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

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

VIA VIDEO CONFERENCE

Meeting ID: 982 8637 2911

To Join Online: <https://zoom.us/j/98286372911>

To Join by Phone:

1-301-715-8592
1-312-626-6799
1-646-876-9923

1. **Roll Call.**
2. **Administrative.** - *Review and approval of Meeting Minutes for August 26, 2020 (Ex. 2)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR AUGUST 26, 2020,
AS PRESENTED
3. **Financial.**
 - a. *Review and acceptance of the Financial Report for May, June, July, and August, 2020 (Lee Brown) (Ex. 3A)*

ACTION RECOMMENDED: ACCEPTANCE OF THE FINANCIAL REPORT FOR MAY,
JUNE, JULY, AND AUGUST, 2020, AS PRESENTED
 - b. *Review and acceptance of the draft LCRA Audit for fiscal year 2020 (Lee Brown) (Ex. 3B)*

ACTION RECOMMENDED: ACCEPTANCE OF THE DRAFT LCRA AUDIT REPORT
FOR FISCAL YEAR 2020
4. **Brooklyn West URA** – *multiple parcels near 13th & Euclid - Approval of Redevelopment Contract with OG Investment (Bob Long) (Ex. 4A – 4C)*

Area Description: The Brooklyn West Urban Renewal Area is an area generally bound by E. 12th Street on the north, Garfield Avenue/E. 13th Street/Brooklyn Avenue on the east, E. 14th Street on the south, and Woodland Avenue on the west. The Project site

consists of a number of parcels generally centered south of the intersection of E. 13th Street and Euclid Avenue.

Project Description: The applicant is OG Investment, which is the owner of the properties.

The applicant's Winndolyn project is a \$5.5 Million redevelopment of twenty-five (25) vacant lots into twenty-five (25) market-rate, Victorian-style, single-family homes. Mr. Gates has accumulated properties in the Brooklyn West URA over a long period of time in anticipation of redeveloping them in single-family homes. Mr. Gates previously developed the Arzelia multifamily project on the southeast corner of E. 12th Street & Woodland Avenue, as well as the "Painted Ladies" single-family homes on the southeast corner of E. 12th Street & Michigan Avenue, but those projects were built more than fifteen (15) years ago. There has been no additional development activity in this area since that time. The Winndolyn project is designed to bring medium- to upper-income households back to the urban core in an area with convenient access to both downtown Kansas City and the Interstate highways.

Policy Considerations:

- What is driving the need for an incentive?
 - The unproven market for new market-rate, single-family homes within this distressed neighborhood poses a significant financial risk to the developers.
- What is unique about the location or the project?
 - These properties are conveniently located near the intersection of E. 13th Street & Euclid Avenue in the Forgotten Homes neighborhood, which lies directly north of I-70 and east of Paseo Boulevard. This project is eligible to receive a 100% abatement since it is located within a "continuously distressed" census tract in accordance with the city's incentive cap ordinance.
- How does this project fit into the City's economic development strategy?
 - This project conforms with the Truman Plaza Area Plan by providing increase housing choices within the neighborhood, which has experienced a significant loss of housing and disinvestment.
- Why is this project good in the long term for the City?
 - This project promotes neighborhood stabilization through the redevelopment of a significant number of vacant lots for residential use within the distressed Forgotten Homes neighborhood.
- Why is this specific level of incentives being recommended?
 - The Developer is eligible for 100% / 10-year property tax abatement for the construction of for-sale, single-family homes. Staff believes that supporting residential redevelopment projects with property tax abatement, particularly within distressed neighborhoods, is appropriate.

- How is this incentive different than one that might have been granted ten years ago?
 - Historically, a developer could have either pursued 25 years of property tax abatement through the creation of a Chap. 353 Redevelopment Plan (353), or would not have considered redeveloping these properties due to the high level of risk.

Financial Review:

Per LCRA policy regarding single-family homes constructed or rehabilitated within Urban Renewal Areas, the project is not subject to a financial analysis by EDC staff.

Staff believes that the proposed project is in conformance with the Brooklyn West Urban Renewal Plan.

Affirmative Action Policy and MBE/WBE Participation: The applicant has discussed the project with both Sandra Rayford of EDC staff and Dion Lewis of the City Human Relations Dept. regarding the LCRA’s MBE/WBE and construction workforce requirements.

Taxing Jurisdictions: The project was presented for discussion at the September 15th Agency Directors meeting.

Other government/statutory agency action: N/A.

