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**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD  
VIDEO-CONFERENCE MEETING ON DECEMBER 12, 2022**

**MINUTES**

1. **Roll Call.**

**Present:** Andrea Bough  
Rob Gardner  
Tammy Henderson  
David Kemper  
Melissa Patterson-Hazley

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

**LCRA Legal Counsel:** Brian Engel, Rouse Frets

**Guests:** Craig Blockwick (*via Zoom*)  
Sean Carroll (*via Zoom*)  
Kevin Collison (*via Zoom*)  
Tom Denaway, Baker Tilly (*via Zoom*)  
Daniel Ferguson-Leon (*via Zoom*)  
Joey Flickner, IUPAT DC (*via Zoom*)  
Tom Friestad, KC Business Journal (*via Zoom*)  
Robin Martinez (*via Zoom*)  
Bob Mayer (*via Zoom*)  
Pat Sterrett (*via Zoom*)  
Joey Taylor, DC3 (*via Zoom*)

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The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:00 a.m. on December 12, 2022 when Mr. Moye declared quorum as three (3) Commissioners were in attendance. (Ms. Henderson arrived at approximately 10:30 a.m.) The December 12, 2022 meeting was intended to replace the November and December 2022 individual monthly meetings.

2. Minutes

- a. Review and approval of Meeting Minutes for October 27, 2022 as presented (**Ex. 2A**)

*ACTION TAKEN: APPROVED THE MINUTES FOR OCTOBER 27, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MR. KEMPER, AND CARRIED UNANIMOUSLY.*

- b. Review and approval of Meeting Minutes for May 24, 2022, as presented (**Ex. 2B**)

*ACTION TAKEN:* APPROVED THE MINUTES FOR MAY 24, 2022, AS PRESENTED.  
MOTION MADE BY MS. BOUGH, SECONDED BY MR. KEMPER,  
AND CARRIED UNANIMOUSLY.

3. **Central Business District URA – Historic rehabilitation of 802 Broadway Boulevard for mixed uses** – *Consideration of Approval of a Redevelopment Contract with EXACT 802, LLC (Bob Long) (Ex. 3A-3G)*

➤ **Project Overview**

- Known as the Isaac’s Building or the Carnival Building, located on the southwest corner of West 8<sup>th</sup> and Broadway (*Long*)
- Historic rehab of the commercial building into 39 loft style apartments and @ 4,300 square feet of retail and restaurant space (*Long*)
- Rents
  - 12 units will be studios, 1 bath, with rents of @ \$945 a month (*Long*)
  - 21 units will be one-bedroom, 1 bath, with monthly rents of @ \$1,195 (*Long*)
  - 6 units will be two-bedroom, 2 bath, with monthly rents of @ \$1,425 (*Long*)
- Affordability
  - Studios are affordable to households at 67% of area median income (*Long*)
  - One- and two-bedroom units are affordable to households at 77% of area median income (*Long*)
  - All units are below 80% of the area median income (*Long*)
- Cost estimate for project is \$9.8 Million (*Long*)
- Historic rehab projects are not subject to the City’s 70% cap ordinance or its prevailing wage or 20% affordable housing requirements (*Long*)
  - Developer has requested 10 years of abatement at 75% (*Long*)

➤ **Financial Analysis**

- Project would not likely be completed without assistance (*Denaway*)
- Rate of return with assistance is 6.57% and without assistance is 5.91% (*Denaway*)
  - 5.91% is at the low end of the 4.75% and 10.00% desired return (*Denaway*)
  - 6.57% was preferred as it was nearer the average of the desired return (*Denaway*)
- Stabilization is a one-year test based on the second year of the project (*Kemper/Denaway*)

- Deferring a larger portion of the developer’s fee would lower the amount of equity provided by the historic tax credit program (*Kemper/Denaway*)
  - Deferment of the developer’s fee is an additional reserve and was a requirement of the lender (*Mayer*)

