
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO-CONFERENCE MEETING

DATE: May 23, 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: 830 5734 4402
Passcode: 213615

AGENDA

1. **Roll Call.**

2. **Minutes**

a. *Review and approval of Meeting Minutes for March 28, 2023 as presented (Ex. 2A)*

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

b. *Review and approval of Meeting Minutes for May 1, 2023 as presented (Ex. 2B)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR MAY 1, 2023, AS
PRESENTED

3. **Columbus Park Urban Renewal Area – 1018 E. Missouri Avenue** - *Consideration of the Renovation of 1018 E. Missouri Avenue, an 8-unit multi-family development in the Columbus Park URA (David Leader) (Ex. 3A-3E)*

Area Description: The Columbus Park URA is generally bounded by the Missouri River on the North, I-35 on the East, Oak Trafficway on the West, and I-70 on the South, all within Kansas City's Greater Downtown Area Plan, in the Columbus Park neighborhood. The project site, 1018 E. Missouri Avenue is within the City Council's 4th District.

Project Description: The applicant is Forrester, LLC, which is owned by Gina Hollis, a developer with over 15 years of experience in Florida, New Jersey, Alaska, Kansas, and Missouri. Brian Renfro – General Contractor. Tyler Hiatt – Architect.

The applicant has proposed a \$1.1 Million rehabilitation of 1018 E. Missouri Avenue, a vacant property located in the Columbus Park URA. The Project proposes 8 residential apartments available for long term rental.

Ordinance Policy Factors:

Since the project is within a “Continuously Distressed” census tract, it is not subject to the City’s prevailing wage requirement, nor is it subject to the reduced level and terms of assistance established by Ordinance No. 220700.

Financial Review:

Staff conducted an in-house financial analysis and determined that the costs and projected expenses appeared reasonable in comparison to other local projects. The staff review has determined that financial incentives would be necessary for the project to proceed. The assumptions made by the developer are reasonable. The Developer hits 12.75% ROI in year 10 of abatement compared to 9.65% without abatement. We find this reasonable as the risk of this project is relatively high due to the odd shape of the building, the building’s condition, and the low number of rentable units. EDC staff believes the project meets the City’s “but for” financial analysis requirement.

EDC staff believes that the proposed project is in conformance with Greater Downtown Area Plan.

AdvanceKC: The 1018 E. Missouri Avenue project achieved a score of 40 on the AdvanceKC Scorecard, which puts it in the ‘Low 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 May 19, 2023 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH FORRESTER, LLC (OR AFFILIATE) FOR THE 1018 E. MISSOURI AVENUE REHAB RESIDENTIAL PROJECT IN THE COLUMBUS PARK URBAN RENEWAL AREA.

4. **Main/ABC – 36 Block URA** – *Renovation of 3240 – 3244 Main Street for mixed uses – Consideration of Approval of a Redevelopment Contract with Exact ABC, LLC (Bob Long) (Ex. 4A-4E)*

Area Description: The Main/ABC – 36 Block URA generally consists of two project areas: the first consisting of the ABC Storage and Anderson Electric Car Buildings at 3240 and 3244 Main Street, with the second generally consisting of the southern two thirds of the west side of the 3600 block of Main Street, located within Kansas City’s Midtown neighborhood. The specific project sites, 3240 and 3244 Main Street, are within the City Council’s 4th District.

Project Description: The applicant is Exact ABC, LLC, which is affiliated with local developer Exact Architects. Exact Architects and Exact Partners have undertaken a number of rehabilitation projects in the Troost, Linwood, and Main Street corridors.

The applicant has proposed a \$14.5 Million historic rehabilitation of both the historic ABC Storage Building and the adjacent Anderson Electric Car Building. The project will include 74 apartments, plus 4,000 sq. ft. of commercial space. Of the 74 apartments, 16 are studios averaging 495 sq. ft., 42 are 1-bedroom units averaging between 568 – 586 sq. ft., and 16 are 2-bedroom/2-bath units will average 1,038 sq. ft... Although it is exempt from the affordable housing requirement due to its historic tax credit status, all of the units will be affordable for households below 80% of Area Median Income. The developer did not request 100% abatement.

Ordinance Policy Factors:

Since the project is an historic tax credit project, it is not subject to the City's prevailing wage requirement. It is also not subject to the reduced level and terms of assistance established by Ordinance No. 220700 since historic tax credit projects are eligible for full assistance.

Financial Review:

A financial analysis was done by Tom Denaway of Baker Tilly (copy attached). Baker Tilly has determined that the construction and operating costs are reasonable and consistent with similar projects locally. The analysis shows that this project would achieve a 6.18% unleveraged rate of return with assistance, which falls short of the average return for similar projects of 6.71%. Baker Tilly also noted that without assistance the project's Debt Coverage Ratio was 1.05 and slowly rose to 1.2, which makes it highly unlikely to secure private financing. EDC staff believes the project meets the Authority's Workable Program financial analysis requirement.

