

PUBLIC MEETING NOTICE

CENTRAL CITY ECONOMIC DEVELOPMENT SALES TAX BOARD

A public meeting of the Central City Economic Development Sales Tax Board will take place at the following place and time:

Tuesday , June 09 2020

12:00 pm – 2:00 pm

Zoom Meeting: <https://umsystem.zoom.us/j/96701129547>

One Tap Mobile

1-312-626-6799 (Phone)

96701129547 Access Code

For the purposes of taking up the following matters:

Agenda

- A. Call to Order
- B. Approval of Minutes
 1. May 12, 2020
- C. Public Comment
- D. Treasure's Report
- E. Round I & II Project Update
- F. RFP Resident Relief Essential Services Fund
- G. Strategic Plan
- H. Other Business
- I. 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.

Central City Economic Development Sales Tax Board
 Meeting Minutes from May 12, 2020 Board Meeting

Board Members Present	Chairman- Mr. Duval “DJ” Pierre Vice Chairwoman- Dr. Melissa Patterson Hazley Treasurer- Mr. Kenneth Bacchus Board Member- Dr. Makini King Board Member- Ms. Nia Richardson
Consultants Present	Randy Dunn, Dean & Dunn, LLC Shaylyn Dean, Dean & Dunn, LLC Cheryl Harrison Lee, HLC Consulting
City of KCMO Staff Present	Shontrice Patillo, Neighborhoods and Housing Services Jennifer Tidwell, Neighborhoods and Housing Services Katie Chandler, Law Department Joe Guarino, Law Department Josh, Rueschhoff Alexis Butler, Office of the City Manager Dion Lewis, Human Relations Department Adrien Townsend, Office of Councilwoman Parks Shaw Chase Johnson, City Planning and Development Angela Eley, City Planning and Development
Community Members	Bob Koster Megan Crook Geoff Jolley Shannon Hestenburg Staff Hedenkamp Mark Irvin Carolyn Kovar Dottie Mac Julia Fredenburg Shaulaunda Holmes Janay Reliford-Davis Ben Payton Coley Williams Dena Odom Alice Ellison Mike Carmona K. Marie Ed Bell Esther Holzendorf Terrell Jolly Daniel Serda Cooley Williams Adonica Worley Derrion Thomas Bill Kimble Heather Lustfeldt Robert Farmer

Call to Order:

Chairman Pierre called the meeting to order at 12:03pm

Approval of Minutes: Prior to a vote on the minutes from the May 8, 2020 meeting, Chairman Pierre asked for a correction be made regarding a comment from him. Ms. Richardson also asked for a correction to the minutes to clarify who made a recodation to extend RFP deadlines to June 1st. Following the corrections Ms. Richardson made a motion to accept the minutes as amended, Dr. Patterson Hazley seconded the motion. The motion passed 5-0.

Treasurer's Report: Mr. Bacchus asked for City staff to provide an update on the CCED budget. It was noted that not much changed since the previous regularly scheduled Board member with the exception of an expenditure of about \$30,000 in administrative fees. Revenue for the month of April was approximately \$870,000 and there are \$8.5 million in unallocated funds. Chairman Pierre asked how did revenue from April compare to April 2019 and it was stated by Ms. Patillo that she believed the numbers were not that far off.

Project Substantial Deviation: Ms. Harrison Lee presented the Board with a document outlining recommendations for the Board to consider in determining what constitutes a substantial deviation for a project scope for approved projects. Board members discussed the merits of enacting this Board policy. Ms. Richardson made a motion to approve the policy as presented by Ms. Harrison Lee, Dr. Patterson Hazley seconded the motion. The Motion passed 4-1 with Mr. Bacchus voting no.

Project Updates: Updates on all Round I and Round II projects were provided with considerable discussion on Urban America- KC EVE and Urban America- Southpointe projects due to lack of response to attempted communication from City staff including with the Law Department. Following the discussion Mr. Bacchus moved to recommend funding from both Urban America projects be withdrawn and that if the same projects are submitted for Round III that the application fee be waived. Dr. Patterson Hazley seconded the motion. The motion passed 5-0.

Application Fee: The Board discussed application fees for proposed projects seeking CCED funding. Board members discussed the potential for waivers for hardships and for registered neighborhood organizations. It was requested that Dean & Dunn, LLC draft language for the Board to consider adopting dealing with fees and fee waivers. Ms. Richardson stated she believes this should be included in the strategic plan.

NACCC: Mr. Edward Bell and Jerry McEvoy, representatives of NACCC, Round I approved CCED project provided the Board with an update on their status and progress and asked that the Board reconsider previous action taken by them to recommend the rescision of their funding. Following discussion by the Board on this matter Mr. Bacchus made a motion to reclinced the CCED Board's previous action to recommend the rescision of NACCC's funding. Dr. King seconded the motion and it passed 5-0.

