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## LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO-CONFERENCE MEETING

**DATE:** July 28, 2021  
**TIME:** 9:30 a.m.  
**PLACE:** 300 Wyandotte, 4<sup>th</sup> Floor  
Kansas City, Missouri

**To Join Online:** [Join Zoom videoconference](#)  
**To Join by Phone:** 1-312-626-6799  
**Meeting ID:** 885 0496 8612  
**Passcode:** 108650

### **AGENDA**

1. **Roll Call.**
2. **Administrative** - *Review and approval of Meeting Minutes for June 28, 2020, June 23, 2021, and June 30, 2021 (Ex. 2A-2C)*

*ACTION RECOMMENDED:* APPROVAL OF THE MINUTES FOR JUNE 28, 2020, JUNE 23, 2021, AND JUNE 30, 2021, AS PRESENTED

3. **Financial** – *Update concerning Financial Report for June, 2021 (Lee Brown)*

*ACTION RECOMMENDED:* NONE; INFORMATIONAL ONLY

4. **Garfield URA** – *Consideration of a Proposed Redevelopment Contract with PH Corner, LLC (Bob Long) (Ex. 4A-4E)*

**Area Description:** The Garfield Urban Renewal Area consists of the Pendleton Heights neighborhood, north of Independence Avenue, in Kansas City's Historic Northeast. The project is specifically located at 2201 Lexington Avenue.

**Project Description:** PH Corner, LLC, a real estate entity affiliated with local developers, Roger and Leland Berman, is the proponent of this proposed commercial project.

The Plan's proponents have proposed an approximately \$900,000 rehabilitation and adaptive reuse of the deteriorated two-story, brick, commercial building into two commercial spaces on the first floor and four apartments on the second floor. Due to the small number of apartments, the proposed project is not subject to the affordable housing inclusion requirement; likewise, due to its location in a "continuously distressed" census tract, the proposed project is not subject to the recently-approved "prevailing wage" requirement. The project's location in a "continuously distressed" census tract also exempts it from the 70% cap, so the project is eligible for up to 10 years abatement of up to 100% of the increased property taxes resulting from the proposed rehabilitation project.

The Plan's proponents believe that this proposed mixed-use project will help stabilize and revitalize this portion of the Pendleton Heights neighborhood.

**Financial Analysis:**

In accordance with the Authority's policy regarding Urban Renewal Area project that are directly adjacent to or east of Troost Avenue and located within a "continuously distressed" census tract, a financial analysis of this project is not required. The developer will use both a loan from Country Club Bank and equity to undertake this project. Country Club Bank's loan represents only 59.3% of the total project costs, thus indicating the perceived level of risk. Staff believes this satisfies the Authority's "Workable Program" requirements.

To revitalize the two-story commercial building at 2201 Lexington Avenue as a mixed-use project, PH Corner, LLC believes that assistance from the Land Clearance for Redevelopment Authority (the "Authority"), consisting of real property tax abatement, will present opportunities to preserve the vacant and deteriorating two-story, commercial building at 2201 Lexington Avenue and return it to productive use.

**Affirmative Action Policy and MBE/WBE Participation:** Project proponents will be required to comply with LCRA's MBE/WBE requirements.

**Taxing Jurisdictions:** This project was reviewed at the July 13, 2021 Agency Director meeting.

**Other government/statutory agency action:** Not Applicable.

*ACTION RECOMMENDED:* APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 2201 LEXINGTON AVENUE MIXED-USE PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH PH CORNER, LLC FOR THE 2201 LEXINGTON AVENUE MIXED-USE PROJECT IN THE GARFIELD URBAN RENEWAL AREA.

5. **Longfellow – Dutch Hill Neighborhood URA – 3000 Troost** – *Consideration of Approval of Redevelopment and Sale/Leaseback Contract with Exact Troost, LLC (Bob Long) (Ex. 5A-5D)*

**Area Description:** The Longfellow – Dutch Neighborhood Urban Renewal Area is generally bound by E. 27<sup>th</sup> Street on the north, Troost Avenue on the east, Linwood Boulevard on the south, and Gillham Road (excluding the area with the Gillham Row PIEA). The project site is within the northwestern portion of City Council's 4<sup>th</sup> Council District, although the 3<sup>rd</sup> District lies directly east across Troost Avenue.

**Project Description:** The applicant is Exact Troost, LLC, a single-purpose real estate entity formed for this project; it is affiliated with Exact Partners, LLC. Exact Partners and

its affiliates have undertaken a number of multifamily and mixed-use projects along the Troost corridor and Midtown.

The applicants' project is a \$22.5 million development of a five-story apartment building with 132 apartments. The project will wrap-around the existing Ruby Jean's building, which is also controlled by Exact Partners, and will contain almost 1,100 square feet of commercial space on the ground floor facing Troost Avenue, structured parking, and 132 apartments on floors 2 – 5. Of the apartments, 24 will be studio/1 bath, 72 units will be 1 bedroom/1 bath, and 36 will be 2 bedroom/2 bath units. Amenities will include balconies and patios, community space on each residential floor, and a rooftop patio/lounge.

**Financial Review:**

Per LCRA policy regarding Urban Renewal Area projects that are directly adjacent to or east of Troost Avenue and located within a “continuously distressed” census tract, an independent financial analysis was not required. Staff's review of the Universal Application and revised proforma revealed that all 132 of the apartments will be affordable to households at or below 70% of AMI. With property tax abatement, the project is projected to achieve only a 4.55% unleveraged IRR. Staff believes this satisfies the requirements of the Authority's Workable Program.

