

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON OCTOBER 27, 2022**

MINUTES

1. Roll Call.

Present: Andrea Bough
Rob Gardner
Melissa Hazley
Tammy Henderson

Absent: David Kemper

Staff: Dan Moye, LCRA
Bob Long, LCRA (*via Zoom*)
Susan Tumey, LCRA
David Leader, EDC (*via Zoom*)
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Brian Collins, Dromara Development, LLC (*via Zoom*)
Andrea Dorch, CREO (*via Zoom*)
Jean Hardwick, PG/PGN, LLC (*via Zoom*)
Jean Matzeder (*via Zoom*)
Robb Preston, AV-RH JV LLC (*via Zoom*)

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:00 a.m. on October 27, 2022 when Mr. Moye declared quorum as three (3) of the five (5) Commissioners were in attendance.

2. Minutes - Review and approval of Meeting Minutes for September 27, 2022 as presented (Ex. 2)

ACTION TAKEN: APPROVED THE MINUTES FOR SEPTEMBER 27, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY.

3. 33rd & Montgall URA - Consideration of Bond Authorizing Resolution for Multifamily Project (Palestine Gardens Apartments) (Brian Engel) (Ex. 3A-3K)

➤ **Project Overview**

- Purpose of project is preservation and rehabilitation of 118 apartment units reserved for very low-income residents, ages 62 and over (*Engel*)

- Funding for the project includes LIHTC tax credits, the Kansas City, Missouri Housing Trust Fund, and the issuance of tax-exempt bonds by the LCRA (*Engel*)
- Documents include: (*Engel*)
 - Trust Indenture – LCRA and UMB Bank as Bond Trustee
 - Loan Agreement – LCRA and PG/PGN, LLC
 - Tax Compliance Agreement – LCRA, PG/PGN, LLC, and UMB Bank
 - Bond Purchase Agreement – LCRA, PG/PGN, LLC, and Legacy Bank
 - Redevelopment Contract – LCRA and PG/PGN, LLC
 - Release of Redevelopment Contract dated August 2, 1996 – LCRA and Community Development Corporation
 - Certificate of Completion – LCRA and PG/PGN, LLC relating to the 1996 Redevelopment Contract
- Dromara Development, LLC
 - Acts as consultant to the Palestine Economic Development Corp. (*Collins*)
 - Original development built in 1997, with the addition of Senior Activity Center and Commons added in 2012 (*Collins*)
 - A 39-bed assisted living facility will be constructed concurrently with the rehabilitation of the two buildings (*Collins*)
 - Average age of residents is 79 (*Collins*)
 - Rents are based on the resident's income (*Collins*)
 - Comprehensive relocation plan entails moving all residents from one building at a time to a nearby location during the 6-to-8-month construction period (*Collins*)

➤ **Board Considerations**

- LCRA Board and many other departments, including the City, have previously reviewed and supported the project (*Bough*)
 - This meeting involves approving the bond documents (*Bough*)

ACTION TAKEN:

(1) RATIFIED APPROVAL OF PG/PGN LP AS SELECTED REDEVELOPER TO UNDERTAKE THE PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON AND CARRIED UNANIMOUSLY.

(2) APPROVED RESOLUTION AUTHORIZING ISSUANCE OF BONDS IN MAXIMUM AMOUNT OF \$11 MILLION AND EXECUTION OF BOND AND PROJECT DOCUMENTS TO FUND DEVELOPMENT OF THE PROJECT WITHIN 33RD AND MONTGALL URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON AND CARRIED UNANIMOUSLY. (*RES. NO. 10-1-22*)

(3) APPROVED RESOLUTION RELEASING AND TERMINATING REDEVELOPMENT CONTRACT DATED AUGUST 2, 1996. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON AND CARRIED UNANIMOUSLY. (RES. NO. 10-2-22)

4. **Switzer-West Schools Urban Renewal Area** - *Consideration of Assignment, Assumption and Amendment of Redevelopment Contract* (Brian Engel) (Ex. 4A-4C)