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE WINNDOLYN SINGLE-FAMILY HOMES PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH OG INVESTMENT FOR THE CONSTRUCTION OF TWENTY-FIVE (25) SINGLE-FAMILY HOMES IN THE BROOKLYN WEST URBAN RENEWAL AREA.

5. **Central Business District URA – 900 Broadway** – *Approval of New Project Lender and Documents (Hyatt House Hotel) (Brian Engel) (Ex. 5)*

In October 2019, LCRA acquired the property at 900 Broadway and issued its taxable bond in a principal amount not to exceed \$38,000,000 to assist in the financing of the construction of a multi-story, extended-stay hotel with approximately 154 guest rooms, approximately 2,500 square feet of meeting space, and approximately 6,000 square feet of common area that will be open to hotel guests and the public, and related improvements (“Project”). LCRA also leased the land to 900 Broadway KC LLC, a Missouri limited liability company (“Land Developer”) and the project improvements to (1) 900 Broadway KC Development Company LLC, a Missouri limited liability company (“900 Broadway Dev. Co.”), (2) Oak Holdings LLC, a Missouri limited liability company (“Oak Holdings”), and (3) REMSK, LLC, a Missouri limited liability company (“REMSK”), as tenants-in-common (collectively and jointly and severally, the “Redeveloper”).

LCRA approved the sale/leaseback structure and issued its bond to provide the following tax incentives for the Project (i) grant a sales tax exemption incentive to the Redeveloper on construction materials to facilitate construction of the Project on behalf of LCRA, (ii) grant a property tax abatement upon completion of the Project as provided in the Redevelopment Contract to achieve abatement of property taxes (above current predevelopment taxes) generated by the Project for 15 years under the LCRA Law (100% abatement in Years 1-10; 37.5% abatement in Years 11-15), including required PILOT payments. In addition, the Redeveloper will establish a community improvement district on the property to generate sales tax revenue.

The Redeveloper commenced construction in December. In March 2020, the Redeveloper's lender failed to fund the Project and construction was halted. The Redeveloper has identified BCP Hyatt House, LLC, an Arizona limited liability company, as the new lender and has requested LCRA to approve new loan documents so the Redeveloper may resume construction.

ACTION RECOMMENDED: APPROVE SUBSTITUTION OF PROJECT LENDER AND PROJECT LENDER DOCUMENTS.

6. **Truman & Wyandotte Urban Renewal Plan** - *Approval of Minor Subdivision Lot Consolidation Plat and Pedestrian Easement* (Brian Engel) (Ex. 6A-6B)

As contemplated in existing agreements, the Redeveloper is requesting that LCRA sign the Minor Subdivision Lot Consolidation Plat ("Plat") for the purpose of consolidating the tax parcels within the Urban Renewal Area into a single tax parcel. In connection with the recording of the Plat, the City is requiring that LCRA grant to the City an Easement for Pedestrian Right-of-Way ("Pedestrian Easement").

ACTION RECOMMENDED: APPROVE MINOR SUBDIVISION LOT CONSOLIDATION PLAT AND PEDESTRIAN EASEMENT.

7. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 7A)

- Discussion of action items from Board Retreat

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

b. **Affirmative Action Report** (Sandra Rayford) (Ex. 7B)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

c. **Tax Abatements** – There were ten (10) tax abatements approved in August, 2020.

URA	Address	Applicant	Category	Type
Garfield	500 Olive	Urban Spaces, LLC	S/f Residential	Rehab
Marlborough CC	1907 E. 79 th	PAW, LLC	S/f Residential	Rehab
Marlborough CC	2005 E. 81 st	PAW, LLC	S/f Residential	Rehab
Marlborough CC	8240 Wayne	PAW, LLC	S/f Residential	Rehab
Marlborough CC	8330 Park	PAW, LLC	S/f Residential	Rehab
Marlborough CC	8444 Wayne	PAW, LLC	S/f Residential	Rehab
Boulevard Heights	6747 Paseo	Jolly & Associates, LLC	S/f Residential	Rehab
Hospital Hill II	2601 Charlotte	Dean & Helena Thomas	S/f Residential	Rehab
Longfellow/Dutch Hill	3023 Campbell	Joshua & Shelby Lawson	S/f Residential	Rehab
Marlborough CC	1700 E. 82 nd	Dorothy Banks	S/f Residential	Rehab

EXECUTIVE SESSION

8. *Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(2)(3) RSMo.*

RESUME BUSINESS SESSION

9. **Adjourn.**