

A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI APPROVING TAX ABATEMENT WITHIN THE 33RD & MONTGALL URBAN RENEWAL AREA; 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 LCRA 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, the Authority approved the Oak Park Urban Renewal Plan on November 25, 1968, and determined that the portion of the City located within the Oak Park Urban Renewal Area described in the Oak Park Urban Renewal Plan is blighted and insanitary; and

WHEREAS, the City Council initially approved the Oak Park Urban Renewal Plan by Resolution No. 36285, dated January 1, 1969, with respect to the eligibility of the Oak Park Urban Renewal Area (as then described) for urban renewal treatment, by Ordinance No. 36827, passed January 17, 1969, approving the general urban renewal plan for the Oak Park Urban Renewal Area (as then described); and by Ordinance No. 39874, passed July 16, 1971, approving a definitive plan for the Oak Park Urban Renewal Area by Ordinance No. 39874 passed on July 16, 1971, as the Oak Park Urban Renewal Area and the Oak Park Urban Renewal Plan have been subsequently amended and modified, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted and insanitary conditions within the Oak Park Urban Renewal Area; and

WHEREAS, as part of the Oak Park Urban Renewal Plan, the Authority approved the 33rd & Montgall Urban Renewal Plan on March 25, 1987, as modified by Resolution No. 88-80 dated October 26, 1988, and as modified by Resolution No. 6-03-06 dated June 28, 2006 (collectively, the “Urban Renewal Plan”), and determined that the portion of the City located within the 33rd & Montgall Urban Renewal Area (the “Urban Renewal Area”) described in the Urban Renewal Plan is blighted and insanitary; and

WHEREAS, the City Council initially approved the Urban Renewal Plan by Ordinance No. 61221 dated September 3, 1987, as modified by Ordinance No. 060807 dated October 26, 2006, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted and insanitary conditions within the Urban Renewal Area; and

WHEREAS, pursuant to Resolution No. 10-2-21 dated October 27, 2021, the Authority issued a Request for Proposals for the acquisition and redevelopment of the Palestine Gardens North Apartments located at 3220 Montgall Avenue and the Palestine Gardens Apartments located at 2627 E. 33rd Street within the Urban Renewal Area, as such property is legally described on the attached Exhibit A (the “Property”), for the preservation and rehabilitation of 118 units reserved for very low-income residents aged 62 and over and other related improvements (the “Project”); and

WHEREAS, pursuant to Section 99.450 of the LCRA Act, the Authority caused to be published two times in a newspaper having a general circulation in its area of operation a request for proposals for redevelopment contract proposals; and

WHEREAS, PG/PGN Owner, LLC, a Missouri limited liability company (“Redeveloper”), timely submitted a redevelopment project application to the Authority to implement the Project; and

WHEREAS, the Authority received no other redevelopment contract proposals to implement the Project; and

WHEREAS, by Resolution No. 11-3-21 dated November 30, 2021, the Authority (i) selected the Redeveloper as the redeveloper for the Project, and (ii) approved the following tax incentives: (1) sales tax exemption on construction materials (STECM), and (2) property tax exemption for up to 50 years, to be implemented through a sale/leaseback transaction and a bond transaction; and

WHEREAS, by Resolution No. 12-3-21 dated December 28, 2021, the Authority expressed its intent to (i) issue its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 (“Bonds”) in one or more series in an aggregate principal amount not to exceed \$11,000,000 for the purpose of financing the costs of the Project, and (ii) to loan the proceeds from the sale of the Bonds to PG/PGN Owner, LLC for the purpose of financing the costs of the Project, all in accordance with and pursuant to the Act; and

WHEREAS, the Authority by Resolution No. 12-3-21 also designated PG/PGN, LP, a Missouri limited partnership and affiliate of PG/PGN Owner, LLC, as “Redeveloper” for the Project; and

WHEREAS, the Redeveloper subsequently modified the requested incentives for the Project by eliminating the sale/leaseback structure for implementation of a sales tax exemption incentive on the purchase of construction materials and of a real property tax exemption for a period of up to 50 years and reaffirmed its request for the Bonds; and

WHEREAS, by Resolution No. 10-1-22 dated October 27, 2022, the Authority authorized the issuance of the Bonds; and

WHEREAS, by Resolution No. 10-2-22 dated October 27, 2022, the Authority approved termination and release of a Redevelopment Contract dated August 12, 1996 relating to the development of the Palestine Gardens Apartments building; and

WHEREAS, the Redeveloper has requested that the Authority grant 100% abatement for ten (10) years pursuant to the Act to facilitate the Project; and

WHEREAS, the Authority desires to approve the request tax abatement pursuant to the Act, subject to completion of the Project in accordance with the redevelopment contract and further subject to the terms and conditions of the Project financing documents to be negotiated and executed in furtherance of the Project.

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

Section 1. After evaluation of the Redeveloper’s request for incentives, the testimony of interested parties, and the Authority’s staff recommendation, the Authority hereby approves tax abatement (above predevelopment real property taxes) at 100% for ten (10) years pursuant to the Act, subject to completion of the Project in accordance with the redevelopment contract and further subject to the terms and conditions of the Project financing documents to be negotiated and executed in furtherance of the Project.

Section 2. Each of the Chairman, Vice-Chairman and Executive Director is authorized and directed to execute the redevelopment contract, Bond documents, and other agreements, and documents for and on behalf of and as the act and deed of the Authority in substantially the form presented to the Board of Directors and as modified upon the advice of counsel, and the execution of such documents shall be conclusive evidence of the approval thereof.

Section 3. Each of the Chairman, Vice-Chairman and Executive Director is authorized and directed to take all further action necessary to carry out the intent of this Resolution and to execute and deliver all such documents deemed necessary or desirable, upon the advice of counsel, to fulfill the Authority’s obligations and to complete the transactions contemplated in this Resolution.

Section 4. This Resolution shall take effect and be in full force immediately after its adoption by the Authority.

ADOPTED by the Land Clearance for Redevelopment Authority of Kansas City, Missouri this 28th day of February, 2023.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF THE CITY OF KANSAS CITY

[SEAL]

By: _____
Rob Gardner, Chairman

ATTEST:

Daniel Moye, Secretary

Exhibit A

Tract 1:

3220 Montgall Avenue (28-930-16-26-00-0-00-000):

Lot 1, PALESTINE GARDENS NORTH, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Tract 2:

2627 E. 33rd Street (28-930-17-30-00-0-00-000):

Lot 1, PALESTINE GARDENS, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.