
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO-CONFERENCE MEETING

DATE: November 21, 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: 847 5518 3735

Passcode: 842298

AGENDA

1. **Roll Call.**
2. **Minutes** - Review and approval of Meeting Minutes for October 24, 2024 as presented (Ex. 2)

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR OCTOBER 24, 2024, AS PRESENTED

3. **Financial - Audit FY2024** – Consideration of Acceptance of the LCRA FY2024 audit (Amy Thanish) (Ex. 3)

ACTION RECOMMENDED: ACCEPTANCE OF THE LCRA FY2024 AUDIT AS PRESENTED

4. **Main Street - ABC/36 Block URA – 3620 Main Street** – Consideration of Approval of a Redevelopment Contract with 3620 Main Street Venue, LLC (Bob Long) (Ex. 4A-4F)

Area Description: The ABC/36 Block Urban Renewal Area generally consists of two non-contiguous areas, generally consisting of the ABC Storage and Anderson Electric Car Buildings at 3244 and 3240 Main Street respectively, and several properties, including the Armory, on the west side of the 3600-block of Main Street. The specific project addresses are 3620 Main Street and 3633-3635 Baltimore Avenue.

Project Description: The applicant is 3620 Main Street Venue, LLC, which is affiliated with Rich Hoffman and Kyle Grell, the Founder and President of Precision Roofing, respectively.

The applicants' project is a \$9.6 Million historic rehabilitation of a vacant three-story brick commercial building formerly known as the Armory. The property has been vacant for five years. The property will be rehabilitated to create a 15,000 sq. ft. event space on the first floor, with the second and third floors, plus mezzanine, will become a

transportation museum of approximately 20,000 sq. ft. The adjacent surface parking lot, which faces Baltimore Avenue, will provide off-street parking for these uses. This project is expected to create 35 new permanent jobs, and generate approximately 68 FTE construction jobs.

This project is an historic tax credit project, so it is not subject to the City's reduced abatement. It is eligible for up to 10 years abatement of up to 100% of the increased property taxes.

Financial Review: Baker Tilly reviewed the applicant's Universal Application and supplemental information. Their financial analysis indicates the project will generate only a 1.79% IRR without incentives and a 3.49% IRR with incentives. Baker Tilly cited a market range of returns for similar projects of 8.44% to 11.0%. Given the significant gap between the market range and the project's projected returns, the project is not likely to proceed without the requested tax abatement.

EDC staff believes this satisfies the requirements of the City's AdvanceKC policy and the Authority's Workable Program.

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

AdvanceKC: The proposed commercial project achieved a score of 64 on the AdvanceKC Scorecard; this is in the Standard 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 November 1, 2024 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 70% FOR 10 YEARS FOR THE MIXED-USE REDEVELOPMENT PROJECT AT 3620 MAIN STREET.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH 3620 MAIN STREET VENUE, LLC (OR AFFILIATE) FOR THE COMMERCIAL REHABILITATION PROJECT AT 3620 MAIN STREET AND IN THE ABC/36 BLOCK URBAN RENEWAL AREA.

5. **Truman & Wyandotte Urban Renewal Area – Kansas City Convention Center Headquarters Hotel** - *Consideration of Second Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (Brian Engel) (Ex. 5A-5E)*

On July 23, 2015, the City Council adopted Committee Substitute for Ordinance No. 150597, which approved the Truman & Wyandotte Urban Renewal Plan ("LCRA Plan"), approved the Kansas City Convention Center Headquarters Hotel Tax Increment

Financing Plan (“TIF Plan”), and approved the formation of the Kansas City Convention Center Headquarters Hotel Community Improvement District (“CID”). By its Resolution No. 11-4-17 dated November 29, 2017, LCRA authorized certain real estate and financing transactions to facilitate construction of the project, including: (a) the Series 2018A and Series 2018B revenue bonds; (b)(i) the Lease Purchase Agreement with KC Hotel Property Owner, LLC (“Redeveloper”) for the lease of the hotel and related personal property, and (b)(ii) the Lease Purchase Agreement with the CID for the lease of the parking/meeting space and related personal property; (c) a non-recourse (as to LCRA) bank loan with Wells Fargo Bank as Administrative Agent; (d) the Sale/Leaseback Redevelopment and Acquisition Funding Agreement among LCRA, the CID, and the Redeveloper for the acquisition and lease of the project property; and (d) the Redevelopment Agreement among the LCRA, the Tax Increment Financing Commission of Kansas City, Missouri, and the Redeveloper for the implementation of the project in accordance with the LCRA Plan and the TIF Plan. The real estate and financing transactions closed in January 2018 and the Loews Kansas City Hotel opened in the spring of 2020.

