseback and financing documents.

2. Each of the Chairman, Vice Chairman and Executive Director of the Authority is authorized and directed to execute and deliver for and on behalf of the Authority, in form and substance as reasonably acceptable to such officer, with advice of legal counsel, such deeds, termination and release instruments, agreements, documents, certificates, documents or papers, as they may deem necessary or desirable, for and on behalf of the Authority, such execution being conclusive evidence of such officer's approval thereof.

3. Each of the Chairman, Vice Chairman and Executive Director is further authorized and directed to execute and deliver for and on behalf of the Authority any and all additional certificates, documents or papers and to perform all other acts as the Chairman, Vice Chairman or the Executive Director, upon the advice of legal counsel, may deem necessary or appropriate in order to implement and carry out the matters authorized by this Resolution or the transactions contemplated by the Lease and the related sale/leaseback and financing documents.

4. This Resolution shall take effect and be in full force and effect from and after its passage by the Board.

**ADOPTED** by the Land Clearance for Redevelopment Authority of Kansas City, Missouri  
this 20<sup>th</sup> day of November, 2019.



**LAND CLEARANCE FOR REDEVELOPMENT  
AUTHORITY OF KANSAS CITY, MISSOURI**

*Steven D. Hamilton*

Steven D. Hamilton, Chairman

ATTEST:

*Daniel Moye*

Daniel Moye, Secretary