

RESOLUTION No. 8-6-26

A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI MODIFYING TAX INCENTIVES FOR FOR THE MID-CITY TOWERS II AFFORDABLE HOUSING PROJECT WITHIN THE EAST KANSAS CITY URBAN RENEWAL AREAS; 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 project area is located within the boundary of the East Kansas City Urban Renewal Area; and the urban renewal areas have been declared blighted by the Authority and the City Council pursuant to Section 99.320-430, RSMo, as amended; and

WHEREAS, the Authority by its Resolution No. 5-1-23 dated May 2, 2023, found the East Kansas City Urban Renewal Area (“Urban Renewal Area”) is a blighted area and in need of redevelopment and is appropriate for an urban renewal project and approved the East Kansas City Urban Renewal Plan (“Urban Renewal Plan”), and determined that the portion of the City located within the Urban Renewal Area described in the Urban Renewal Plan is blighted and insanitary, with a recommendation of approval by the City Council; and

WHEREAS, the City Council approved the Urban Renewal Plan by Ordinance No. 230556 passed on June 29, 2023, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted and insanitary conditions within the Urban Renewal Area; and

WHEREAS, the Authority issued a Request for Proposals for the rehabilitation and preservation of seventy two (72) existing apartment units in a seven-story building completed in 1981 and construction of an adjacent two-story building on an underutilized parking lot adding eight (8) new apartment units for a total of eighty (80) units targeting residents aged 55 and older and related improvements located at 3136 Flora Avenue within the area generally bounded by 31st Street on the north, Flora Avenue on the east, Linwood Boulevard on the south, and Paseo Boulevard on the west (“Project”); and

WHEREAS, the Project is located at the property (the “Property”) depicted on the map attached as Exhibit A; 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, MCT2, LP, a Missouri limited partnership (“Redeveloper”) submitted a redevelopment project application to the Authority to implement the Project, which is estimated to cost approximately \$19 million, and requested certain incentives to facilitate the Project; and

WHEREAS, the Redeveloper is an affiliate of Fulson Housing Group; and

WHEREAS, the Authority received no other redevelopment contract proposals to implement the Project; and

WHEREAS, by its Resolution No. 6-1-26 dated June 25, 2026, the Authority selected the Redeveloper as the redeveloper for the project and approved the following: (i) sales tax exemption on the purchase of construction materials (STECM); (ii) acquire the Property and related improvements and lease the Property and related improvements back to the Redeveloper during the construction period and the tax abatement period to implement STECM and tax abatement; (iii) abatement of real property taxes (above predevelopment real property taxes) for twenty five (25) years at 100% for Years 1-15 and a payment in lieu of taxes (PILOTs) requirement for the construction period and the tax abatement period pursuant to the Redevelopment Contract; and (iv) a bond; and

WHEREAS, the Property is currently owned by a non-profit corporation and is exempt from real estate taxes; and

WHEREAS, to preserve the existing exemption on real estate taxes during the 15-year affordability compliance period, the Redeveloper has requested that the Authority modify its approved tax incentives from tax abatement under the LCRA Law for 25 years at 100% to a full property tax exemption for 15 years.

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. After evaluation of the Redeveloper’s request for modification of the approved incentives, the testimony of the Redeveloper and other interested parties, and the Authority’s staff recommendation, the Authority hereby approves the following modified incentives for the Project, all for the purpose of eliminating blighting conditions found to exist in the Urban Renewal Area in accordance with the LCRA Law, subject to completion of the Project in accordance with the sale/leaseback and redevelopment contract and further subject to the terms and conditions of the Project financing documents to be negotiated and executed in furtherance of the Project:

- (a) sales tax exemption on the purchase of construction materials (STECM);
- (b) acquire the Property and related improvements and lease the Property and related improvements to the Redeveloper during the construction period and the affordability compliance period to implement STECM and tax exemption, subject to such conditions or limitations as the Authority and the Redeveloper may negotiate;

- (c) full exemption of real property taxes for fifteen (15) years after completion of the Project improvements to match the affordability compliance period, subject to such conditions or limitations as the Authority and the Redeveloper may negotiate;
- (d) obtain conventional mortgage financing or issuance of bonds necessary or incidental to the Project or to the granting and implementation of requested incentives, including preparation, negotiation, and implementation of all related contracts and documents; and
- (e) such other services necessary or desirable to undertake the Project.

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 draft and negotiate such redevelopment agreements, sale/leaseback agreements, bond financing documents, and such other agreements or documents as deemed necessary or desirable to implement the Authority incentives for the Project. The Project documents must 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 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 27th day of August, 2026.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF THE CITY OF KANSAS CITY

[SEAL]

By: _____
Chad Gritman, Chairman

ATTEST:

Daniel Moye, Secretary

EXHIBIT A

