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

DATE: November 30, 2021
TIME: 10:00 a.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

To Join Online: [Join Zoom videoconference](#)
To Join by Phone: 1-312-626-6799
Meeting ID: 843 4734 3458
Passcode: 679365

AGENDA

1. **Roll Call.**
2. **Administrative** - *Review and approval of Meeting Minutes for October 27, 2021 as presented (Ex. 2)*

*ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR OCTOBER 27, 2021,
AS PRESENTED*

3. **Financial**

- a. *Review and acceptance of the Financial Reports for October, 2021 (Lee Brown) (Ex. 3A)*

*ACTION RECOMMENDED: ACCEPTANCE OF THE FINANCIAL REPORTS FOR
OCTOBER, 2021, AS PRESENTED*

- b. *Review and acceptance of the draft LCRA Audit for fiscal year 2021 (Lee Brown) (Ex. 3B)*

*ACTION RECOMMENDED: ACCEPTANCE OF THE DRAFT LCRA AUDIT REPORT
FOR FISCAL YEAR 2021*

4. **Truman & Wyandotte Urban Renewal Area – Kansas City Convention Center Headquarters Hotel** – *Consideration of Loan Extension (Brian Engel) (Ex. 4)*

On July 23, 2015, the City Council adopted Committee Substitute for Ordinance No. 150597, which approved the Truman & Wyandotte Urban Renewal Plan (“LCRA Plan”), approved the Kansas City Convention Center Headquarters Hotel Tax Increment Financing Plan (“TIF Plan”), and approved the formation of the Kansas City Convention Center Headquarters Hotel Community Improvement District (“CID”). By its Resolution No. 11-4-17 dated November 29, 2017, the LCRA authorized certain real estate and financing transactions to facilitate construction of the project, including: (a) the Series 2018A and Series 2018B revenue bonds; (b)(i) the Lease Purchase Agreement

with KC Hotel Property Owner, LLC (“Redeveloper”) for the lease of the hotel and related personal property, and (b)(ii) the Lease Purchase Agreement with the CID for the lease of the parking/meeting space and related personal property; (c) a loan from Wells Fargo Bank and Bank of Nova Scotia in the aggregate principal amount of \$110,000,000 (“Loan”); (d) the Sale/Leaseback Redevelopment and Acquisition Funding Agreement among the LCRA, the CID, and the Redeveloper for the acquisition and lease of the project property; and (d) the Redevelopment Agreement (“Redevelopment Agreement”) among the LCRA, the Tax Increment Financing Commission of Kansas City, Missouri (“TIF Commission”), and the Redeveloper for the implementation of the project in accordance with the LCRA Plan and the TIF Plan. The real estate and financing transactions closed in January 2018 and the Loews Kansas City Hotel opened in the spring of 2020. LCRA and the TIF Commission in September approved the Certificate of Completion and Compliance for the project.

The Loan is scheduled to mature on January 18, 2022, and the Redeveloper and lenders have negotiated an extension of the Loan.

ACTION RECOMMENDED: APPROVAL OF RESOLUTION APPROVING LOAN EXTENSION AND AUTHORIZING EXECUTION OF LOAN DOCUMENTS RELATED TO THE FINANCING OF THE KANSAS CITY CONVENTION CENTER HEADQUARTERS HOTEL IN THE TRUMAN & WYANDOTTE URBAN RENEWAL AREA.

5. **Hospital Hill II URA –2500 Block Troost Avenue** – *Ratification of Estoppel Certificate* (Brian Engel) (Ex. 5A - 5B)

LCRA and Beacon House, LLC (“Redeveloper”) entered into the Sale/Leaseback and Redevelopment Contract (“Redevelopment Contract”) effective as of April 19, 2019, regarding certain tax incentives granted by LCRA to facilitate the acquisition and construction of a multi-family housing project comprising approximately 248 apartment units, approximately 1,100 square feet of ground floor retail space, and related improvements located on the block generally described as Troost Avenue on the west, 25th Street on the north, Forest Avenue on the east, and 26th Street on the south (“Project”). To implement the tax incentives LCRA (a) leased the Project property to the Redeveloper pursuant to the Lease Agreement (“Lease”) dated as of August 1, 2019; and (b) issued its Taxable Industrial Revenue Bond (Beacon House Multi-Family Project), Series 2019 (“2019 Bond”).

The Project is complete. LCRA conveyed the property back to the Redeveloper earlier this year and issued its tax abatement certificate for the Project. The Redeveloper has advised LCRA it is refinancing its loan for the Project and, as a condition to the loan refinancing, the Redeveloper’s lender requested that LCRA sign an estoppel certificate.

