
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO-CONFERENCE MEETING

DATE: March 28, 2023
TIME: 10:00 a.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

Join Online: [Join LCRA Zoom videoconference](#)
By phone: (312) 626-6799
Meeting ID: 893 6307 8272
Passcode: 282126

AGENDA

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

The current officers are:

Chairman	Rob Gardner
Vice-Chairman	Melissa Hazley
Secretary	Daniel Moye
Assistant Secretary	Susan Tumey
Treasurer	Vacant

ACTION RECOMMENDED: ELECTION OF THE SLATE OF OFFICERS NOMINATED
FOR THE 2023 CALENDAR YEAR.

3. **Minutes**

- a. *Review and approval of Meeting Minutes for January 6, 2023 as presented (Ex. 3A)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR JANUARY 6, 2023, AS
PRESENTED

- b. *Review and approval of Meeting Minutes for February 28, 2023 as presented (Ex. 3B)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR FEBRUARY 28, 2023,
AS PRESENTED

4. **Oak Street URA** – *Consideration of Proposed Urban Renewal Plan* (Bob Long) (Ex. 4A-4B)

Area Description: The proposed Oak Street Urban Renewal Area consists of five (5) parcels located on the west side of Oak Street, between E. 31st Street and Linwood Boulevard.

Plan Description: Skyline Homes KC, LLC, a local homebuilder is the proponent of this proposed Urban Renewal Plan.

The Oak Street Urban Renewal Area is located just south of Martini Corner, a collection of locally-owned restaurants and bars, and just north of the Midtown Shopping Center located on the south side of E. Linwood Boulevard between Main Street and Gillham Plaza. The Union Hill neighborhood is to the north of E. 31st Street and Hyde Park, which lies to the south of E. Linwood Boulevard. The Union Hill neighborhood has seen considerable residential development within the past thirty years. The Martini Corner area along E. 31st Street has seen considerable turnover amongst the bars and restaurants over the years, but continues to be a popular destination. The Plan Area was once home to a variety of single-family homes, but those homes were demolished long ago and the parcels remained vacant or have been used as informal off-street parking for many years. The highly-successful Midtown commercial development, featuring Home Depot and Costco, is on the south side of E. Linwood Boulevard, with the historic Hyde Park neighborhood located further to its south.

The area lying between E. 31st Street and E. Linwood Boulevard has, however, not enjoyed either the residential growth of Union Hill to the north, nor the commercial redevelopment and the residential revitalization of the Hyde Park neighborhood to the south.

The Plan's proponents have proposed the redevelopment of these vacant parcels into approximately twelve (12) market-rate for-sale single-family. The Plan's proponents believe that this proposed project is well-positioned to meet some of the housing needs of professionals working in Crown Center, Hospital Hill, Midtown, and Plaza neighborhoods.

Blight Study: The Authority has previously approved a Finding of Blight for the proposed Oak Street Townhomes Urban Renewal Plan on August 25, 2021; however, the initial proponent of that Plan decided not to proceed and to sell the property. Since no blight remediation or development has occurred, staff believes the Authority's previous Finding of Blight is still valid.

Staff believes that, as of August 2021, the proposed Oak Street Townhomes Urban Renewal Area of Kansas City, Missouri, is a "blighted area" according to the definition provided in Missouri's Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99) and is a menace to the health, safety, morals, and welfare of the city. An excerpt from the blight study:

The LCRA staff conducted a site inspection of the Plan Area on August 16, 2021. Insanitary or unsafe conditions included garbage, overgrown trees and shrubs, weeds, erosion, illegal dumping, and building debris from previously – existing buildings or structures. Evidence of Deterioration of site improvements included, surface cracking of pavement, crumbling or deteriorating pavement, pavement with damaged sections and/or missing pieces, depressions/uneven settling, loose gravel paving materials, weeds protruding through paved surfaces, and broken or incomplete curb-and-gutter along the entire street frontage (much of the curb is crumbling or damaged limestone, rather than concrete, thus indicating its' age). The existence of conditions (or any combination of such factors) which Endanger life or

property by fire and other causes included evidence of storm runoff flooding, as well as trash scatter throughout and along the southern and western property lines. Factors posing a Menace to public health and safety included illegal use of the property (the off-street parking does not conform to the City’s off-street parking lot requirements, as well as the presence of a deteriorating shipping container). The City’s 311 records indicate a number of violations, ranging from having too many containers on-site, illegal use of a container as a shop, a homeless encampment, abandoned vehicles, and weeds, within the past several years. These physical and economic conditions are examples of insanitary or unsafe conditions, deterioration of site improvements, existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, and which retards the provision of housing accommodations or which constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

Because most of the components of the Chapter 99 criteria are present in the proposed Oak Street Townhomes Urban Renewal Area of Kansas City, Missouri, in August 2021, staff concluded that the Study Area is a “blighted area” consistent with the definition provided by Missouri’s Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99), and is a menace to the health, safety and welfare of the city. The blight study can be found in Exhibit F of the draft Plan. Staff believes that blighting conditions exist.

