

RESOLUTION No. 3- -23

A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, APPROVING ADDITIONAL INCENTIVES TO INCLUDE (1) TAX EXEMPTION ON CONSTRUCTION MATERIALS, (2) PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS AND AT 50% FOR 5 YEARS FOR THE HISTORIC ADATIVE REUSE AND CONVERSION OF THE FORMER AT&T OFFICE BUILDING AT 500 E. 8TH STREET INTO A MULTIFAMILY RESIDENTIAL DEVELOPMENT, AND (3) AUTHORIZING STAFF AND LEGAL COUNSEL TO PREPARE THE NECESSARY SALE/LEASEBACK DOCUMENTS WITH WELL TBC KANSAS CITY JV, LLC (OR AN AFFILIATE) FOR THE PROJECT LOCATED WITHIN THE AREA BOUNDED BY CHERRY STREET ON THE NORTH, E. 8TH STREET ON THE EAST, LOCUST STREET ON THE SOUTH, AND ADMIRAL BOULEVARD ON THE WEST WITHIN THE EASTSIDE 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 initially approved the Eastside Urban Renewal Plan (“Urban Renewal Plan”) on April 28, 1958, and determined that the portion of the City located within the Eastside Urban Renewal Area (“Urban Renewal Area”) described in the Urban Renewal Plan is blighted and insanitary, with a recommendation of approval by the City Council; and

WHEREAS, the City Council initially approved the Urban Renewal Plan by Ordinance No. 22763 passed on June 13, 1958, 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, by Resolution No. 3-2-22 dated March 22, 2022, the Authority selected WELL TBC Kansas City JV, LLC, a Delaware limited liability company (“Redeveloper”), as the redeveloper for the project described in the Redevelopment Project Application to the Authority, and approved tax abatement at 75% for ten years; and

WHEREAS, the project consists of the adaptive reuse and historic redevelopment of the 13-story, vacant, former AT&T office building located at 500 E. 8th Street and as legally described on the attached Exhibit A (the “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”); and

WHEREAS, the Authority and the Redeveloper entered into the Redevelopment Contract (“Redevelopment Contract”) dated March 22, 2022, and recorded in the Office of the Recorder of Deeds of Jackson County, Missouri, as Instrument No. 2022E0049040, pursuant to which the parties set forth their respective rights and obligations with respect to the Project; and

WHEREAS, the Redeveloper has requested that the Authority 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); and

WHEREAS, 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 the Authority and the Redeveloper must enter into a sale/leaseback arrangement by which the Redeveloper will convey fee title to the Property to the Authority and the Authority lease the Property (land and improvements) to the Redeveloper; 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, the Authority received no other redevelopment contract proposals to implement the Project; and

WHEREAS, the Authority desires to approve the additional incentives for the Project, subject to the terms and conditions of a sale/leaseback redevelopment contract and other real estate and financing documents and agreements between the Authority and the Redeveloper.

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 additional incentives, the financial analysis prepared by SB Friedman Development Advisors, the testimony of interested parties, and the Authority’s staff recommendation, the Authority hereby approves the following Authority incentives for the Project, all for the purpose of eliminating blighting conditions found to exist in the Urban Renewal Area in accordance with the LCRA Law, subject to completion of the Project in accordance with the sale/leaseback and 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:

- (a) sales tax exemption on construction materials (STECM);
- (b) acquire the Property and related improvements and lease the Property and related improvements to the Redeveloper during the construction period to implement

STECM, subject to such conditions or limitations as the Authority and the Redeveloper may negotiate;

- (c) abatement of real property taxes (above predevelopment real property taxes) at 100% for Years 1-10 and 50% for Years 11-15 and a payment in lieu of taxes (PILOTs) requirement as determined by the Authority, subject to such conditions or limitations as the Authority and the Redeveloper may negotiate;
- (d) issuance of bonds necessary or incidental to the Project or to the granting and implementation of requested incentives, including preparation, negotiation, and implementation of all related contracts and documents; and
- (e) such other services necessary or desirable to undertake the Project.

Section 2. Each of the Chairman, Vice-Chairman and Executive Director, together with the staff and legal counsel of the Authority, is authorized and directed to draft and negotiate such redevelopment agreements, sale/leaseback agreements, bond financing documents, and such other agreements or documents as deemed necessary or desirable to implement the Authority incentives for the Project. The Project documents must be submitted to the Board of Commissioners for approval at a later meeting.

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, but not limited to, notifying the City of the Authority's intent to enter into a redevelopment contract with the Redeveloper detailing the rights and obligations of the parties thereto for the construction and development of the Project.

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 March, 2023.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF THE CITY OF KANSAS CITY

[SEAL]

By: _____
Rob Gardner, Chairman

ATTEST:

Daniel Moye, Secretary

EXHIBIT A

General Boundaries: The project is located at 500 E 8th Street and consists of one tax parcel Jackson County No 29-210-15-01-00-0-00-000. The parcel is bound by Admiral Boulevard on the north, Cherry Street on the east, E. 8th Street on the south, and Locust Street on the west.

Legal Description:

A tract of land, being all or parts of Lots 1, 2, 3, 4, 5, 6, 20, 21, 22, 23 and 24, Block 7, RICE'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, and the vacated alley lying adjacent to said lots, more particularly described as beginning at a point on the South line of Admiral Boulevard 103 feet East of the East line of Locust Street, run thence East along the South line of Admiral Boulevard a distance of 54.13 feet to a point in the center line of the vacated North and South alley next West of Cherry Street; thence South along said center line a distance of 13 feet; thence East along the South line of Admiral Boulevard as projected westward from its intersection with the West line of Cherry Street a distance of 157.12 feet, more or less, to said point of intersection in the West line of Cherry Street; thence South along the West line of Cherry Street, a distance of 250 feet, more or less, to the North line of 8th Street; thence West along the North line of 8th Street, a distance of 233.25 feet to a point located 81 feet East of the intersection of the North line of 8th Street with the East line of Locust Street; and thence Northerly along a straight line to a point on the South line of Admiral Boulevard 103 feet East of the East line of Locust Street, the point of beginning.