ACTION RECOMMENDED: RATIFY, APPROVE AND CONFIRM ESTOPPEL CERTIFICATE TO FACILITATE REDEVELOPER’S LOAN REFINANCING FOR THE PROJECT

6. Hospital Hill North URA - Landmark/Physicians Realty Trust/TMC/LCRA – Consideration of Consent to Transfer of Indirect Majority Interest in Developer Tenant Entity Regarding the Medical Office Building Located at 2101 Charlotte (Brian Engel) (Ex. 6A – 6E)

In 2014, as part of a 25-year sale-leaseback transaction among LCRA, Truman Medical Center (TMC) and Hospital Hill Medical Office Building, LLC (HHMOB), LCRA obtained a construction loan (Construction Loan) to acquire and construct an approximately 90,000 square foot medical office building and a parking structure and related improvements (Project) on property located at 2101 Charlotte. HHMOB is owned by Landmark Healthcare Properties, LLC (Landmark).

TMC and HHMOB entered into a Ground Lease (Ground Lease) dated March 4, 2014, pursuant to which TMC ground leased to HHMOB the property upon which the medical office building has been constructed (Ground Leased Property). The Ground Lease further sets forth HHMOB's rights and obligations with respect to the medical office building and TMC's rights and obligations with respect to the parking structure. In addition to owning fee title to the Ground Leased Property, TMC previously owned fee title to the real property adjacent to the Ground Leased Property upon which the parking structure was constructed (Parking Structure Property).

HHMOB assigned its rights under the Ground Lease to LCRA and LCRA and HHMOB entered into a Master Lease of the Ground Leased Property. TMC conveyed title to the remainder of the Project property to LCRA and LCRA then leased back the property rights to HHMOB (as to the medical office building) and to TMC (as to the parking structure). In 2015, the construction loan was replaced with a loan from GE Capital, now Capital One. LCRA is the current borrower on the loan on a non-recourse basis. The loan was extended in 2020. Landmark owns medical office buildings in other cities across the country. Landmark is seeking consent to transfer an indirect majority ownership interest in HHMOB to Physicians Realty L.P., a Delaware limited partnership, which is the operating partnership of Physicians Realty Trust, a national medical office building REIT. The transfer to Physicians Realty Trust includes a portfolio of other medical office buildings. As part of the transfer to Physicians Realty Trust, existing loan on TMC's medical office building is being paid off and the name of the tenant entity will be changed to DOC-2101 Charlotte St. MOB, LLC.

ACTION RECOMMENDED: APPROVE CONSENT OF TRANSFER OF AN INDIRECT MAJORITY OWNERSHIP INTEREST IN HOSPITAL HILL MEDICAL OFFICE BUILDING, LLC, TO PHYSICIANS REALTY TRUST OR AFFILIATED ENTITY, AND APPROVE AMENDMENTS TO PROJECT DOCUMENTS, SUBJECT TO LEGAL COUNSEL REVIEW REGARDING PROJECT LOCATED AT 2101 CHARLOTTE.

7. **33rd & Montgall URA – Palestine Gardens & Palestine Gardens North** - *Selection of Developer and Approval of Sale/Leaseback and Redevelopment Contract (Bob Long)*

Area Description: The 33rd & Montgall Urban Renewal Area generally consists of an area generally bound by E. Linwood Boulevard on the north, Montgall Avenue on the east, E. 33rd Street on the south, and Prospect Avenue on the west, in Kansas City’ Eastside. The project sites are within the northwestern portion of City Council’s 3rd District.

Project Description: The applicant is PG PGN OWNER, LLC, a single-purpose real estate entity affiliated with Palestine Gardens North, Inc., Palestine Gardens, Inc., and Dromara Development.

The applicants’ project is a \$11.1million renovation of 118 existing apartments in the Palestine Gardens and Palestine Gardens North apartment complexes in the Oak Park neighborhood. All 118 units are reserved for very low-income seniors aged 62 and up. MHDC has allocated both Federal and Missouri Low-Income Housing Tax Credits to this project. This project is transitioning from nonprofit ownership (which means no property taxes have been paid) to a for-profit entity (owned by the nonprofit) in order to facilitate the low-income housing tax credits. This transition will make the property taxable, so the applicant is seeking a sale/leaseback arrangement to facilitate a sales tax exemption on construction materials. Due to the HUD 221 (d)(4) permanent financing being used, which has a 40 – year term, a 100% property tax exemption via a long-term sale/leaseback of up to 50 – years has been proposed, which would match the HUD financing requirements.

