
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO-CONFERENCE MEETING

DATE: June 27, 2024

TIME: 9:30 a.m.

PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

Join Online: [Join LCRA Zoom videoconference](#)

By phone: (312) 626-6799

Meeting ID: 886 2782 5096

Passcode: 363554

AGENDA

1. **Roll Call.**
2. **Minutes** - *Review and approval of Meeting Minutes for May 28, 2024 as presented (Ex. 2)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR MAY 28, 2024, AS PRESENTED
3. **Oak Park URA – 3510 Prospect Avenue** – *Consideration of Approval of Sale/Leaseback and Redevelopment Contract with Lineage Properties Missouri, LLC (Bob Long) (Ex. 3A – 3C)*

Area Description: The Oak Park Urban Renewal Area generally consists of the area generally bound by E. Linwood Boulevard on the north, Elmwood Avenue on the east, E. 45th/Emanuel Clever II Boulevard on the south, and Paseo Boulevard on the west. The project location is 3510 Prospect Avenue and adjacent properties to the west. The project site is within the City Council’s 3rd District.

Project Description: The applicant is Lineage Properties Missouri, LLC, which is a real estate entity affiliated with an experienced bulk mail sorting and distribution operation.

The applicants’ project is a \$17.1 Million acquisition and commercial renovation/expansion of this vacant building. The property will be renovated and expanded into an approximately 50,000 sq. ft. commercial building for a bulk mail sorting and distribution facility. This project is expected to retain 20 existing jobs, create 40 new permanent jobs, and generate approximately 100 construction jobs. As this is commercial use, the project will not be subject to the City’s affordable housing inclusion requirement.

Since this project is located within a continuously distressed census tract, it is not subject to the City’s reduced abatement and prevailing wage requirements. It is eligible for up to 10 years abatement of up to 100% of the increased property taxes. The developer has also requested a Sales Tax Exemption on Construction Materials (STECM) and a long-term sale/leaseback arrangement to align with the project’s other financing terms.

Financial Review: Per the Authority’s policy regarding projects adjacent to or east of Troost Avenue and also located within continuously distressed census tracts, a financial analysis was not required. The staff’s review of the Universal Application revealed that the applicant is also seeking New Market Tax Credits (NMTC) and Center City Economic Development (CCED) financing for the project costs. The project is not likely to proceed without the requested tax abatement through a sale/leaseback arrangement and sales tax exemption on construction materials.

EDC staff believes this satisfies the requirements of the City’s AdvanceKC policy.

EDC staff believes, therefore, that the proposed project is in conformance with Oak Park Urban Renewal Plan.

Since the Authority would take possession of the property as part of the sale/leaseback arrangement, staff prepared and issued a Request for Proposals for the proposed commercial project. One proposal was received prior to the submittal deadline.

AdvanceKC: The proposed commercial project achieved a score of 75 on the AdvanceKC Scorecard; this is in the High Impact category for commercial projects.

Affirmative Action Policy and MBE/WBE Participation: The proponent will be subject to the LCRA’s MBE/WBE participation goals and reporting process.

Taxing Jurisdictions: The project was presented for review at the April 12, 2024 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: SELECTION OF LINEAGE PROPERTIES MISSOURI, LLC AS THE DEVELOPER FOR THE COMMERCIAL REDEVELOPMENT PROJECT AT 3510 PROSPECT AVENUE IN THE OAK PARK URBAN RENEWAL AREA.

APPROVAL OF A SALES TAX EXEMPTION ON THE PURCHASE OF CONSTRUCTION MATERIALS PROPERTY AND TAX ABATEMENT AT 100% FOR 10 YEARS AND AT 50% FOR 13 YEARS FOR THE COMMERCIAL REDEVELOPMENT PROJECT AT 3510 PROSPECT AVENUE.

AUTHORIZE PREPARATION OF A SALE/LEASEBACK AND REDEVELOPMENT CONTRACT WITH LINEAGE PROPERTIES MISSOURI, LLC (OR AFFILIATE) FOR THE COMMERCIAL REDEVELOPMENT PROJECT AT 3510 PROSPECT AVENUE IN THE OAK PARK URBAN RENEWAL AREA.

