

# CENTRAL CITY ECONOMIC DEVELOPMENT SALES TAX BOARD

Thursday, November 14, 2019

11:30 pm – 1:30 pm

Neighborhood and Housing Services Department

4400 Blue Parkway, KC Royals Room

Kansas City, Missouri 64130

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## Agenda

- A. Call to order
- B. Approval of Minutes
- C. Treasurer's Report
- D. Central City Economic Development Project Update
  - a. Round 1
  - b. Round 2
- E. Strategic Plan Update
- F. Round 3 RFP Discussion
- G. Other Business
- H. Adjourn

### **Additional Business**

- There may be general discussion of matters related to the Central City Economic Development Sales Tax.
- Pursuant to subsections (1) and (12) of Section 610.021 of the Revised Statutes of Missouri, there may be a closed session to discuss a) legal matters, litigation or privileged communications with attorneys; and/or b) sealed proposals and related documents or any documents related to a negotiated contract.

**Any person with a disability desiring reasonable accommodation to attend this meeting should contact the City's 311 Action Center.**

**MINUTES FOR**  
CENTRAL CITY ECONOMIC DEVELOPMENT SALES TAX BOARD

September 10, 2019

**Meeting Date:**

Tuesday, September 10, 2019  
11:30 am - 1:30 pm  
KC Royals Room  
4400 Blue Parkway  
Kansas City, Missouri 64130

**Board Members Present:**

Melissa Patterson Hazley  
Ken Bacchus

**Other Parties Present:**

Jennifer Tidwell Housing Division Manager  
Shontrice Patillo, City of Kansas City  
Mark Dapp, City of Kansas City  
Galen Beaufort City Attorney  
Dean & Dunn, LLC  
Cheryl Harrison Lee Consulting  
Jabir Haziz, Community Member

**Call to Order:** Melissa Patterson Hazley called the meeting to order at 11:37am.

**Minutes:** A motion was made to approve the minutes from previous meeting was made by Commissioner Bacchus and seconded by Commissioner Patterson-Hazley. The motion passed.

**Treasure's Report:** Mark Dapp provided the Treasure's report.

**Strategic Plan:** Cheryl Harrison Lee provided an update an overview of the strategic planning process.

**HRD Update:** The Human Relations Department provided a brief update on projects and Commissioners asked for future updates regarding processes and site visits. Shontrice Patillo also provided a document of all projects in rounds 1 and 2.

**Workshop:** Shaylyn Dean provided a brief update on the upcoming workshop with approved project teams.

**Executive Director:** Commissioner Patterson Hazley discussed draft document for potential CCED Executive Director.

**Adjourn:** Vice Chairwoman Patterson-Hazley made a motion to adjourn which was seconded by Mr. Bacchus. The Board members voted in the affirmation. The meeting concluded at 12:03 pm.