The Wells Fargo Bank loan agreement was amended and restated on December 29, 2021, and was further amended on December 29, 2023. The loan is scheduled to mature on December 29, 2024. The Redeveloper and Wells Fargo Bank have negotiated an extension and amendment of the loan and have requested that the Board of Commissioners approve the extension and related amendments.

ACTION RECOMMENDED: APPROVAL OF A SECOND AMENDED AND RESTATED LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS AS PART OF THE LOEWS KANSAS CITY CONVENTION CENTER HEADQUARTERS HOTEL FINANCING WITHIN THE TRUMAN & WYANDOTTE URBAN RENEWAL AREA.

6. **Administrative** – *Consideration of Sponsorship for Small Developers of KC (Bob Long)*

Small Developers of KC, an informal group aligned with the Incremental Development Alliance, is designed to create and strengthen small locally- and neighborhood-based developers capable of undertaking small and moderate-sized projects within Kansas City’s neighborhoods. The group is facilitated by Abby Newsham of Multistudio, an architecture and planning firm. The group has been meeting monthly for six years, with meetings featuring specific project reviews or technical topics presented by both national and local experts or developers.

Small Developers of KC has no officers or members and has operated through the donations of meeting participants and the host location. Last year, at their request, the LCRA agreed to pay for one-half of the \$2,500 cost of meeting at PH Coffee in the Pendleton Heights neighborhood. We have received their request for continued sponsorship for 2025.

Staff believes that participation in the Small Developers of KC meetings has resulted in a number of neighborhood-based projects that have been awarded property tax abatement,

including a number of new construction and rehabilitated single-family homes in Urban Renewal Areas in Kansas City’s urban core. This provides EDC/LCRA staff with enhanced visibility to locally- and neighborhood-based rehabbers and developers.

ACTION RECOMMENDED: APPROVAL OF A \$2,500 SPONSORSHIP OF THE SMALL DEVELOPERS OF KC FOR 2025.

7. **Administrative.**

(a) **Executive Director’s Report** (Dan Moye) (Ex. 7A)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

(b) **Tax Abatements** – Fourteen (14) tax abatements were approved in October, 2024.

URA	Address	Applicant	Cost	Category	Type
Brooklyn East II	2318 Park	Urban Heritage Dev.	\$391,640	S/f Residential	Rehab
East 23 rd Street	3912 E. 19 th	P. Jordan	\$7,143	S/f Residential	Rehab
East Kansas City	8520 Euclid	S. Lowery	\$20,000	S/f Residential	Rehab
East Kansas City	1312 Paseo	J. Fransaw	\$6,000	S/f Residential	Rehab
East Kansas City	2024 E. 48 th Tr.	First Euclid Transp.	\$68,738	S/f Residential	Rehab
East Kansas City	3525 Tracy	F. Evangelista	\$400,000	S/f Residential	New
East Kansas City	5529 Highland	E. Lawrie	\$5,895	S/f Residential	Rehab
East Kansas City	6032 Tracy	A. Mabery	\$25,000	S/f Residential	Rehab
East Kansas City	3521 Tracy	DE Scott Holdings	\$400,000	S/f Residential	New
Garfield	536 Wabash	W. & N. Sheffield	\$230,000	S/f Residential	Rehab
Independence Plaza	1228 Benton	Paleo, LLC	\$100,000	S/f Residential	Rehab
Indian Mound-Lykins	1114 Monroe	A. Clarke	\$6,798	S/f Residential	Rehab
Oak Park	3425 Woodland	R. Holt	\$70,000	S/f Residential	Rehab
Troost Paseo	4427 Virginia	A. Bucklew	\$10,589	S/f Residential	Rehab

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

EXECUTIVE SESSION

8. *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

9. **Adjourn.**