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

**DATE:** October 28, 2020  
**TIME:** 9:30 a.m.  
**PLACE:** 300 Wyandotte, 4<sup>th</sup> 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:** Ron Clark, KC Tenants  
Roxsen Koch, Polsinelli  
Dion Lewis, City of Kansas City, Human Relations Dept.  
Don Maxwell, Linwood Square Shopping Center  
Barry Weaver, Millennia Housing  
Willa LaRue  
James Stone

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*[The LCRA Board meeting began at approximately 10:00 a.m., after the EEZ Board meeting had concluded.]*

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

2. **Administrative** - *Review and approval of Meeting Minutes for September 30, 2020 (Ex. 2)*

*ACTION TAKEN:* APPROVED THE MINUTES FOR SEPTEMBER 30, 2020, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

3. **Financial** - *Review and acceptance of the Financial Report for September, 2020 (Lee Brown) (Ex. 3)*

Mr. Brown stated that account receivables and payables had been reduced to under \$10,000. He noted that the reduction in payables was counterbalanced by the decreased number of receivables from developers. He advised that the one anomaly this month was an over-payment on the 6410 Paseo project, which had since been refunded to the developer.

*ACTION TAKEN:* ACCEPTED THE FINANCIAL REPORT FOR SEPTEMBER, 2020, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

4. **Linwood-Prospect URA** – *Consideration of Non-Disturbance and Attornment Agreement (Brian Engel) (Ex. 4A-4B)*

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

➤ ***LCRA/Developer Ground Lease***

- Ground Lease split ownership of the sale/leaseback project with the developer owning the improvements and the LCRA owning the land
  - Ground Lease requires that developer maintain, operate, and lease the shopping center
  - LCRA's ownership of the land benefits the developer by providing property tax exemption

➤ ***Non-Disturbance and Attornment Agreement (NDA)***

- WeDevelopment Federal Credit Union, a prospective subtenant of the shopping center, is conditioning its sublease on LCRA approval of the NDA
  - Last step for WeDevelopment's approval of its charter is to have an executed lease agreement (*Maxwell*)
  - Developer hopes that WeDevelopment can move into the center around the first of the year (*Hazley/Maxwell*)
- NDA substantially revised to make clear that LCRA would never assume any obligations under the sublease unless it affirmatively accepted those obligations at some future time
  - Standard NDA would specify that that the LCRA would assume the obligations under the tenant's sublease if the Ground Lease was terminated by developer default
  - If the Ground Lease was terminated for some future reason, the LCRA would most likely transfer title of the property to the developer

*ACTION TAKEN:* APPROVED NON-DISTURBANCE AND ATTORNMENT AGREEMENT WITH WEDEVELOPMENT FEDERAL CREDIT UNION. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 10-1-20)

5. **Walnut Grove Apartments Urban Renewal Area** – *Consideration of Termination of the Urban Renewal Plan* (Bob Long)

- Affordable housing sale/leaseback project created by the URP has been completed (*Long*)
- Sale/leaseback agreement was recently unwound and termination of the URA/URP is next step (*Long*)

*ACTION TAKEN:* APPROVED THE TERMINATION TO THE WALNUT GROVE APARTMENTS URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 10-2-20)

[*The Executive Director's report was postponed for discussion until after the Board considered the Gabriel Tower matter.*]

6. **East 23<sup>rd</sup> Street Urban Renewal Area** – *Approve Issuance of Notice of Default* (Bob Long)

➤ ***Notice of Default***

- Staff believes recent photos document existing and continuing blight conditions in the building and wished to bring the default to the Board's attention (*Long/Moye*)
- Developer has already corrected the problems shown by the photos and is constantly inspecting and working on the building to correct any issues (*Weaver*)
- Ongoing and continuing blight issues include the presence of mold, water leakage, and elevator breakdowns (*Stone*)
  - Cosmetic coverups are performed rather than repairing the actual problem (*LaRue/Stone*)
- Effects of issuing default if not cured by developer or lender
  - Developer's lender could foreclose on the property as a result of the default notice which could then displace tenants (*Bough/Engel*)
  - LCRA could terminate its sale/leaseback agreement with the developer resulting in returning ownership of the building to the developer (*Engel*)
- Developer requests that the Board wait to issue the default notice until after the LCRA had inspected the building (*Koch*)
  - Board can authorize the default notice pending the document review and inspection of the site (*Engel*)

➤ ***Building Inspection and Records Request***

- Under the Redevelopment Contract and the Lease, LCRA has the right to inspect the building and to request records from the developer and its management company (*Engel*)
  - Contract allows the developer 45-days to cure any defaults (*Engel*)
  - If the developer has not cured the cited defaults within its 45-days, its lender can step in afterwards to correct the problems within 180-days (*Engel*)
- Inspection should be conducted and records should be produced as soon as possible rather than waiting for developer to repair recent fire damage, as other repairs have already allegedly been made (*Hazley*)
  - Millennia would prefer to repair the water and other damages caused by the grease fire prior to the inspection (*Weaver*)
  - Millennia would have made repairs on the long-term issues before now if they were interested in doing so (*Clark*)
- Tenants must be present and involved with inspection (*Hazley*)
  - Tenants can send and request information about the inspection and document request process to Mr. Moye (*Moye/Stone*)
- Cost of private inspection
  - LCRA can pass the cost for a private inspection to Millennia under the Funding Agreement for the project (*Engel*)
  - Developer agreed to cover the inspection costs (*Weaver/Koch*)

*ACTION TAKEN:* AUTHORIZED STAFF (1) TO SELECT AN INDEPENDENT BUILDING INSPECTOR TO INSPECT THE GABRIEL TOWER PROJECT AT 1600 JACKSON AVENUE IN THE EAST 23<sup>RD</sup> STREET URBAN RENEWAL AREA WITHIN FIFTEEN (15) DAYS; (2) TO INCLUDE TENANT PARTICIPATION IN ANY BUILDING INSPECTION OF THE GABRIEL TOWER PROJECT; AND (3) TO REQUEST INFORMATION FROM THE DEVELOPER AND/OR ITS MANAGEMENT COMPANY REGARDING ANY REPAIRS WHICH HAVE BEEN CONDUCTED ON THE GABRIEL TOWERS PROJECT. MOTION MADE BY MS. HAZLEY, SECONDED BY MS. BOUGH, AND CARRIED UNANIMOUSLY. (*RES. No. 10-3-20*)

7. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 6A**)

➤ ***St. Michael's Veterans Center - Project Status Update***

- LCRA has partnered with the St. Michael's project over several years (*Engel*)
- St. Michael's is beginning Phase 3 of the project and has requested documents LCRA had provided to MHDC on previous phases about pursuing tax credits (*Moye*)

*ACTION TAKEN:* NONE; INFORMATIONAL ONLY

b. **Affirmative Action Report** (Sandra Rayford) (Ex. 6B)

➤ ***Affirmative Action Subcommittee***

The Board, Mr. Engel and staff discussed the membership makeup of the committee's membership. Mr. Engel recommended that City staff should not maintain membership on the committee because its members could make recommendations to the full Board.

Ms. Bough volunteered to serve on the Affirmative Action subcommittee, noting that her schedule might make arranging meetings difficult.

*ACTION TAKEN:* APPOINTED MS. BOUGH, MS. HAZLEY, AND MS. RAYFORD TO SERVE ON THE LCRA AFFIRMATIVE ACTION SUBCOMMITTEE. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY. (RES. NO. 10-4-20)

8. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:05 a.m.

*ACTION TAKEN:* MEETING ADJOURNMENT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

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Daniel Moye, Secretary