**Central City Sales Tax Fund 2200**  
**Comparison of Revenues, Expenditures**  
**and Change in Fund Balance**

	<u>Actual</u> <u>FY 2017-18</u>	<u>Actual</u> <u>FY 2018-19</u>	<u>Amended</u> <u>FY 2019-20</u>	<u>Activity to</u> <u>Date<sup>1</sup></u> <u>FY 2019-20</u>	<u>Expenditures</u> <u>to Date<sup>2</sup></u> <u>FY 2019-20</u>	
Beginning Fund Balance	\$ -	\$ 4,148,631	\$ 14,729,572	\$ 14,729,572	\$ 14,729,572	
<i>Reserve for Encumbrances</i>	-	-	-	-	-	
<i>Prior Year Adjustments</i>	-	-	-	-	-	
<b>Revenues</b>						
Sales Tax	4,148,631	10,513,302	10,800,000	5,375,238	5,375,238	
Miscellaneous Income	-	76,571	-	-	-	
<b>Revenues Total</b>	<b>\$4,148,631</b>	<b>\$10,589,873</b>	<b>\$10,800,000</b>	<b>\$5,375,238</b>	<b>\$5,375,238</b>	
<b>Expenses</b>						
Wages	\$ -	\$ 7,099	\$ 56,000	\$ 13,982	\$ 13,982	
Benefits-Insurance-Health-FICA	-	710	5,600	4,975	4,975	
Pension	-	1,065	8,400	2,122	2,122	
<i>Salary and Wages Subtotal</i>	-	<i>8,874</i>	<i>70,000</i>	<i>21,079</i>	<i>21,079</i>	
<i>Meeting Related Expenses Subtotal</i>	-	<i>58</i>	-	<i>303</i>	<i>303</i>	
Community Builders of Kansas City (Round 1)	-	-	627,785	627,785	80,000	
Emanuel Family & Child Development (Round 1)	-	-	725,000	725,000	623,926	
Linwood Shopping Square (Round 1)	-	-	2,389,146	2,389,146	-	
Ivanhoe Neighborhood Council (Round 1)	-	-	933,840	933,840	-	
MACPEN Enterprise (Round 1)	-	-	1,000,000	1,000,000	-	
National Assoc of Construction Cooperatives (Round 1)	-	-	215,000	215,000	-	
Neighbors United (Round 1)	-	-	205,951	205,951	-	
			Round 1 Funding Subtotal:	6,096,722	6,096,722	703,926
Urban America Southpointe, LLC (Round 2 Recommendation)	-	-	500,000	500,000	-	
Urban America – KC EVE, LLC (Round 2 Recommendation)	-	-	1,205,231	1,205,231	-	
KC Town Hall (Round 2 Recommendation)	-	-	490,539	490,539	-	
Palestine Economic Dev. Corp. (Round 2 Recommendation)	-	-	2,288,008	2,288,008	-	
Urban Neighborhood Initiative (Round 2 Recommendation)	-	-	250,000	250,000	-	
Oak Park Neighborhood Association (Round 2 Recommendation)	-	-	2,800,000	2,800,000	-	
Linwood Gardens (Round 2 Recommendation)	-	-	1,150,000	1,150,000	-	
Prospect Summit Duplexes (Round 2 Recommendation)	-	-	1,900,000	1,900,000	-	
Neighbors United Supplemental (Round 2 Recommendation)	-	-	107,853	107,853	-	
			Round 2 Funding Subtotal:	10,691,631	10,691,631	-
<i>Projects Recommended for Funding Subtotal</i>	-	-	<i>16,788,353</i>	<i>16,788,353</i>	<i>703,926</i>	
Dean & Dunn Consultant Services	-	-	312,000	156,000	61,200	
Harrison-Lee Consultant Services	-	-	364,800	182,400	116,423	
<i>Consulting Services Subtotal</i>	-	-	<i>676,800</i>	<i>338,400</i>	<i>177,623</i>	
<b>Expenses Total</b>	<b>\$0</b>	<b>\$8,932</b>	<b>\$17,535,153</b>	<b>\$17,148,135</b>	<b>\$902,931</b>	
<b>Surplus (Deficit)</b>	<b>\$4,148,631</b>	<b>\$10,580,941</b>	<b>(\$6,735,153)</b>	<b>(\$11,772,897)</b>	<b>\$4,472,307</b>	
<b>Ending Fund Balance</b>	<b>\$4,148,631</b>	<b>\$14,729,572</b>	<b>\$7,994,419</b>	<b>\$2,956,675</b>	<b>\$19,201,879</b>	

**Footnotes:**

1. Prepared November 6, 2019; reflects actual FY 20 revenue. Committed expenditures and encumbrances.
2. Prepared November 6, 2019, reflects actual FY 20 revenue and expenditures.

### CCED Project Summary - Round 1

Project	Ordinance	Project Summary	Type	CCED Allocation	Project Budget	Contract Status
<b>City Planning and Development</b>						
Linwood Shopping Square	190004	Renovation of Retail Shopping Center	Catalytic	\$2,389,146	\$8,592,000	The Linwood Square project has funding from two City sources: Central City Economic Development Sales Tax funds (\$2,389,149) and PIAC funds (\$352,000). The CCED and PIAC funds will be disbursed through the TIF Commission, along with other sources of funds for the shopping center renovation.
MACPEN Enterprise	190008	Construction of Child Care Center with Services	Catalytic	\$1,000,000	\$3,249,750	Myron McCant of MacPen has requested a delay; he is working with the LCRA to receive up to 75 percent property tax abatement on improvements related to the CCED project. Construction on the project must wait until he receives approval from the LCRA. That process will take 2-3 months; the City can enter into a contract with MacPen immediately after. Mr. McCant is close to completing the docs we need from him to enter into the CCED and PIAC funding agreements
<b>Neighborhoods and Housing Services</b>						
Community Builders of Kansas City	190005	Renovation of Entrepreneur Space at 5008 Prospect	Catalytic	\$627,785	\$752,785	Contract has been signed by all parties. The construction project has been completed by the applicant. Applicant has submitted documentation and is being reviewed by City. The CCED award includes coordinating a loan payout with the bank. Loan payout has been executed.
Emmanuel Family & Child Development	190006	Construction of Child care Center with Services	Multi-Family Residential	\$725,000	\$7,309,387	Project scheduled to be completed December 2019. 86% of the allocated funds expended. The parking lot is complete, windows are installed (with the exception of window need for ventilation and large deliveries) and drywall throughout.
Ivanhoe Neighborhood Council	190007	Construction of Housing for Low Income Seniors	Multi-Family Residential	\$933,840	\$1,800,140	Project will be funded through HOME and CCED Funds. The contract has been prepared and is currently being reviewed by the legal department. HOME Funds have been approved by HUD. The signing of the contract will need to be coordinated with the NHS receiving a notice to proceed by HUD. It is expected that contracts will be signed the 1st week of December to coincide with HOME contract execution.
National Assoc. of Construction Coop	190009	Rehabilitation of Homes for Homeownership	Residential	\$215,000	\$4,000,000	Leadership changes has occurred with the applicant. Staff met with new Executive Director to review documentation that needs to be signed and resubmitted due to the leadership changes. The Executive Director is in the process of putting together funding package and selecting homes to rehab.
Neighborhoods United	109910	Rehabilitation of Homes for Disabled Veterans	Residential	\$313,804	\$1,392,108	Funding increase approved to satisfy prevailing wage requirements. The project will advance to the contracting stage upon approval of budget and other funding sources. Prevailing wage requirements can make smaller rehab projects cost prohibitive. The applicant must provide a revised project budget and scope for each property before staff can complete the contract.