EDC staff believes that the proposed project is in conformance with Main/ABC – 36 Block Urban Renewal Plan.

AdvanceKC: The ABC/Anderson Buildings historic rehabilitation mixed-use project achieved a score of 84 on the AdvanceKC Scorecard, which puts it in the High 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 May 12, 2023 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 80% FOR 10 YEARS FOR THE ABC/ANDERSON BUILDINGS HISTORIC REHAB MIXED-USE PROJECT AT 3240 – 3244 MAIN STREET.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH EXACT ABC, LLC (OR AFFILIATE) FOR THE HISTORIC REHAB MIXED-USE PROJECT AT 3240 AND 3244 MAIN STREET IN THE MAIN/ABC – 36 BLOCK URBAN RENEWAL AREA.

5. **Central Business District URA – 900 Broadway** – *Consideration of Modification of Conditions for Assignment of LCRA Incentives to New Redeveloper (Hyatt House Hotel) (Brian Engel)*

In October 2019, LCRA acquired the property at 900 Broadway and issued its taxable bond in a principal amount not to exceed \$38,000,000 to assist in the financing of the construction of a multi-story, extended-stay hotel with approximately 154 guest rooms, approximately 2,500 square feet of meeting space, and approximately 6,000 square feet of common area that will be open to hotel guests and the public, and related improvements (“Project”). LCRA leased the land to 900 Broadway KC LLC, a Missouri limited liability company (“Land Developer”) and the project improvements to (1) 900 Broadway KC Development Company LLC, a Missouri limited liability company (“900 Broadway Dev. Co.”), (2) Oak Holdings LLC, a Missouri limited liability company (“Oak Holdings”), and (3) REMSK, LLC, a Missouri limited liability company (“REMSK”), as tenants-in-common (collectively, the “Redeveloper”).

LCRA approved the sale/leaseback structure and issued its bond to provide the following tax incentives for the Project (i) sales tax exemption on construction materials, and (ii) property tax abatement upon completion of the Project as provided in the Redevelopment Contract to achieve abatement of property taxes (above current predevelopment taxes) generated by the Project for 15 years under the LCRA Law (100% abatement in Years 1-10; 37.5% abatement in Years 11-15), including required PILOT payments. In addition, the Redeveloper will establish a community improvement district on the property to generate sales tax revenue to assist the Project.

The Redeveloper commenced construction in December 2019. In March 2020, the Redeveloper’s lender failed to fund the Project and construction halted. The general contractor and multiple subcontractors have filed mechanic’s lien claims and other related claims against several parties, including LCRA as the property owner. In December 2022, LCRA approved an assignment of the approved tax incentives to a new developer team – HH KC Partners, LLC (“New Redeveloper”), subject to certain conditions. The New Redeveloper has requested a modification to those conditions to facilitate a bridge loan to pay off all of the claims and other project financing.

ACTION RECOMMENDED: APPROVE MODIFICATION OF CONDITIONS FOR ASSIGNMENT OF PREVIOUSLY APPROVED TAX INCENTIVES TO NEW REDEVELOPER, AND AUTHORIZE LEGAL COUNSEL TO PREPARE AND

NEGOTIATE DOCUMENTS TO ASSIGN AND AMEND BOND AND PROJECT DOCUMENTS FOR SUBMISSION TO THE BOARD OF COMMISSIONERS AT A LATER MEETING.

6. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 6A)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- b. **Tax Abatements** - *There were fourteen (14) tax abatements approved in April, 2023.*

URA	Address	Applicant	Category	Type
Columbus Park	1032 E. Missouri	T. & M. Morefield	S/f Residential	Rehab
Garfield	2613-15 Amie	Van-Pace Holdings, LLC	S/f Residential	New
Indian Mound-Lykins	320 N. Van Brunt	TG Farms, LLC	S/f Residential	New
Indian Mound-Lykins	4430 E 10th	Lykins NT Holdings, LLC	S/f Residential	Rehab
Indian Mound-Lykins	4312 E. 10th	Lykins NT Holdings, LLC	S/f Residential	Rehab
Indian Mound-Lykins	4108 E. 6 th	M. Ntblmenya & S. Kabura	S/f Residential	Rehab
Longfellow Dutch Hill	2708 Harrison	J. Raney	S/f Residential	New
Marlborough CC	8401 Paseo	SC RE I, LLC	S/f Residential	Rehab
Oak Park	3535 Benton	TG Farms, LLC	S/f Residential	Rehab
Oak Park	4142 Montgall	J. Aguirre	S/f Residential	Rehab
Scarritt Renaissance I	205 S. Benton	Van-Pace Holdings, LLC	S/f Residential	Rehab
Scarritt Renaissance II	3908 St. John	Van-Pace Holdings, LLC	S/f Residential	Rehab
Troost Paseo	4239 Tracy	E. L. Revocable Trust	S/f Residential	New
Wabash Village	5103 Olive	Real Estate Solutions, LLC	S/f Residential	Rehab

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

EXECUTIVE SESSION

7. *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

8. **Adjourn.**