➤ **Project Overview**

- LCRA and Switzer Apartments, LLC (“Seller”) entered into a redevelopment contract in 2015 to rehab the former school into 114 market rate apartments (Engel)
 - The project was completed and a Certificate of Qualification for Tax Abatement was issued in 2017 (Engel)

➤ **Assignment, Assumption and Amendment of Redevelopment Contract**

- AV-RH JV LLC (“Buyer”), a joint venture between Alchemy Ventures and RockCrest Holdings, intends to purchase the project (Engel)
- Buyer and Seller requested that the LCRA consent to the assignment of the redevelopment contract to the buyer (Engel)
 - Buyer will also assume all of Seller’s obligations under the Redevelopment Contract to maintain the project (Engel)
- Buyer will also enter into a new Funding Agreement to pay all costs and expenses incurred by the Project since the date of the Assignment (Engel)
- The buyer has also purchased approximately 1,500 units in Kansas City in recent years
- The Assignment continues to be negotiated but the agreement is close to being finalized (Engel)
 - Buyer’s lender has requested a Collateral Assignment of the Redevelopment Contract

ACTION TAKEN: APPROVED ASSIGNMENT, ASSUMPTION AND AMENDMENT OF REDEVELOPMENT CONTRACT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON AND CARRIED UNANIMOUSLY. (RES. NO. 10-3-22)

5. **Administrative.**

a. **Executive Director’s Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 5A)

➤ **Tax Abatement for investor-owned single-family properties**

- LCRA’s current policy allows owner-occupied and local investors to qualify for the single-family tax administrative grant of abatement (Moye)

- Staff has recently received requests from several institutional investors, which own hundreds of homes, about the single-family process (*Moye*)
 - Granting abatement to investor-owners could allow them to purchase homes at cheaper rates than homeowners (*Moye*)
- Board considerations
 - To keep our neighborhoods strong, investors should not be given single-family abatement (*Henderson*)
 - Investors should have to seek Board approval to obtain the abatement, which would allow the Board to assess certain restrictions (*Bough*)
 - Viewing investor-owned homes as individual properties or as a group could determine if restrictions such as prevailing wage would apply (*Moye*)
 - Staff will advise investor-owner groups that a different process with restrictions will occur if they pursue a larger portfolio (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- **Cleveland Duplexes URA – Cleveland Duplexes – Project Update** (Dan Moye)
 - MHDC has placed new restrictions on the payment bond and the term of the abatement which have delayed closing the project (*Moye*)
 - MHDC advises that the new restrictions stem from the unique, never been seen before, abatement and financing for the project (*Moye*)
 - Restrictions imposed by MHDC on the project are existing requirements, the interpretation of which are based on this specific situation (*Lewis*)
 - Developer has progressed a long way into the project and needs a MHDC decision quickly (*Lewis*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- **Central Business District URA - 906 Grand Hotel** – Project Update (Dan Moye)
 - Issues arose when the developer believed their goals had been set one way and the CREO office believed the goals had been set differently (*Moye*)
 - Developer and CREO have agreed that the developer can appeal their goal issues through normal procedures (*Moye*)

EXECUTIVE SESSION

6. Consideration of legal and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(3) RSMo.

[The Board moved into closed session to discuss legal issues and other matters related thereto, pursuant to Sections 610.010 (1)(3) RSMo]

Motion to move into Executive Session made by Ms. Bough and seconded by Ms. Henderson

Roll Call Vote to Move into Executive Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

Motion to move out of Executive Session made by Ms. Bough and seconded by Ms. Henderson

Roll Call Vote to move out of Executive Session and reopen Public Session

Ms. Bough	Aye
Mr. Gardner	Aye
Ms. Hazley	Aye
Ms. Henderson	Aye

ACTION TAKEN: NONE; INFORMATIONAL ONLY

RESUME BUSINESS SESSION

7. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:45 a.m.

Daniel Moye, Secretary