Staff believes that the proposed project is in conformance with Longfellow – Dutch Hill Neighborhood Urban Renewal Plan.

Exact Troost, LLC was the sole respondent to the LCRA's Request for Proposals for the development of a 132 – unit multifamily project at 3009 Troost and 3005 Harrison Avenue.

**Affirmative Action Policy and MBE/WBE Participation:** The proponent will be subject to LCRA's MBE/WBE participation goals and has discussed the reporting process with HRD.

**Taxing Jurisdictions:** The project was presented for review at the June 18, 2021 Agency Directors meeting.

**Other government/statutory agency action:** N/A

*ACTION RECOMMENDED:* SELECTION OF EXACT TROOST, LLC AS REDEVELOPER FOR THE 3000 TROOST MULTIFAMILY PROJECT IN THE LONGFELLOW-DUTCH HILL NEIGHBORHOOD URBAN RENEWAL AREA.

APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR THE 3000 TROOST MULTIFAMILY PROJECT.

APPROVAL OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT WITH EXACT TROOST,

LLC FOR THE 3000 TROOST MULTIFAMILY PROJECT  
IN THE LONGFELLOW-DUTCH HILL NEIGHBORHOOD  
URBAN RENEWAL AREA.

6. **Wheatley - Provident Hospital URA** – *Consideration of a Proposed Redevelopment Contract with 1826 Forest RE Holdings, LLC (Bob Long) (Ex.6A-6E)*

**Area Description:** The Wheatley - Provident Hospital Urban Renewal Area consists of one (1) parcel located within the southeastern quadrant of E. 18<sup>th</sup> Street & Troost Avenue.

**Project Description:** 1826 Forest RE Holdings, LLC, a real estate entity affiliated with local developers, Shomari Benton, Erika Brice, and Michael Edmundson, is the proponent of this proposed commercial project.

The Wheatley - Provident Hospital Urban Renewal Plan is located near E. 18<sup>th</sup> Street & Troost Avenue, lying between the Crossroads neighborhood to the west and the 18<sup>th</sup> & Vine neighborhood to the east, approximately 1 mile southeast of the Central Business District.

The project site consists of the historic Wheatley – Provident Hospital, which served Kansas City’s African-American residents, who could not get medical attention at other Kansas City hospitals due to segregation. Wheatley – Provident Hospital provided high-quality medical care for Kansas City’s African-American residents for many years, but eventually closed in 1972. The building was later used as a haunted house for many years, but the continuing deterioration of the building eventually caused even the haunted house to stop using the building. The Wheatley – Provident Hospital was unoccupied and unprotected for many years, resulting in it being placed on the City’s Dangerous Building List. The Plan’s proponent acquired the property and recently made the necessary improvements needed to get the historic building removed from the City’s Dangerous Buildings List.

The Plan’s proponents have proposed an \$8.4 Million historic rehabilitation and adaptive reuse of the deteriorated former hospital into commercial spaces. The Plan’s proponents believe that this proposed project is well-positioned to meet some of the commercial space needs of Kansas City’s proposed Keystone Innovation District, which is focused around E. 18<sup>th</sup> Street and Troost Avenue.

**Financial Analysis:**

In accordance with the Authority’s policy regarding Urban Renewal Area project that are directly adjacent to or east of Troost Avenue and located within a “continuously distressed” census tract, a financial analysis of this project is not required. The developer will use both Federal and Missouri historic tax credits, a New Markets Tax Credit loan, and equity to undertake this project. Staff believes this satisfies the Authority’s “Workable Program” requirements.

To revitalize the Wheatley - Provident Hospital Plan Area as commercial office space, 1826 Forest RE Holdings, LLC believes that assistance from the Land Clearance for Redevelopment Authority (the “Authority”), consisting of real property tax abatement, will

present opportunities to preserve the historic Wheatley – Provident Hospital and return it to productive use.

**Affirmative Action Policy and MBE/WBE Participation:** Project proponents will be required to comply with LCRA’s MBE/WBE requirements.

**Taxing Jurisdictions:** This project was reviewed at the July 9, 2021 Agency Director meeting.

**Other government/statutory agency action:** Not Applicable.

*ACTION RECOMMENDED:* APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE WHEATLEY – PROVIDENT HOSPITAL COMMERCIAL PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH 1826 FOREST RE HOLDINGS, LLC FOR THE WHEATLEY – PROVIDENT HOSPITAL COMMERCIAL PROJECT IN THE WHEATLEY – PROVIDENT HOSPITAL URBAN RENEWAL AREA.

7. **Administrative.**

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

*ACTION RECOMMENDED:* NONE; INFORMATIONAL ONLY

- b. **Tax Abatements** – *There were five (5) tax abatements approved in June, 2021.*

URA	Address	Applicant	Category	Type
Columbus Park	516A Gillis	Michael & Kate Barsotti	S/f Residential	Rehab
Indian Mound Lykins	133 N. Topping	Mattie Rhodes Memorial Society	S/f Residential	Rehab
Longfellow Dutch Hill	2712 Charlotte	Denise Kirby	S/f Residential	Rehab
Manheim Park	1301 E. 41 <sup>st</sup>	Joe Snapp & Lauren Obermueller	S/f Residential	Rehab
Oak Park	3815 Euclid	Javan Brewer	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.**