

**A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, RATIFYING PRIOR APPROVAL OF TAX ABATEMENT, APPROVING SALES TAX EXEMPTION ON PURCHASE OF CONSTRUCTION MATERIALS FOR PHASE III PURSUANT TO A SALE/LEASEBACK TRANSACTION, AND AUTHORIZING FURTHER ACTION 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 LRCA 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**, following a Request for Proposals process, the Authority and St. Michael’s Veterans Center, Inc., a Missouri non-profit corporation (“Redeveloper”), entered into the Redevelopment Contract dated as of May 16, 2012 and recorded as Document No. 2012E0063449, as amended by the Amended and Restated Redevelopment Contract dated as of September 6, 2012 and recorded as Document No. 2012E0106473, as amended and restated by the Second Amended and Restated Redevelopment Contract dated as of May 3, 2013 and recorded as Document No. 2013E0049446, as amended by the Amendment to Second Amended and Restated Redevelopment Contract dated as of February 25, 2015 and recorded as Document No. 2015E0106279 (collectively, “Redevelopment Contract”), pursuant to which the Authority and the Redeveloper set forth their respective rights and obligations regarding the transfer of property and redevelopment of the St. Michael’s Veterans Center project (formerly known as the Holy Temple Homes site) to provide affordable housing and supportive services to veterans (“Project”); and

**WHEREAS**, the Project property (“Property”) was owned by the Housing and Economic Development Financial Corporation and conveyed to the Authority to facilitate the Project in accordance with the Order issued by the U.S. District Court for the Western District of Missouri in receivership Case No. 05-00368-CV-W-GAF; and

**WHEREAS**, pursuant to the Redevelopment Contract, the Authority conveyed a portion of the Property, defined and legally described as the Phase I Property in the Redevelopment Contract, to the Redeveloper by that Special Warranty Deed recorded on July 12, 2013 as Document No. 2013E0072500 to facilitate development of the first phase of the Project, consisting of 58 units of affordable veterans housing (“Phase I”); and

**WHEREAS**, pursuant to the Redevelopment Contract, the Authority conveyed a portion of the Property, defined and legally described as the Phase II Property in the Redevelopment Contract, to the Redeveloper by that Special Warranty Deed recorded on November 25, 2015 as Document No. 2015E0106280 to facilitate development of the second phase of the Project, consisting of 58 units of affordable veterans housing (“Phase II”); and

**WHEREAS**, the Redeveloper conveyed certain portions of the Phase II Property to: (a) St. Michael's Housing Partners Investors II, L.P. (defined as the "Phase II Housing Property") by that Special Warranty Deed recorded on November 25, 2015 as Document No. 2015E0106281; and (b) St. Michael's Veterans Center Owners' Association, Inc. (defined as the "Phase II Common Area Property") by that Special Warranty Deed recorded on November 25, 2015 as Document No. 2015E0106282; and

**WHEREAS**, Phase I (consisting of 58 units of affordable veterans housing) and Phase II (consisting of 59 units of affordable veterans housing and supportive services building) of the Project are complete and the Redeveloper has submitted a request to transfer the remaining Property owned by the Authority ("Phase III Property") to facilitate development of the third phase of the Project consisting of approximately 62 units of affordable veterans housing and related improvements ("Phase III"); and

**WHEREAS**, the financing for Phase III includes funding from (i) MHDC reserving 9% federal and state low-income housing tax credits to the Redeveloper, (ii) MHDC HOME funds, (iii) MHDC NHTF funds, (iv) Horizon Bank construction loan, and (v) Redeveloper equity for the Project; and

**WHEREAS**, to further assist with Project financing, the Redeveloper submitted an application for tax abatement and for a sales tax exemption on construction materials pursuant to a sale/leaseback transaction for Phase III as permitted under the LCRA Law and the Authority reviewed a copy of the Redeveloper's MHDC tax credit application in lieu of an independent financial analysis; and

**WHEREAS**, the Authority desires to enter into an amendment to the Redevelopment Contract to authorize transfer of the Phase III Property to the Redeveloper upon completion of Phase III and to implement (a) 100% tax abatement for ten (10) years on the increased assessed value of the Phase III Property upon completion of Phase III and (b) sales tax exemption on the purchase of Phase III construction materials pursuant to the Redevelopment Contract, as amended, and a lease agreement between the Authority, as landlord, and the Redeveloper, as tenant, during the construction period; and

**WHEREAS**, the Authority desires to ratify approval of the Redeveloper's tax abatement application for ten (10) years of tax abatement at 100% and to approve a sales tax exemption on the purchase of construction materials for Phase III, all as permitted under the LCRA Law and subject to the terms and conditions of the Redevelopment Contract, as amended, and related documents; and

**WHEREAS**, Phase III of the Project is located within the Seven Oaks Urban Renewal Area and will further the purpose of the Authority under the LCRA Law.

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

1. After evaluation of the Redeveloper's application for incentives for Phase III, the Redeveloper's MHDC tax credit application, the testimony of interested parties, and the

Authority's staff recommendation, the Authority hereby approves the following Authority incentives for Phase III of the Project, including ratification of previous approval of tax abatement, all for the purpose of eliminating blighting conditions found to exist in the Urban Renewal Area in accordance with the LCRA Law, subject to completion of Phase III of the Project in accordance with the Second Amended and Restated Redevelopment Contract, as may be amended, and further subject to the terms and conditions of the Phase III financing documents to be negotiated and executed in furtherance of the Project:

- (a) sales tax exemption on construction materials (STECM) for Phase III;
- (b) lease the Phase III Property and related improvements to the Redeveloper during the construction period to implement STECM, subject to such conditions or limitations as the Authority and the Redeveloper may negotiate;
- (c) convey the Phase III Property and related improvements (and related common area property) to the Redeveloper upon completion of Phase III, subject to such conditions or limitations as the Authority and the Redeveloper may negotiate;
- (d) abatement of real property taxes (above predevelopment real property taxes) at 100% for ten (10) years, subject to such conditions or limitations as the Authority and the Redeveloper may negotiate;
- (e) issuance of a bond necessary or incidental to Phase III or to the granting and implementation of requested incentives, including preparation, negotiation, and implementation of all related contracts and documents; and
- (f) such other services necessary or desirable to undertake Phase III.

2. Each of the Chairman, Vice-Chairman and Executive Director, together with the staff and legal counsel of the Authority, is authorized and directed to draft and negotiate such redevelopment agreements, sale/leaseback agreements, bond financing documents, and such other agreements or documents as deemed necessary or desirable to implement the Authority incentives for the Project.

3. Each of the Chairman, Vice Chairman, and Executive Director is authorized to take any additional steps within their powers under the LCRA Law necessary to carry out the intent of this Resolution.

4. This Resolution shall take effect immediately.

**ADOPTED** by the Land Clearance for Redevelopment Authority of Kansas City, Missouri this 27<sup>th</sup> day of September, 2022.

**LAND CLEARANCE FOR REDEVELOPMENT  
AUTHORITY OF KANSAS CITY, MISSOURI**

By: \_\_\_\_\_  
Rob Gardner, Chairman

ATTEST:

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Daniel Moye, Secretary