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

DATE: March 22, 2022
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: 876 5538 1790
Passcode: 968860

AGENDA

1. **Roll Call.**
2. **Administrative** - *Review and approval of Meeting Minutes for February 22, 2022 as presented (Ex. 2)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR FEBRUARY 22, 2022, AS PRESENTED

3. **Habitat For Humanity Scattered – Site II URA** – *Proposed First Amendment (Bob Long) (Ex. 3)*

Area Description: The Habitat for Humanity Scattered – Site Urban Renewal Area consists of a number of parcels scattered throughout the Third and Fifth Council Districts.

Plan Description: The Habitat for Humanity Scattered – Site Urban Renewal Area was created in 2009 to facilitate single-family construction and rehabilitation by Habitat for Humanity. Most of these projects have been completed and property tax abatement awarded to the new homeowners. Several of the parcels were not built upon and have changed hands over the years.

Mark Irvin of KC MASS Services recently contacted LCRA staff to inquire about having two parcels, 3320 Tracy Avenue and 3322 Tracy Avenue, removed from this Urban Renewal Plan. This would remove a title exception from these properties and allow their redevelopment. The proposed developer is not seeking property tax abatement. Staff is supportive of this request.

The proposed First Amendment of the Habitat for Humanity Scattered – Site Urban Renewal Plan simply deletes the two parcels from the legal description and leaves the rest of the Plan intact.

Affirmative Action Policy and MBE/WBE Participation: Not Applicable.

Taxing Jurisdictions: Not Applicable.

Other government/statutory agency action: City Council will need to approve the First Amendment of the Habitat for Humanity Scattered – Site Urban Renewal Plan.

ACTION RECOMMENDED: APPROVAL OF THE FIRST AMENDMENT OF THE HABITAT FOR HUMANITY SCATTERED – SITE URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL.

4. **Eastside URA – AT&T Building/500 E. 8th Street** – *Consideration of Approval of Redevelopment Contract with Well TBC Kansas City JV, LLC (Bob Long) (Ex. 4A-4C)*

Area Description: The Eastside Urban Renewal Area is generally bound by I-70/35 on the north and east, I-35 on the south, and Oak Street on the west, located in the northeast quadrant of Downtown Loop. The project site is located at 500 E. 8th Street. The project site is within the City Council’s 4th District.

Project Description: The applicant is Well TBC Kansas City JV, LLC, a single-purpose real estate entity affiliated with The Bernstein Companies, a national developer based in Washington, D/C. The developer is currently rehabilitating the Mark Twain Tower at 11th & Baltimore with the Authority’s assistance.

The applicants’ project is a \$82.2 million adaptive reuse of the AT&T Building, a thirteen-story office building that was listed on the National Register of Historic Places due to its’ Brutalist architecture. The developer plans a historic rehab that will convert the long-vacant and deteriorating office building into 225 market-rate studios, one- and two-bedroom apartments. There is an existing six floor underground parking garage with 575 spaces. The developer plans to provide 25 studio apartments available to renters at or below 80% of AMI, although not required to provide any affordable units.

Extraordinary environmental remediation costs and historic tax credit compliance costs are driving higher than normal construction costs. The second and third floors have no windows and the use of historic tax credits prohibits punching window openings into the façade; therefore, these two floors will be remediated and left undeveloped as they cannot be converted to residential uses. The location in the northeast quadrant of the downtown loop is also unlikely to generate the rents generated in projects in more appealing locations.

Since the project is a historic tax credit project, it is eligible for up to 10 years abatement of up to 100% of the increased property taxes and, further, is not subject to the prevailing wage requirement. The project is also not subject to the 20% affordable housing requirement since the application was submitted prior to the effective date of that requirement.

Financial Review

A financial analysis of the project was performed by SB Friedman (copy attached; SB Friedman representatives will make a presentation during the meeting). Similar projects would typically generate a Yield on Cost between 5.5 – 6.5% and an Unleveraged IRR of 6.5 – 7.5%. Friedman’s analysis showed a 5.6% Yield on Cost for both the Developer’s requested Assistance and a 10 – year/100% abatement, and a 5.4% Yield on Cost for a 10 – year/ 75% abatement. Friedman’s analysis shows a 3.4% Unleveraged IRR for the Developer’s requested Assistance, and a 3.3% Unleveraged IRR with a 10 – year/100% abatement and a 3.0% Unleveraged IRR with a 10 – year/75% abatement. Staff believes this satisfies the requirements of the Authority’s Workable Program.

Staff believes that the proposed project is in conformance with Eastside Urban Renewal Plan.

AdvanceKC: The AT&T Building multifamily project achieved a score of 70 on the AdvanceKC Scorecard, putting it in the Standard Impact category.

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

Taxing Jurisdictions: The project was presented for review at the March 11, 2022 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 75% OF THE INCREASED PROPERTY TAXES FOR 10 YEARS FOR THE AT&T BUILDING MULTIFAMILY PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH WELL TBC KANSAS CITY JV, LLC FOR THE AT&T BUILDING MULTIFAMILY PROJECT IN EASTSIDE URBAN RENEWAL AREA.

5. **Columbus Park URA – Columbus Park Apartments** – *Consideration of Approval of Redevelopment Contract with DAK Pacific, LLC (Bob Long) (Ex. 5A-5B)*

Area Description: The Columbus Park Urban Renewal Area generally consist of an area generally bound by the Missouri River on the north, I-29/I-35 on the east, I-35 on the south, and Hwy. 9/Heart of America Bridge right-of-way on the west, located northeast of the Downtown Loop and east of the River Market neighborhood. The project site is located in the southwest quadrant of Troost Avenue & Pacific Street. The project site is within the City Council’s 4th District.