*ACTION TAKEN:* APPROVED PROPERTY TAX ABATEMENT AT 75% FOR 10 YEARS FOR THE 802 BROADWAY MIXED-USE PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MS. HAZLEY	ABSTAINED
MS. HENDERSON	AYE
MR. KEMPER	AYE

APPROVED A REDEVELOPMENT CONTRACT WITH EXACT 802, LLC FOR THE 802 BROADWAY MIXED-USE PROJECT IN THE CENTRAL BUSINESS DISTRICT URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MS. HAZLEY	ABSTAINED
MS. HENDERSON	AYE
MR. KEMPER	AYE

*(RES. NO. 12-1-22)*

4. **Central Business District URA – 900 Broadway / Hyatt House Hotel** – *Consideration of Assignment of LCRA Incentives to New Redeveloper (Brian Engel) (Ex. 4)*

➤ **Overview**

- The original Redeveloper began construction of the extended stay hotel in December, 2019 (*Engel*)
  - Original Redeveloper consists of 900 Broadway KC Development Co., LLC, Oak Holdings LLC and REMSK, LLC (*Engel*)
- Construction halted in March 2020 because its lender defaulted and failed to fund the project (*Engel*)
  - Numerous mechanic’s lien and other related claims have been filed by several parties (*Engel*)
- Original Redeveloper is working with HH KC Partners, LLC, the New Redeveloper, to obtain a new construction loan (*Engel*)
  - New Redeveloper is a joint venture of O’Reilly Hospitality Management, LLC and Lotus Holdings, LLC (*Engel*)

➤ **Assignment**

- Assignment of the project’s previously approved tax incentives to the New Redeveloper is a key condition to its efforts to obtain construction financing (*Martinez*)
  - Approval of the assignment is subject to several conditions, primarily the New Developer’s ability to obtain financing for the project (*Engel*)
- Potential lenders for the New Redeveloper mainly want assurances that the previously approved incentive structure will remain (*Bough/Martinez*)
- Original Redeveloper’s contracts with the LCRA will not be assigned to the New Redeveloper, which would enter new Redevelopment Contract and leases (*Bough/Engel*)
  - The Board will be asked to approve the new contracts and agreements once they are finalized (*Engel*)
  - LCRA’s redevelopment contract with the Original Redeveloper remains in effect (*Bough/Engel*)
  - Original Redeveloper issued a force majeure notice (*Martinez*)
- Original Redeveloper and New Redeveloper have an agreement in principle with sub/contractors to accept a partial settlement of their claims to give New Developer time to obtain new financing (*Blockwick*)

[The vote to approve Res. No. 12-2-22 occurred immediately following resumption of the open business session.]

5. **Administrative.**

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

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- b. **Administrative** – *Affirmative Action Report* (Sandra Rayford) (Ex. 5B)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- c. **Historic Manheim Park Neighborhood Association** (Bill Drummond)

This item will be continued to the next available meeting as Mr. Drummond was not in attendance at today’s meeting (*Moye*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

**EXECUTIVE SESSION**

- 6. Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(2)(3) RSMo.

*[The Board moved into closed session to discuss legal issues and other matters related thereto, pursuant to Sections 610.010 (1)(2) 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

*ACTION TAKEN IN CLOSED SESSION:* NONE; INFORMATIONAL ONLY

**RESUME BUSINESS SESSION**

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 IN OPEN SESSION:* APPROVED ASSIGNMENT OF PREVIOUSLY APPROVED TAX INCENTIVES TO NEW REDEVELOPER, SUBJECT TO SATISFACTION OF CERTAIN CONDITIONS AND REQUIREMENTS OUTLINED IN THE RESOLUTION. MOTION MADE BY MS. BOUGH, SECONDED BY MS. PATTERSON-HAZLEY. (RES. NO. 12-2-22)

- 7. **Adjourn.**

There being no further business, the meeting adjourned at approximately 12:00 p.m.

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Daniel Moye, Secretary