

RESOLUTION NO. 2- -22

A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI APPROVING ASSIGNMENT AND ASSUMPTION OF AMENDED AND RESTATED SALE/LEASEBACK AND REDEVELOPMENT CONTRACT; 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, the Authority and Arterra 21, LLC (“Arterra 21”) were parties to that certain Redevelopment Contract dated March 25, 2015 and recorded on May 18, 2015 as Document No. 2015E0041702 (the “Redevelopment Contract”), pursuant to which the Authority agreed to issue a Certificate of Qualification for Tax Abatement to facilitate Arterra 21’s development of a building located at 2100 Wyandotte containing approximately 116 market rate apartments, parking and first floor commercial space for the public purpose of eliminating blighting conditions found to exist within the Arterra 21/2100 Wyandotte Urban Renewal Area (the “Project”); and

WHEREAS, Arterra 21 and Arterra, LLC, a Missouri limited liability company (“Original Redeveloper”), entered into a purchase agreement pursuant to which Original Redeveloper acquired the Project and Arterra 21 separately assigned all of its rights, obligations, title and interests, as Redeveloper, in, to, and under the Redevelopment Contract to Original Redeveloper, as evidenced by the Assignment and Assumption of Redevelopment Contract dated July 7, 2016, and recorded on July 8, 2016, as Instrument No. 2016E0061650; and

WHEREAS, the Authority and Original Redeveloper entered into that certain Funding Agreement dated July 7, 2016, pursuant to which the Original Redeveloper agreed to pay certain costs and fees incurred or charged by the Authority in connection with the Project, including the Authority’s attorney’s fees; and

WHEREAS, the Authority and the Original Redeveloper are parties to that certain Amended and Restated Sale/Leaseback and Redevelopment Contract dated June 22, 2017, and recorded in the Recorder's Office for Jackson County, Missouri, on June 23, 2017, as instrument number 2017E0056639 (the “Amended and Restated Redevelopment Contract”), to facilitate the Original Redeveloper’s construction of the Project. Capitalized terms not otherwise defined in this Resolution shall have the meaning as defined in the Amended and Restated Redevelopment Contract; and

WHEREAS, as provided in the Amended and Restated Redevelopment Contract, the Authority approved a sales tax exemption on construction materials for the Project and ten (10)-year tax abatement for the Project, subject to the Tax Abatement Period PILOT; and

WHEREAS, to implement the tax incentives as described in the Amended and Restated Redevelopment Contract, Original Redeveloper conveyed the Property to the Authority by the Special Warranty Deed recorded on June 23, 2017, as Instrument No. 2017E0056734, and the Authority leased the Property to Original Redeveloper pursuant to the Real Property Lease (the “Lease”) dated June 22, 2017, as evidenced by the Memorandum of Real Property Lease (the “Memorandum of Lease”) recorded on June 23, 2017, as Instrument No. 2017E0056735; and

WHEREAS, Original Redeveloper completed the Project and, as contemplated in the Amended and Restated Redevelopment Contract, the Authority and Original Redeveloper terminated the sale/leaseback transaction, as evidenced by the Special Warranty Deed recorded on September 23, 2019, as Instrument No. 2019E0076088, pursuant to the Authority conveyed title to the Property back to Original Redeveloper, and the Termination of Lease and Memorandum of Real Property lease recorded on September 23, 2019, as Instrument No. 2019E0076089, pursuant to which the Lease was terminated; and

WHEREAS, the Authority issued its Certificate of Qualification for Tax Abatement dated October 2, 2019 (“Tax Abatement Certificate”) for the Project effective January 1, 2019 through December 31, 2028; and

WHEREAS, Original Redeveloper and SEMREF Crossroads, LLC, a Delaware limited liability company (“New Redeveloper”), have entered into a purchase agreement pursuant to which the Original Redeveloper intends to sell and the New Redeveloper intends to purchase the Project property at a closing (“Closing”) scheduled for March 23, 2022, or such other date as the Original Redeveloper and the New Redeveloper may select (“Closing Date”); and

WHEREAS, contingent upon the occurrence of the Closing and effective as of the Closing Date, Original Redeveloper desires to assign all if its rights, title and interests in the Amended and Restated Redevelopment Contract to New Redeveloper and New Redeveloper desires to assume all of Original Redeveloper’s rights, obligations, title and interests in the Amended and Restated Redevelopment Contract from Original Redeveloper and to assume and perform observe, discharge, and otherwise comply with each and every one of the agreements, duties, obligations, covenants and undertakings to be kept and performed under the Amended and Restated Redevelopment Contract; and

WHEREAS, contingent upon the occurrence of the Closing and effective as of the Closing Date, the Authority desires to approve the Assignment, Assumption and Amendment of Sale/Leaseback and Redevelopment Contract among the Authority, Original Developer and New Redeveloper authorizing the assignment and assumption of development rights and obligations under the Amended and Restated Redevelopment Contract in substantially the form attached hereto as Exhibit A, provided, however, that New Redeveloper must enter into a new Funding Agreement with the Authority on or before the Closing Date.

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 Assignment, Assumption and Amendment of Sale/Leaseback and Redevelopment Contract is approved in substantially the form attached to and incorporated into

this Resolution as Exhibit A, subject to such changes, additions or deletions that may be deemed necessary or desirable by the Chairman and Executive Director, upon consultation with legal counsel, with execution of the Assignment, Assumption and Amendment of Sale/Leaseback and Redevelopment Contract with any such changes being conclusive evidence of the approval of the terms and conditions thereof. Notwithstanding the foregoing, the New Redeveloper must execute a Funding Agreement with the Authority contemporaneously with the execution of the Assignment, Assumption and Amendment of Amended and Restated Sale/Leaseback and Redevelopment Contract to become effective as of the Closing Date.

2. Each of the Chairman, Vice Chairman and Executive Director is authorized and directed to execute and deliver the Assignment, Assumption and Amendment of Sale/Leaseback and Redevelopment Contract as provided by this Resolution.

3. Each of the Chairman, Vice Chairman, Executive Director, Secretary, and Assistant Secretary is further authorized and directed to execute and deliver for and on behalf of the Authority any and all additional certificates, agreements, affidavits, documents or papers and to perform all other acts as the Authority may deem necessary or appropriate in order to implement and carry out the matters authorized by this Resolution, with such execution being conclusive evidence of the approval of the terms and conditions thereof.

4. This Resolution shall take effect immediately; provided, however, the assignment contemplated by this Resolution is contingent upon the occurrence of the Closing. In the event the Closing does not occur on the Closing Date, this Resolution shall be null and void.

ADOPTED by the Land Clearance for Redevelopment Authority of Kansas City, Missouri this 22nd day of February, 2022.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
Rob Gardner, Chairman

ATTEST:

Dan Moye, Secretary

EXHIBIT A

Assignment, Assumption and Amendment of Sale/Leaseback and Redevelopment Contract