

RESOLUTION NO. 2-1-21

A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI APPROVING A SUPPLEMENTAL AGREEMENT WITH KENSINGTON HEIGHTS MO, LLC; AND AUTHORIZING OTHER ACTIONS RELATED THERETO.

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

WHEREAS, to facilitate the assignment of developer rights and refinancing of the Gabriel Tower Apartments (f/k/a Kensington Heights Apartments) located at 1600 Jackson (“Property”) within the East 23rd Street Urban Renewal Area, the Authority entered into (a) the Amended and Restated Sale/Leaseback and Redevelopment Contract and Assignment (“Redevelopment Contract”) dated November 23, 2016, between Land Clearance for Redevelopment Authority of Kansas City, Missouri and Kensington Heights MO, LLC, a Missouri limited liability company (“Redeveloper”), and recorded as Document No. 2016E0111342, and (b) the Amended and Restated Lease dated November 23, 2016, between the Authority, as landlord, and Redeveloper, as tenant, as evidenced by the Memorandum of Amended and Restated Lease dated November 23, 2016, and recorded as Document No. 2016E0111345 (collectively, the “Lease”); and

WHEREAS, the Property is managed by Millennia Housing Management, Ltd., an Ohio limited liability company, which is registered as Millennia Housing Management, L.L.C. in Missouri (“Property Manager”), pursuant to the Property Management Agreement dated November 23, 2016, between the Redeveloper and the Project Manager. The Project Manager is a controlled affiliate of the Redeveloper; and

WHEREAS, the Redevelopment Contract and the Lease provide that the Redeveloper is responsible for repairs and maintenance at the Property; and

WHEREAS, by its Resolution No. 10-3-20 dated October 28, 2020, the Authority authorized solicitation of proposals from building inspectors to conduct an inspection of the Property as permitted of the Redevelopment Contract and the Lease; and

WHEREAS, after receiving proposals, Dan Moye, Executive Director, as authorized by the Board of Commissioners, selected New Horizons LLC to conduct a mold assessment of the Property;

WHEREAS, a building inspection was conducted on November 19, 2020, at the Property, which resulted in the preparation of (a) the Healthy Homes Inspection Report dated as of November 19, 2020, by the Kansas City, Missouri Health Department (“Health Department”), as later revised by the Healthy Homes Inspection Reports dated December 4, 2020, and January

8, 2021, and (b) the Mold Assessment Report dated November 25, 2020, by New Horizons LLC; and

WHEREAS, on November 24, 2020, the Redeveloper provided to the Authority copies of the requested building maintenance and inspection records; and

WHEREAS, as authorized by its Resolution No. 12-2-20 dated December 9, 2020, the Authority issued its Notice of an Event of Default dated December 16, 2020, to the Redeveloper; and

WHEREAS, by its Resolution No. 1-__-21 dated January 27, 2021, the Authority authorized Dan Moye, Executive Director, and legal counsel to negotiate an agreement with the Redeveloper regarding the Redeveloper's planned project refinancing and major rehabilitation of the Property in conjunction with, as is permitted under the Redevelopment Contract and the Lease, a transfer of title to the Property from the Authority to the Redeveloper, which transfer would terminate the real property tax exemption for the Property under state law; and

WHEREAS, the Authority desires to enter into the Supplemental Agreement in substantially the form presented to the Board of Commissioners on this date, subject to such changes, additions, or deletions therein, upon the advice of legal counsel, as shall be approved by the officer of the Authority executing the Supplemental Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Land Clearance for Redevelopment Authority of Kansas City, Missouri, as follows:

1. The Supplemental Agreement in substantially the form presented to the Board of Commissioners on this date is approved. Each of the Chairman, the Vice Chairman, and the Executive Director is hereby authorized to execute and deliver the Supplemental Agreement, subject to such changes, additions, or deletions therein, upon the advice of the Executive Director and legal counsel, as shall be approved by the officer of the Authority executing the Supplemental Agreement, such officer's signature thereon being conclusive evidence of their approval and the Authority's approval thereof.

2. Each of the Chairman, Vice Chairman, and Executive Director is hereby authorized and directed to perform and carry out the Authority's rights and obligations under the Supplemental Agreement, including, but not limited to, the transfer of the Authority's title and interest in the Property to the Redeveloper pursuant to the Redevelopment Contract and the Lease (provided that the Redeveloper is then in compliance with the Supplemental Agreement, the Redevelopment Contract and the Lease). The transfer of the Authority's title and interest in the Property to the Redeveloper as provided in the Supplemental Agreement, the Redevelopment Contract, and the Lease is intended to terminate the real property tax exemption for the Property.

3. Each of the Chairman, Vice Chairman, and Executive Director is hereby authorized and directed to execute and deliver for and on behalf of the Authority, as may be necessary or desirable to perform and carry out the Authority's rights and obligations under the Supplemental Agreement, any and all additional certificates, agreements, documents, or papers to perform and carry out the Authority's rights and obligations under the Supplemental Agreement and, as may be required to satisfy requirements of the title company or project

refinancing lender or bond issuer, to close the transfer of title to the Property to the Redeveloper, with such execution being conclusive evidence of the acceptability of the terms and conditions thereof.

4. This Resolution shall take effect immediately.

ADOPTED by the Land Clearance for Redevelopment Authority of Kansas City, Missouri this 24th day of February, 2021.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
Rob Gardner, Chairman

ATTEST:

Daniel Moye, Secretary