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

DATE: September 30, 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
Aaron Knight, EDC
Bob Long, EDC
T'Risa McCord, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Janice Bolin, Kansas City Public Library
Joey Flickner, IUPAT DC3
Bianca Gates, OG Investments
Chuck Gleason
Kevin Hardy
Roxsen Koch, Polsinelli
Tara Laughlin, AGH, L.C.
Dion Lewis, City of Kansas City, Human Relations Dept.

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

Mr. Moye advised that the agenda would proceed slightly out of order due to time constraints, with item #4 (OG Investments/Windolyn) being heard after item #5 (900 Broadway/Hyatt House Hotel) and item #6 (Truman Wyandotte easement).

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

ACTION TAKEN: APPROVED THE MINUTES FOR AUGUST 26, 2020, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial.**

a. Review and acceptance of the Financial Report for May, June, July, and August, 2020 (Lee Brown) (**Ex. 3A**)

Mr. Brown advised that the LCRA had very limited activity from month to month. He noted that (1) 401 Charlotte had finally been sold after being on the books for a couple of years; (2) the last LCRA owned property in Beacon Hill had also been sold; and (3) the Loews Hotel bond issuance would have a negative impact on the Authority's profit and loss statement for the next 10 years until the bond was paid down.

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORT FOR MAY, JUNE, JULY, AND AUGUST, 2020, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY.

b. Review and acceptance of the draft LCRA Audit for fiscal year 2020 (Lee Brown) (**Ex. 3B**)

Ms. Laughlin thanked Mr. Brown and his staff for their cooperation and timely responses during this year's audit. She advised that AGH had issued an unbiased clean opinion with one minor adjustment, meaning that readers could rely on the information in the audit.

ACTION TAKEN: ACCEPTED THE DRAFT LCRA AUDIT REPORT FOR FISCAL YEAR 2020. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY.

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

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

➤ **New Lender**

- Developer lost its original construction funding, causing the project to be put on hold while the developer procured a new funding source

- Plan is for new lender to step into shoes of old lender under the same terms as the original loan
 - Bond size issued by the LCRA under the original loan will not change
 - LCRA's involvement with the loan documents will remain the collateral assignments of the Redevelopment Contract and the Bond to the new lender
- Waiting on new lender to determine if it wants the LCRA to sign a Deed of Trust, as the LCRA is the fee owner of the property
- Developer hopes to have an official commitment from its new lender soon so it can close on the loan before the end of the year (*Koch*)
 - Proposed Resolution (Ex. 5) will need to be revised to state that the developer is anticipating receiving a written commitment from its new lender soon

➤ **Mechanic Liens**

- The work stoppage resulting from developer's loss of construction funding has resulted in multiple mechanic liens being filed
- Once the loan closing takes place, funds will be available to pay the liens (*Koch*)

A fire alarm in EDC's offices at this time caused all LCRA staff to have to leave the meeting and exit the building. Mr. Moye confirmed with Mr. Gardner and Mr. Engel that they would continue the meeting until staff was able to return.

ACTION TAKEN: APPROVED SUBSTITUTION OF PROJECT LENDER AND PROJECT LENDER DOCUMENTS WITH INSTRUCTIONS TO LEGAL COUNSEL TO MAKE ANY NECESSARY ADJUSTMENTS TO THE RESOLUTION AS DISCUSSED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 9-1-20)

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

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

➤ **Replat**

- Procedural item required when closed on the initial documentation for the project in 2018
 - Jackson County requested that the initial 4 parcels be consolidated into one to facilitate its collection of the CID special assessment on the property

➤ **Pedestrian Easement**

- Standard easement commonly used in the downtown business district and required by the City as part of the replat.

ACTION TAKEN: APPROVED MINOR SUBDIVISION LOT CONSOLIDATION PLAT AND PEDESTRIAN EASEMENT. MOTION MADE BY MS.

BOUGH, SECONDED BY MR. GARDNER, AND CARRIED UNANIMOUSLY. (RES. NO. 9-2-20)

LCRA staff returned from the fire alarm

6. **Brooklyn West URA** – multiple parcels near 13th & Euclid - Approval of Redevelopment Contract with OG Investment (Bob Long) (Ex. 4A – 4C)

➤ **Conflict Waiver Letter**

- Rouse Frets had previously represented OG Investments on unand requested that the Board approve a conflict of waiver (*Engel*)
 - OG Investments has agreed to also sign the waiver (*Engel*)

ACTION TAKEN: APPROVED CONFLICT WAIVER. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 9-3-20)

➤ **Project**

- 28 vacant lots in a continuously distressed census tract which will be reconfigured to allow for construction of 25 single-family homes (*Long*)
 - Single-family home projects not subject to a financial analysis or the AdvanceKC process (*Long*)
 - Developer has successfully renovated similar single-family home projects for several years (*Long*)
- Purchase price of individual parcels was not included in the \$5.5 Million overall project costs as developer already owns the properties (*Hazley/Gates*)
- Cost to build each home is about \$175,000 to \$200,000, and homes will probably not sell for more than \$230,000 (*Hazley/Gates*)
 - Tax abatement will offset the overall cost of the purchase price (*Gates*)
- Cross streets are 13th Street, Garfield Avenue, 14th Street, and Michigan Avenue (*Hazley/Gates*)

ACTION TAKEN: APPROVED PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE WINNDOLYN SINGLE-FAMILY HOMES PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH OG INVESTMENT FOR THE CONSTRUCTION OF TWENTY-FIVE (25) SINGLE-FAMILY HOMES IN THE BROOKLYN WEST URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 9-4-20)

7. **Administrative.**

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

Commissioners, Bough, Gardner, and Hazley confirmed that they agreed with the previous Board's policy of treating both sides of Troost the same under the cap ordinance even though one side was in a continuously distressed census tract and the other was not. Mr. Moye stated that a project in the near future would fall under this exemption.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

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

➤ **Report Explanation**

- Expenditure report lists projects approved for goals by the Fairness & Construction Board (*Lewis*)
 - Goals are assigned based on developer's overall project budget (*Rayford*)
 - Developer's name, contact information, project costs, M/WBE expenditures by category, and the remaining funding percentage are also listed
- Developers provide a Contractor Utilization Plan (CUP) to HRD which identifies the M/WBE businesses they will be contracting with on the project (*Rayford*)
- Percentages are generated when developers self-report into HRD's computer system (*Rayford*)

Mr. Moye asked that two Commissioners volunteer to be on the Affirmative Action Subcommittee to discuss any issues with HRD. He added that Ms. Rayford would be the 3rd member to ensure an odd number for voting purposes.

Ms. Hazley volunteered to be on the subcommittee. Ms. Bough and Mr. Gardner advised that they would have to review their calendars prior to committing.

Mr. Moye stated that the Mayor's office was continuing to work on finding a 5th person to serve on the LCRA Board and that Mr. Lewis could be an alternative appointee if none of the other members were able to serve on the subcommittee. He hoped to have the issue resolved before the next Board meeting.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

8. **Adjourn.**

There being no further business, the meeting adjourned at approximately 10:23 a.m.

Daniel Moye, Secretary