
**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON JANUARY 24, 2023**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Rob Gardner
David Kemper

Absent: Tammy Henderson
Melissa Patterson-Hazley

Staff: Dan Moye, LCRA
Susan Tumey, LCRA
Steven Anthony, EDC
David Leader, EDC
Bob Long, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets (*via Zoom*)

Guests: Kevin Hardy, Kansas City Star (*via Zoom*)
Robin Humphrey (*via Zoom*)
Anne Jordan, Policy Director, Mayor's Office (*via Zoom*)
Nailah Mbiti (*via Zoom*)
Kathleen Pointer, KCMO Public Schools (*via Zoom*)

2. **Administrative** - *Annual Election of Officers for 2023* (Rob Gardner)

- Topic required further discussion as Ms. Hazley may need to take a leave of absence until June, 2023 (*Moye*)

ACTION TAKEN: TABLED UNTIL FURTHER NOTICE.

3. **Minutes** - *Review and approval of Meeting Minutes for December 12, 2022 as presented (Ex. 3)*

ACTION TAKEN: APPROVED THE MINUTES FOR DECEMBER 12, 2022, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MR. KEMPER, AND CARRIED UNANIMOUSLY.

4. **Central Business District URA - 720 Oak - Consideration of Loan Modification to Convert Interest Rate to a Fixed Rate** (Brian Engel) (Ex. 4)

[All statements made by Mr. Engel unless otherwise noted]

➤ **Overview**

- Existing 25-year sale/leaseback, which expires on December 28, 2025
- Purpose of sale/leaseback was to rehabilitate an office building
 - Project also encompassed an adjacent parking lot

➤ **Loan Documents**

- Developer wants to convert the original loan’s variable interest rate to a fixed interest rate
- Board can approve the interest rate modification at today’s meeting subject to the Executive Director’s and Legal Counsel’s document review
 - Commerce Bank has not yet provided their response to LCRA’s revisions to the 2023 loan documents
 - Original loan documents made it clear that the LCRA was only a conduit borrower and had no payment obligations
 - Language in the 2023 boilerplate loan documents was not factually correct regarding LCRA’s payment obligations
 - Commerce Bank did not rely on LCRA’s financial statements for the loan or the modification
 - If LCRA cannot reach consensus with Commerce Bank about the documents, it will discuss any future actions, if any, with the developer

Mr. Engel advised that the Board would retain quorum if Mr. Kemper recused himself from voting on the matter.

ACTION TAKEN: APPROVED A MODIFICATION TO THE COMMERCE BANK LOAN TO CONVERT THE VARIABLE INTEREST RATE TO A FIXED INTEREST RATE AS PROVIDED IN THE LOAN MODIFICATION DOCUMENTS; AUTHORIZED AND DIRECTED LCRA TO EXECUTE AND DELIVER THE LOAN MODIFICATION DOCUMENTS AND RELATED DOCUMENTS, SUBJECT TO ANY CHANGES, ADDITIONS OR REVISIONS THEY, UPON THE ADVICE OF COUNSEL, MAY DEEM NECESSARY OR DESIRABLE. MOTION MADE BY MS. BOUGH, SECONDED BY MR. GARDNER, AND CARRIED BY THE FOLLOWING VOTE:

MS. BOUGH	AYE
MR. GARDNER	AYE
MR. KEMPER	ABSTAIN

(RES. NO. 1-1-23)

5. **Administrative.**

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

ACTION TAKEN: NONE; INFORMATIONAL ONLY

- b. **Administrative** – *Discussion of policy reforms for single family tax abatement* (Dan Moye)

[All statements made by Mr. Moye unless otherwise noted.]

- Changes should be made to the criteria for granting single-family abatements in large urban renewal areas
 - Developers can currently receive single-family abatement for a \$500,000 home as long as they meet the requirements
 - Need to avoid gentrification
- Value Cap
 - Should not be set too low to block abatement for new construction
- Workable Policy
 - Amending the Workable Policy would be necessary as it grants the Executive Director administrative approval of single-family abatements
- Affordability
 - City's definition of affordable as \$275,000 is probably too high (*Bough*)
 - Program would still apply to smaller scale projects
- Current rules require the developer to own the home they are rehabbing or are planning to use the property as a rental to receive abatement
 - Foreign LLCs are required to register with the Missouri Secretary of State to prove authorization to conduct business and to own property in the state
 - Changes should include requiring the foreign LLC to register with the City of Kansas City, Missouri and to present a Certificate of Good Standing (*Bough*)
- Proposed that the amount of investment be a minimum of \$5,000 or up to 5% market value
 - Origin of the \$5,000 benchmark is not known but may have been carried over from another program (*Engel*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

6. **Adjourn.**

There being no further business, the meeting adjourned at approximately 10:45 a.m.

Daniel Moye, Secretary