Project Description: The applicant is DAK Pacific, LLC, a single-purpose real estate entity affiliated with local developers Diane Botwin, Andrew Ganahl, and Kevin Klinkenberg.

The applicants' project is a \$6.6 million development with three components in the Columbus Park neighborhood. The first component is the construction of ten for-sale townhomes (five in each of two buildings) facing onto Pacific Street. The second component is the construction of five duplexes, each with two apartments; these duplexes will be built behind the townhomes. The third component is a small (1,200 sq. ft.) commercial building on the southwest corner of Pacific and Troost.

Since the project is located within a "continuously distressed" census tract, it is eligible for up to 10 years abatement of up to 100% of the increased property taxes and, further, is not subject to the prevailing wage requirement. Since the multifamily component of this project has less than twelve rental units, it is not subject to the City's affordable housing inclusion requirement. The for-sale townhomes are not subject to the LCRA's financial analysis requirement.

Financial Review

Per LCRA policy, the project was not subject to a financial review by EDC staff since it is located directly adjacent to or east of Troost Avenue and in a "continuously distressed" census tract. Staff's review revealed that the developer already controls all of the property and has debt financing and equity available to undertake the project. Staff believes this satisfies the requirements of the Authority's Workable Program.

Staff believes that the proposed project is in conformance with Columbus Park Urban Renewal Plan.

AdvanceKC: The Columbus Park Apartments project achieved a score of 62 on the AdvanceKC Scorecard, putting it in the Standard Impact category.

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

Taxing Jurisdictions: The project was presented for review at the February 11, 2022 Agency Directors meeting.

UPDATE: It is our understanding that, following a discussion with the taxing jurisdictions, the developer is willing to restrict the property tax abatement on the for-sale townhomes to 75% for ten years. The developer has also expressed interest in a sales tax exemption on construction materials as a means of offsetting the reduced tax abatement on the for-sale townhomes. Staff is supportive of these proposals.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE RENTAL DUPLEXES AND SMALL COMMERCIAL BUILDING AND 75% FOR 10 YEARS FOR THE FOR-SALE TOWNHOMES IN THE COLUMBUS PARK APARTMENTS PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH DAK PACIFIC, LLC FOR THE COLUMBUS PARK APARTMENTS PROJECT IN COLUMBUS PARK URBAN RENEWAL AREA.

6. **43rd & Belleview Urban Renewal Area** – *Approve Termination of the Urban Renewal Plan* (Bob Long)

The 43rd & Belleview Urban Renewal Plan was approved by Ordinance No. 020392 by the City Council on May 9, 2002 with a twenty-year (20) term. The Plan Area consists of two parcels on the southeast corner of W. 43rd Street and Belleview Avenue, in the Westport neighborhood.

An office building had fallen into disrepair and was largely vacant; the adjacent house had also fallen into disrepair. The developer acquired and rehabilitated the office building for commercial use, while the house was demolished and off-street parking for the office building developed. The project was completed and the tax abatement has since expired.

If the Authority approves the proposed Termination, the City Council is expected to consider an ordinance terminating the 43rd & Belleview Urban Renewal Plan.

ACTION RECOMMENDED: APPROVE THE TERMINATION OF THE 43RD & BELLEVIEW URBAN RENEWAL PLAN AND FORWARD THE RECOMMENDATION TO CITY COUNCIL.

7. **Scarritt Renaissance I II URA** –*Proposed First Amendment* (Bob Long)

Area Description: The Scarritt Renaissance I Urban Renewal Area consists of the western portion of the Scarritt neighborhood, lying north of Independence Avenue and east of Chestnut Avenue.

Plan Description: The Scarritt Renaissance I Urban Renewal Area was created in 2007 by City Council via Ord. No. 070485 to facilitate housing construction and rehabilitation and neighborhood revitalization. The Plan had a fifteen (15) year term.

Many projects have been completed and 40 property tax abatements awarded. Twenty-two (22) of these tax abatements are still active, with the most recent set to expire in 2032. Staff and legal counsel advise that the Plan still be active throughout the term of any existing tax abatements.

The proposed First Amendment of the Scarritt Renaissance I Urban Renewal Plan would extend the term of the Plan by ten (10) years.

Affirmative Action Policy and MBE/WBE Participation: Not Applicable.

Taxing Jurisdictions: Not Applicable.

Other government/statutory agency action: City Council will need to approve the First Amendment of the Scarritt Renaissance I Urban Renewal Plan.

ACTION RECOMMENDED: APPROVAL OF THE FIRST AMENDMENT OF THE SCARRITT RENAISSANCE I URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL.

8. **Administrative.**

- a. **Executive Director’s Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 8A)

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 February, 2022.

URA	Address	Applicant	Category	Type
Garfield	119 Park Avenue	Mark & Donna Fenner	S/f Residential	Rehab
Garfield	325 Maple Blvd.	Brooke Tighe & Jesse Cardiff	S/f Residential	Rehab
Kansas Avenue	2021 Benton Blvd.	Gloria Clark	S/f Residential	New
Marlborough CC	1401 E. 77 th Terrace	Marlborough Community Land Trust	S/f Residential	Rehab
Santa Fe Area Council	3001 E. 30 th	Kerry & Lynetta Butler	S/f Residential	Rehab
Scarritt Renaissance II	505 Norton	Rosendo & Ernestine Pena	S/f Residential	Rehab
Troost Paseo	4442 Tracy	Charles & Pamela Cooper	S/f Residential	New

EXECUTIVE SESSION

9. 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

10. Adjourn.