To redevelop the Oak Street Urban Renewal Plan Area as approximately twelve (12) market-rate for-sale single-family homes, MarCor Holdings, LLC believes that assistance from the Land Clearance for Redevelopment Authority (the “Authority”), consisting of real property tax abatement and, possibly, sales tax exemption on construction materials, will present opportunities to redevelop these vacant, blighted parcels and return them to productive residential use and restore a former residential neighborhood.

Affirmative Action Policy and MBE/WBE Participation: Project proponents will be required to comply with LCRA’s MBE/WBE requirements.

Taxing Jurisdictions: The proposed Oak Street Urban Renewal Plan was presented at the March 17, 2023 Agency Directors meeting as an informational item.

Other government/statutory agency action: The City Planning Commission will need to consider the proposed Urban Renewal Plan at an upcoming meeting. City Council will need to approve the Finding of Blight and the proposed Oak Street Urban Renewal Plan.

ACTION RECOMMENDED: AFFIRM THE AUTHORITY’S PREVIOUS FINDING OF BLIGHT IN THE PROPOSED OAK STREET URBAN RENEWAL PLAN.

APPROVAL OF THE OAK STREET URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL.

5. **Oak Park URA – Historic rehabilitation of 1601 – 1603 Linwood Boulevard for residential uses** – *Consideration of Approval of a Redevelopment Contract with Phronesis, LLC (Bob Long) (Ex. 5A-5F)*

Area Description: The Oak Park URA generally consist of an area generally bound by the E. Linwood Boulevard on the north, Elmwood Avenue/Vineyard Drive/E. 43rd Street and Elmwood Avenue on the east, E. 45th Street on the south, and Paseo Boulevard on the west, located within Kansas City's Eastside neighborhoods. The project site is within the City Council's 3rd District.

Project Description: The applicant is Phronesis, LLC, which is affiliated with local developer Tim Duggan.

The applicant has proposed a \$4.2 Million historic tax credit rehabilitation of 1601 – 1603 E. Linwood Boulevard, a pair of three-story, brick Colonnade-style apartment buildings with a total 14 units on the south side of E. Linwood Boulevard, across the street from the Mohart Center on the west. Eight 2-bedroom units will be available at \$1,375/month, with six 2-bedroom units will be available at \$1,250/month. Although not subject to the City's affordable housing inclusion requirement, 43% of these units appear to be affordable to 3-person households at 70% of Area Median Income, with the remainder slightly above the 70% mark. The applicant will complete an historic tax credit rehabilitation of the buildings, while also leveraging funding from the Central City economic development sales tax district.

Ordinance Policy Factors: Since the project is an historic tax credit project, it is not subject to the City's prevailing wage or affordable housing inclusion requirements. It is also not subject to the reduced level and terms of assistance established by Ordinance No. 220700 since it is a historic tax credit project.

Financial Review: Since 1601 – 1603 E. Linwood Boulevard are located east of Troost Avenue, in an Urban Renewal Area, and in a continuously distressed census tract, a financial analysis was nor required per LCRA policy. Staff conducted a review of the application materials and determined that the costs and projected expenses appeared reasonable in comparison to other local projects. The staff review also determined that with a projected 1% annual increase in property taxes, as shown by the applicant, the project appears to reach a positive cash flow and a 1.01 Debt Coverage Ratio in Year 3, but achieves a 1.26 Debt Coverage Ratio in Year 4. EDC staff believes the project complies with the Authority's Workable Program.

Staff believes that the proposed project is in conformance with Oak Park Urban Renewal Plan.

AdvanceKC: The 1601 – 1603 E. Linwood Boulevard historic rehabilitation project achieved a score of 78 on the AdvanceKC Scorecard, which puts it nearly at the top of the Standard Impact category.

Affirmative Action Policy and MBE/WBE Participation: The proponent will be subject to LCRA's MBE/WBE participation goals and has discussed the reporting process with CREO.

Taxing Jurisdictions: The project was presented for review at the March 17, 2023 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 1601 – 1603 E. LINWOOD BOULEVARD HISTORIC REHAB RESIDENTIAL PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH PHRONESIS, LLC (OR AFFILIATE) FOR THE 1601 – 1603 E. LINWOOD BOULEVARD HISTORIC REHAB RESIDENTIAL PROJECT IN THE OAK PARK URBAN RENEWAL AREA.

6. **Eastside URA** – *Consideration of Redeveloper Request for Additional Incentives – 500 E. 8th Street (AT&T Building) (Brian Engel) (Ex. 6)*

LCRA previously selected WELL TBC Kansas City JV, LLC (“Redeveloper”) as redeveloper for the adaptive reuse and historic redevelopment of the 13-story, vacant, former AT&T office building located at 500 E. 8th Street (“Property”) to include (i) approximately 265 apartment units (approximately 100 studio/one-bath units averaging 639 square feet, approximately 60 one-bedroom/one-bath units averaging 707 square feet, approximately 90 two-bedroom/one-bath units averaging 980 square feet, and approximately 15 two-bedroom/two-bedroom units averaging 980 square feet), (ii) fitness center, (iii) remote work center, (iv) lounge, (v) subgrade parking for 575 cars, and (vi) related improvements, within the Urban Renewal area (“Project”). LCRA also previously approved tax abatement for 10 years at 75% pursuant to the Redevelopment Contract dated March 22, 2022, between LCRA and the Redeveloper.