4. **Seven Oaks Urban Renewal Plan – St. Michael’s Veterans Center** – *Consideration of Tax Abatement Extension* (Brian Engel) (Ex. 4)

After issuing a request for redevelopment project qualifications and proposals in 2011, LCRA selected St. Michael’s Veterans Center, Inc. (“Redeveloper”) as the redeveloper of the former Holy Temple Homes site near Leeds Trafficway and Emanuel Cleaver II Boulevard for a veterans housing and supportive services project. In 2013, LCRA approved the Second Amended and Restated Redevelopment Contract with the Redeveloper, as amended by the Amendment to Second Amended and Restated Redevelopment Contract in 2015, which contract approved tax abatement for the project and governs the LCRA's phased transfer of property to the Redeveloper. To date, LCRA has transferred property to the Redeveloper or related entities for Phases I and II of the project. Both Phase I and Phase II are complete and are currently receiving LCRA tax abatement. LCRA is the current owner of the property for Phase III housing and related improvements.

The Redeveloper has obtained from MHDC an allocation of 9% low-income housing tax credits to finance Phase III of the project, which includes construction of a new building containing approximately 62 units of affordable housing for veterans and related improvements (“Project”). In September 2022, LCRA approved a sales tax exemption on the purchase of construction materials for Phase III pursuant to a sale/leaseback transaction, subject to approval of the Project documents at a later meeting. In March 2024, LCRA authorized (i) issuance of taxable bonds in a principal amount not to exceed \$17 million to finance the Project, (ii) acquisition of the Project and related property upon which the Project is to be built and lease of the property to St. Michael’s Housing Investors III, LP (“Phase III Redeveloper”), an affiliate of the Redeveloper, (iii) grant of a sales tax exemption incentive on construction materials to facilitate construction of the Project on behalf of LCRA, and (iv) grant of 10 years of tax abatement to the Phase III Redeveloper upon completion of the Project as provided in the Redevelopment Contract, all for the purpose of eliminating blighting conditions found to exist in the Project Area and in accordance with and pursuant to the LCRA Act. The Phase III Redeveloper anticipates a financing closing for Phase III in the second quarter of 2024.

The Phase III Redeveloper has requested that LCRA approve an extension of the tax abatement period from 10 years to 20 years after completion of the Project, which will require that LCRA retain ownership of the property and lease it to the Redeveloper during the construction period as well as the 20-year tax abatement period, subject to and in accordance with the Redevelopment Contract.

ACTION RECOMMENDED: APPROVE EXTENSION OF THE TAX ABATEMENT PERIOD FROM 10 YEARS TO 20 YEARS TO FACILITATE PHASE III OF THE VETERANS AFFORDABLE HOUSING PROJECT WITHIN THE SEVEN OAKS URBAN RENEWAL AREA.

5. **Administrative.**

- (a) **Executive Director’s Report** (Dan Moye) (Ex. 5A)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- (b) **East 23rd Street Urban Renewal Area – 1600 Jackson / Gabriel Tower – Consideration of Notice of Default** (Dan Moye/Brian Engel)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- (c) **Tax Abatements** – Five (5) tax abatements were approved in May, 2024

URA	Address	Applicant	Category	Type
Boulevard Heights	2223 E. Meyer Blvd.	C. & R. Briscoe	S/f Residential	Rehab
East Kansas City	2803 E. 77 th	J. & A. Dukes	S/f Residential	Rehab
Indian Mound-Lykins	716 Kensington	Jerusalem Farm, Inc.	S/f Residential	Rehab
Marlborough CC	1819 E. 83 rd	N. Stolov	S/f Residential	Rehab
Scarritt Renaissance II	414 N. Elmwood	C. Watts	S/f Residential	Rehab

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

EXECUTIVE SESSION

6. *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

7. **Adjourn.**