

RESOLUTION NO. 1- -24

A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI APPROVING ASSIGNMENT OF APPROVED TAX INCENTIVES TO NEW REDEVELOPER, SUBJECT TO CERTAIN CONDITIONS, FOR THE 27TH & TROOST MULTI-FAMILY PROJECT LOCATED AT 2700 TROOST AND 2701 TROOST WITHIN THE HOSPITAL HILL II 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 City Council approved the original Hospital Hill II Urban Renewal Plan (“Urban Renewal Plan”) by Ordinance No. 57574 passed on or about January 9, 1970, as amended by Ordinance No. 41888 passed on December 1, 1972, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted conditions within the Hospital Hill II Urban Renewal Area (“Urban Renewal Area”); and

WHEREAS, the Authority, by Resolution No. 10-16-00 dated October 25, 2000, approved an amendment to the Urban Renewal Plan to add additional properties to the Urban Renewal Area generally known as the Beacon Hill project area, including that portion of the Project Property located at 2701 Troost Avenue on the southeast corner of the intersection of 27th Street and Troost Avenue; and

WHEREAS, the City Council approved such amendment to the Urban Renewal Plan by Ordinance No. 001637 passed on January 25, 2001, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted conditions within the Urban Renewal Area; and

WHEREAS, the Authority, by Resolution No. 3-4-19 dated March 27, 2019, approved, among other things, an amendment to the Urban Renewal Plan to include that portion of the Project Property located at 2700 Troost Avenue (may also be known as 2702 Troost Avenue) on the southwest corner of the intersection of 27th Street and Troost Avenue; and

WHEREAS, the City Council approved such amendment by Ordinance No. 200087 passed February 27, 2020, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted conditions within the Urban Renewal Area; and

WHEREAS, the Authority and the City previously selected Emunah Partners LLC, a Missouri limited liability company (“Redeveloper”), following a request for proposals process for the transfer and sale of the property (“Project Property”), as legally described on the attached Exhibit A, from the City to the Authority and from the Authority to the Redeveloper pursuant to (i) the Purchase Agreement dated April 22, 2020, between the City and the Authority, and (ii) the

Sale and Redevelopment and Funding Contract dated April 22, 2020, between the Authority and the Redeveloper (collectively, the “Sale Agreements”); and

WHEREAS, pursuant to the Sale Agreements, the City conveyed the Project Property to the Authority by the Special Warranty deed recorded as Instrument No. 2020E0053430 on July 13, 2020, and the Authority conveyed the Project Property to the Redeveloper by the Special Warranty Deed recorded as Instrument No. 2020E0053431 on July 13, 2020; and

WHEREAS, the Redeveloper subsequently submitted a proposal to the Authority to implement a project for acquisition and construction of a multi-family housing project consisting of two, three-story apartment buildings (one building on each parcel) with each building containing approximately 16,821 gross square feet, approximately 12,807 net leasable square feet, and approximately 26 units (for a total of approximately 52 units), and other related amenities and improvements (“Project”); and

WHEREAS, the Redeveloper’s requested incentives for the Project are: (a) sales tax exemption on construction materials (STECM); and (b) abatement of property taxes (above current predevelopment taxes) generated by the Project for 10 years under the LCRA Law (100% abatement in Years 1-10); and

WHEREAS, by its Resolution No. 3-2-21 dated March 24, 2021, the Authority selected the Redeveloper as redeveloper for the Project and approved the tax incentives for the Project as stated therein; 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, by its Resolution 5-2-21 dated May 26, 2021, the Authority ratified its selection of the Redeveloper as the redeveloper to implement the Project and the tax incentives for the Project, subject to the terms and conditions of sale/leaseback transaction documents and financing documents to be drafted and negotiated and presented to the Board of Commissioners at a later meeting; and

WHEREAS, the Redeveloper has entered into or intends to enter into a contract to sell the Project property to Cardinal Crest Commercial LLC, a Missouri limited liability company, or a controlled affiliate or subsidiary (the “New Redeveloper”); and

WHEREAS, the New Redeveloper intends to undertake the Project within substantially the same scope and specifications as the Redeveloper originally proposed; and

WHEREAS, the Authority desires to select the New Redeveloper as the redeveloper for the Project and to approve an assignment of the Project incentives to the New Redeveloper, subject to the satisfaction of certain conditions and requirements and the terms and conditions of

the sale/leaseback transaction documents and financing documents to be drafted and negotiated and presented to the Board of Commissioners at a later meeting.

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. The assignment of the previously approved Project incentives to the New Redeveloper is approved; provided, however, that such assignment is expressly subject to the satisfaction of the following conditions:

- The New Redeveloper acquires fee title to the Project Property.
- The New Redeveloper obtains a construction loan to fund, together with New Redeveloper equity and other funds, completion of the Project.
- The New Redeveloper enters into a new Funding Agreement with the Authority and pays all Authority fees, including legal fees.
- The New Redeveloper satisfies requirements of the Authority for a sale/leaseback transaction.
- The New Redeveloper satisfies requirements of the Authority’s bond trustee.

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 negotiate such redevelopment agreements, sale/leaseback agreements, financing documents, and such other agreements or documents as deemed necessary or desirable to implement the Project Incentives. The Project documents will 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 New 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 23rd day of January, 2024.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF THE CITY OF KANSAS CITY

[SEAL]

By: _____
Chad Grittman, Chair

ATTEST:

Daniel Moye, Secretary

Exhibit A

TRACT 1 (2701 Troost Avenue - Parcel No. 29-720-08-02-00-0-00-000):

LOT 1, EXCEPT THAT PART THEREIN IN TROOST AVENUE, BLOCK 9, CONTINUATION OF BEACON HILL, A SUBDIVISION IN KANSAS CITY, JACKSON COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF.

TRACT 2 (2700 Troost Avenue (may also be known as 2702 Troost Avenue) – Parcel No. 29-810-01-25-00-0-00-000):

THE EAST 160 FEET OF THE NORTH 100 FEET OF BLOCK 10, CONTINUATION OF BEACON HILL, A SUBDIVISION IN KANSAS CITY, JACKSON COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF, EXCEPT THAT PART TAKEN FOR WIDENING TROOST AVENUE.