The Redeveloper has requested that LCRA approve additional tax incentives for the Project to include (i) a sales tax exemption on the purchase of construction materials for the Project, and (ii) an extended tax abatement period for an additional five years for a total of 15 years (at 100% for years 1-10 and at 50% for years 11-15). To implement the requested additional incentives the Redevelopment Contract must be released and replaced with a new sale/leaseback redevelopment contract and related real estate and bond financing documents, and LCRA and the Redeveloper must enter into a sale/leaseback arrangement by which the Redeveloper will convey fee title to the Property to LCRA and LCRA will lease the Property (land and improvements) to the Redeveloper.

ACTION RECOMMENDED: APPROVE RESOLUTION AUTHORIZING ADDITIONAL TAX INCENTIVES FOR THE PROJECT TO INCLUDE (I) SALES TAX EXEMPTION ON THE PURCHASE OF CONSTRUCTION MATERIAL, (II) AN EXTENDED TAX ABATEMENT PERIOD FOR 15 YEARS (100% FOR YEARS 1-10 AND 50% FOR YEARS 11-15), AND (III) PREPARATION OF A SALE/LEASEBACK REDEVELOPMENT CONTRACT AND RELATED PROJECT

AND BOND FINANCING DOCUMENTS FOR APPROVAL AT A LATER BOARD MEETING TO FACILITATE THE PROJECT WITHIN THE EASTSIDE URBAN RENEWAL AREA.

7. **29 Belle URA** – *Consideration of Proposed Assignment & Assumption of the Redevelopment Contract with Remez Partners, LLC to Belleview Townhomes, LLC for the 29 Belle Townhomes Project (Bob Long) (Ex. 7A-7B)*

Area Description: The 29 Belle Urban Renewal Area consists of one (1) parcel located within the southern portion of the Westside neighborhood.

Project Description: Remez Partners, LLC, a real estate entity affiliated with Exact Partners, was the original proponent of this townhomes project.

The 29 Belle Urban Renewal Plan is located within the southern portion of the Westside neighborhood, lying approximately 2.5 miles southwest of the Central Business District. The Plan calls for the construction of nine townhomes within the Plan Area, which is located on the southeast corner of W. 29th Street & Belleview Avenue.

The Authority approved tax abatement and a Redevelopment Contract with Remez Partners, LLC in October 2021.

The Plan's original proponents have agreed to sell the project to Belleview Townhomes, LLC, which is affiliated with the Hispanic Economic Development Corporation. Belleview Townhomes, LLC has debt financing, along with funding from the City's Affordable Housing Trust Fund, and is prepared to undertake the project.

Affirmative Action Policy and MBE/WBE Participation: Belleview Townhomes, LLC will be required to comply with LCRA's MBE/WBE requirements.

Taxing Jurisdictions: N/A

Other government/statutory agency action: N/A

ACTION RECOMMENDED: AFFIRMATION OF TEN (10) YEARS OF PROPERTY TAX ABATEMENT FOR THE 29 BELLE TOWNHOMES PROJECT IN THE 29 BELLE URBAN RENEWAL AREA.

APPROVAL OF THE ASSIGNMENT AND ASSUMPTION OF THE REDEVELOPMENT CONTRACT FROM REMEZ PARTNERS, LLC TO BELLEVIEW TOWNHOMES, LLC FOR THE 29 BELLE TOWNHOMES PROJECT IN THE 29 BELLE URBAN RENEWAL AREA.

8. **Administrative.**

- a. Eastside Urban Renewal Plan (Dan Moye)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- b. **Governance Risk Assessment Survey** (Dan Moye) (Ex. 8B)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- c. **Executive Director's Report - Active Projects Tracking System Report** (Dan Moye) (Ex. 8C)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- d. **Tax Abatements** - *There were nine (9) tax abatements approved in February, 2023.*

URA	Address	Applicant	Category	Type
Columbus Park	910 E. Missouri	N. & A. McNeil	S/f Residential	rehab
Garfield	506 Brooklyn	B. Mason	S/f Residential	rehab
Indian Mound-Lykins	147 N. Chelsea	A. Wilson	S/f Residential	rehab
Indian Mound-Lykins	3223 E 6 th	Five Star Urban Dev.	S/f Residential	rehab
Indian Mound-Lykins	4141 E. 6 th	M. Ebume & F. Kitenge	S/f Residential	new
Indian Mound-Lykins	4145 E. 6 th	J. Garrett	S/f Residential	new
Oak Park	3837 College	Lions View Inv. Group	S/f Residential	rehab
Santa Fe Area Council	2914 & 2918 Victor	C. Kirk	S/f Residential	rehab
Santa Fe Area Council	2925 E. 29 th	M. Baheyadeen	S/f Residential	rehab

EXECUTIVE SESSION

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

RESUME BUSINESS SESSION

10. **Adjourn.**