In order to facilitate the proposed sale/leaseback, which will result in the Authority taking title to the property, the Authority issued a Request for Proposals for this project, as required by law. It is typical for only one proposal to be submitted since this type of RFP requires that the applicant show either property ownership or control of the property through an accepted purchase contract. One proposal, from PG PGN Owner, LLC, was received prior to the submittal deadline.

ACTION RECOMMENDED: SELECTION OF PG PGN OWNER, LLC AS THE DEVELOPER FOR THE RENOVATION OF THE PALESTINE GARDENS AND PALESTINE GARDENS NORTH PROPERTIES FOR CONTINUED USE AS AFFORDABLE HOUSING FOR LOW INCOME SENIORS IN THE 33RD & MONTGALL URBAN RENEWAL AREA.

APPROVAL OF A SALE/LEASEBACK AND REDEVELOPMENT CONTRACT WITH PG PGN OWNER, LLC FOR THE RENOVATION OF THE PALESTINE GARDENS AND PALESTINE GARDENS NORTH PROPERTIES FOR CONTINUED USE AS AFFORDABLE HOUSING FOR LOW INCOME SENIORS IN THE 33RD & MONTGALL URBAN RENEWAL AREA.

8. **Gotham Apartments Urban Renewal Area** – *Consideration of Approval of URP’s First Amendment* (Bob Long)

The Gotham Apartments Urban Renewal Plan was approved by the City Council via Ordinance No. 020148 on March 28, 2002 for a twenty-year term. The Plan Area is generally consisted of six, non-contiguous, historic apartments building on the north side of E. Linwood Boulevard, between Prospect Avenue on the west and Indiana Avenue on the east. The Plan was intended to redevelop the blighted Gotham Apartments as affordable rental housing.

Using a variety of funding sources, including both historic tax credits and low-income housing tax credits, the Gotham Apartments were rehabilitated and tax abatement issued. That tax abatement terminated several years ago.

A new developer proposed a subsequent rehabilitation of the Gotham Apartments a few years ago. The Authority approved a Redevelopment Contract for this rehabilitation in order to help maintain this supply of affordable housing. Four tax abatement certificates were issued in late 2018, with two more issued in early 2019.

Staff believes that a ten (10) year extension of the Plan would allow adequate time for these tax abatements to run their course.

If the Authority approves the proposed First Amendment, the City Council is expected to consider an ordinance amending the Gotham Apartments Urban Renewal Plan by extending its term for an additional ten (10) years in furtherance of the goals and purposes of the Plan.

ACTION RECOMMENDED: APPROVE AMENDMENT TO GOTHAM APARTMENTS URBAN RENEWAL PLAN TO EXTEND TERM FOR AN ADDITIONAL TEN (10) YEARS.

9. **21st & Montgall Urban Renewal Area** – *Consideration of Approval of URP’s First Amendment* (Bob Long)

The 21st & Montgall Urban Renewal Plan was approved by the City Council via Ordinance No. 070306 on April 5, 2007 with a fifteen-year term. The Plan Area is generally bound by the Kansas City Terminal Railway tracks on the north, Prospect Avenue on the west, E. 21st Street on the south, and Benton Boulevard on the east. The Plan was intended to redevelop the numerous vacant lots as affordable single-family housing and to encourage the rehabilitation of other existing structures for residential purposes.

Three new homes were built and sold, but additional housing development came to a halt with the Great Recession of 2008 – 2009. Three existing homes have since been rehabilitated. A total of six tax abatements have been issued.

There are now a few organizations, including the Urban Neighborhood Initiative and Habitat for Humanity, actively pursuing new housing development and housing rehabilitation within the greater Wendell – Phillips neighborhood, which is directly

across Prospect Avenue to the west. The new KD Academy, a 24-hour/seven-day-a-week daycare, recently opened a half-block to the south (this project was assisted by the Authority through the creation of a “footprint” Urban Renewal Area and property tax abatement). The Prospect Max bus rapid transit line provides convenient access, as does the recently-completed 22nd/23rd Street Connector.

A number of vacant parcels remain within the 21st & Montgall Urban Renewal Area. The availability of the Authority’s property tax abatement would encourage and facilitate the rehabilitation of existing homes and the construction of additional single-family homes to complete the Plan’s intent.

Staff believes that a ten (10) year extension of the Plan would allow adequate time for completion of the infill single-family development and housing rehabilitation envisioned in the Plan.

If the Authority approves the proposed First Amendment, the City Council is expected to consider an ordinance amending the 21st & Montgall Urban Renewal Plan by extending its term for an additional ten (10) years in furtherance of the goals and purposes of the Plan.

ACTION RECOMMENDED: APPROVE THE FIRST AMENDMENT TO 21ST & MONTGALL URBAN RENEWAL PLAN TO EXTEND ITS TERM FOR AN ADDITIONAL TEN (10) YEARS.