## CCED Project Summary - Round 2

Project	Ordinance	Project Summary	Type	CCED Allocation	Project Budget	Contract Status
<b>City Planning and Development</b>						
Urban America Southpointe, LLC	190656	Pre-development expenses for the construction of office space, retail, hospitality, multi-family residential and parking in the 63rd Street and Prospect Avenue area	Catalytic	\$500,000	\$180,259,034	Initial discussions were held between the CCED, applicant and attorney. The proposer will provide a revised proposal that does not include retail development in the proposed project. When that proposal is received and approved, CCED can proceed with funding agreement.
Urban America – KC EVE, LLC	190644	Redevelopment of the historical Kansas City Castle Building and construction 36 net zero cottage style homes in the South Vine Street Corridor	Catalytic	\$1,205,231	\$21,947,664	Initial discussions were held between CCED, applicant and attorney. Applicant will provide CCED with scope of work, budget and schedule. When that information is received and approved, CCED can proceed with funding agreement.
KC Town Hall	190649	Redevelopment of abandoned building, at Indiana Avenue and 36th Street to provide restaurant, restaurant incubator and 3 apartments for families earning 30% or less of median income.	Single Family / Residential	\$490,539	\$680,169	Applicant and city are in discussions on portion with retail, contractual obligations, project budget and non-CCED funding.
<b>Neighborhoods and Housing Services</b>						
Urban Neighborhood Initiative	190651	Site work and infrastructure related to the new construction of 30 single-family homes, in partnership with Habitat for Humanity.	Single Family / Residential	\$250,000	\$1,731,600	CCED has met with UNI and provided applicant with a list of documentation needed to proceed with funding agreement. Applicant participated in workshop with NHS and HRD to discuss MBE/WBE, Section 3 and Prevailing Wage requirements.
Oak Park Neighborhood Association	190652	Equity funding to support the development of 29 units of affordable housing at 38th Street and Prospect Avenue	Multi-Family Residential	\$2,800,000	\$1,392,108	Applicant plans to apply for 4% LIHTC with MHDC. CCED has met with applicant and provided applicant with a list of documentation needed to proceed with funding agreement. Applicant participated in workshop with NHS and HRD to discuss MBE/WBE, Section 3 and Prevailing Wage requirements.
Linwood Garden	190653	Equity funding to develop 32 units of affordable housing, a community shared use kitchen, coffee shop and exterior shelter near Linwood and Bruce Watkins Drive	Multi-Family Residential	\$1,150,000	\$7,617,968	CCED met with applicant to review budget. Applicant participated in workshop with NHS and HRD to discuss MBE/WBE, Section 3 and Prevailing Wage requirements.
Prospect Summit Duplexes	190662	Joint venture partnership, including the nonprofit Mt. Pleasant EDC, for the construction of 23 townhomes for rent in the 22nd/23rd and Prospect Avenue area.	Multi-Family Residential	\$1,900,000	\$5,653,625	Applicant applied for 4% LIHTC and are awaiting MHDC's decision which is expected the end of January. CCED has met with applicant and provide them with a list of documentation needed to proceed with funding agreement. Applicant participated in workshop with NHS and HRD to discuss MBE/WBE, Section 3 and Prevailing Wage requirements.
Palestine Economic Dev. Corp	190650	Equity funding to support the construction of a 39 unit assisted living facility at 35th Street and Prospect Avenue.	Multi-Family Residential	\$2,299,008	\$5,735,008	Applicant is in the process of assembling property associated with site. Once assemblage is finished, the City will proceed to negotiating funding contract. Applicant participated in workshop with NHS and HRD to discuss MBE/WBE, Section 3 and Prevailing Wage requirements.
Neighborhoods United	190663	This amount will be added to the \$205,951.00 previously awarded in Round 1.	Single Family/ Residential	\$107,853	\$1,392,108	Update on Round 1 spreadsheet.