10. **Clarion Hotel URA** – *Consideration of termination of Urban Renewal Area* (Bob Long)

The Clarion Hotel Urban Renewal Plan was approved by Ordinance No. 070304 on April 5, 2007 by the City Council with a fifteen-year (15) term. The Plan Area consists of a single parcel in the northeast quadrant of I – 70 & Blue Ridge Cut-Off, near the Sports Complex.

The Plan called for the renovation of the existing hotel and the development of an indoor waterpark directly adjacent. The project was completed and tax abatement was issued in 2007, which has since expired.

If the Authority approves the proposed Termination, the City Council is expected to consider an ordinance terminating the Clarion Hotel Urban Renewal Plan.

ACTION RECOMMENDED: APPROVE THE TERMINATION OF THE CLARION HOTEL URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL.

11. **Truman & Oak** – *Consideration of termination of Urban Renewal Area* (Bob Long)

The Truman & Oak Urban Renewal Plan was approved by Ordinance No. 070013 on January 25, 2007 by the City Council with a fifteen-year (15) term. The Plan Area consists of Truman Road on the north, Locust Street on the east, 16th Street on the south, and Oak Street on the west, plus the property on the southeast corner of 16th & Oak Streets.

The Plan called for the adaptive reuse or rehabilitation of eight, one- to three-story commercial buildings and several surface parking lots. One tax abatement has been issued in the Truman & Oak URP for 1517 Oak, which has since expired.

If the Authority approves the proposed Termination, the City Council is expected to consider an ordinance terminating the Truman & Oak Urban Renewal Plan.

ACTION RECOMMENDED: APPROVE THE TERMINATION OF THE TRUMAN & OAK URBAN RENEWAL PLAN AND FORWARDING THE RECOMMENDATION TO CITY COUNCIL.

12. Garfield URA – 2600 – 2618 Independence Avenue – Consideration of Approval of Completion Deadline Extension in Redevelopment Contract with BA Properties, LLC (Bob Long)

Area Description: The Garfield Urban Renewal Area is an area generally bound by Kessler Park on the north, Chestnut Avenue on the east, Independence Boulevard/Avenue on the south, and Paseo Boulevard on the west. The Project site consists of two parcels (2600 and 2618 Independence) on the northeast corner of Independence and Prospect Avenues.

Project Description: The applicant is BA Properties, LLC, which is the owner of the property.

The applicant's project is a \$3,270,245 redevelopment of a vacant site into a 20,583 square foot, two-story, mixed-use project. There will be approximately 10,887 square feet of commercial space, divided into seven double-fronted storefronts, along with 15 affordable one-bedroom apartments on the second floor. Off-street parking with 55 parking spaces will be provided on the north side of the building.

The Authority previously approved a Redevelopment Contract and 10 years of 100% tax abatement for this project. Due to the COVID pandemic and the resulting labor and supply chain issues, the project is behind schedule. The general contractor is rapidly nearing completion and is also nearing completion of six retail spaces on the first floor. The developer is requesting a completion extension to February 28, 2022.

ACTION RECOMMENDED: APPROVAL OF AN AMENDMENT TO THE REDEVELOPMENT CONTRACT WITH BA PROPERTIES, LLC TO EXTEND THE COMPLETION DEADLINE TO FEBRUARY 28, 2022 FOR THE 2600 - 2602 INDEPENDENCE AVENUE MIXED-USE PROJECT IN THE GARFIELD URBAN RENEWAL AREA.

13. **Administrative.**

- a. **Executive Director’s Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 13A)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- b. **Administrative** – *Affirmative Action Report* (Sandra Rayford)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- c. **Tax Abatements.** There were seven (7) tax abatements approved in October, 2021

URA	Address	Applicant	Category	Type
Brooklyn East I	2026 Olive	Onisha Henderson	S/f Residential	New
Columbus Park	566 Harrison	Jennifer Tuttle	S/f Residential	Rehab
Columbus Park	1033 E. 5th	KMM Investments	S/f Residential	Rehab
Garfield	1844 Pendleton	Josh Albarelli & Jennifer Lacy	S/f Residential	Rehab
Indian Mound-Lykins	4217 Norledge	Jennifer Tuttle	S/f Residential	Rehab
Longfellow Dutch Hill	2710 Charlotte	Caleb Dermyer & Alexandra Dingli-Attard	S/f Residential	Rehab
Scarritt Renaissance I	3511 Gladstone	Dylan VanGerpen	S/f Residential	Rehab

EXECUTIVE SESSION

14. 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

15. Adjourn.