Other Business: Ms. Richardson made comment about the COVID-19 Small Business Relief Fund and her concerns about the use of a lottery for selecting recipients of the funding. Ms. Patillo stated she is in conversations with LISC and working to get a draft of the ordinance ready for first reading by the end of this week.

Public Comment: Allison Bergman provided background information on Linwoods Gardens project stating they are focused on brick and mortar and not the social services component of the project as far as CCED funds are concerned.

Dr. Patterson Hazley made a motion to adjourn which was seconded by Dr. King and passed by a 5-0 vote. The meeting adjourned at 2:06pm

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

	Actual FY 2017-18	Actual FY 2018-19	Actual FY 2019-20	Adopted FY 2020-21	Activity to Date ¹ FY 2020-21	Expenditures to Date ² FY 2020-21
Beginning Fund Balance	\$ -	\$ 4,148,631	\$ 14,729,572	\$20,380,032	\$ 20,380,032	\$ 20,380,032
Reserve for Encumbrances	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	-	-	-
Revenues						
Sales Tax	4,148,631	10,513,302	10,720,388	10,950,000	1,491,924	1,491,924
Miscellaneous Income	-	76,571	6,028	-	-	-
Revenues Total	\$4,148,631	\$10,589,873	\$10,726,416	\$10,950,000	\$1,491,924	\$1,491,924
Expenses						
Wages	\$ -	\$ 7,099	\$ 49,492	59,805.00	59,805.00	6,885.72
Benefits-Insurance-Health-FICA	-	710	13,984	20,860.00	20,860.00	1,738.69
Pension	-	1,065	6,396	8,453.00	8,453.00	1,102.40
Salary and Wages Subtotal	-	8,874	69,872	89,118	89,118	9,727
Training	-	-	2,408	-	-	-
Catering/Food	-	58	303	-	-	-
Printing / Office Supplies/Advertisements	-	-	533	20,000	20,000	273
Computer and Information Systems	-	-	-	30,000	30,000	-
Meeting and Other Related Expenses Subtotal	-	58	3,244	50,000	50,000	273
Community Builders of Kansas City (Round 1)	-	-	627,785	Finished	-	-
Emanuel Family & Child Development (Round 1)	-	-	725,000	Finished	-	-
Linwood Shopping Square (Round 1)	-	-	2,389,149	Finished	-	-
Ivanhoe Neighborhood Council (Round 1)	-	-	-	933,840	933,840	-
MACPEN Enterprise (Round 1)	-	-	1,000,000	Finished	-	-
National Assoc of Construction Cooperatives (Round 1)	-	-	-	215,000	215,000	-
Neighbors United (Round 1)	-	-	-	205,951	205,951	-
Round 1 Funding Subtotal:	-	-	4,741,934	1,354,791	1,354,791	-
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	-
Small Business Stabilization (Covid-19 Recommendation, anticipated)	-	-	-	500,000	500,000	-
Covid-19 Funding Subtotal:	-	-	-	500,000	500,000	-
Projects Recommended for Funding Subtotal	-	-	4,741,934	12,546,422	12,546,422	-
Dean & Dunn Consultant Services (2nd Year)	-	-	101,520	156,000	156,000	10,080
Harrison-Lee Consultant Services (2nd Year)	-	-	159,386	182,400	182,400	23,014
Consulting Services Subtotal	-	-	260,906	338,400	338,400	33,094
Expenses Total	\$0	\$8,932	\$5,075,956	\$13,023,940	\$13,023,940	\$43,094
Surplus (Deficit)	\$4,148,631	\$10,580,941	\$5,650,460	(\$2,073,940)	(\$11,532,017)	\$1,448,830
Ending Fund Balance	\$4,148,631	\$14,729,572	\$20,380,032	\$18,306,092	\$8,848,016	\$21,828,862
Balance (Contingency; 85% of Adopted FY 2020-21)	-	-	-	\$15,560,178	-	-

Footnotes:

1. Prepared June 5, 2020; reflects actual FY 21 revenue, committed expenditures, and encumbrances.
2. Prepared June 5, 2020; reflects actual FY 21 revenue and expenditures.

CCED Project Updates - Round 1

Project	Summary	CCED Budget	Project Budget	Leveraged Funds	LTV	Infrastruc.	Update 5/2020	Update 6/2020
Linwood Shopping Square	Renovation Retail Shopping Center	\$2,389,146	\$8,592,000	\$6,202,854	27.81%		Funding Agreement entered and Project Fully Funded. Construction is 63% complete	Developer submitted request for additional funds in the amount of \$150,000. Expenses relating to south parcel will use contingency funds. Project 74.8% complete.
MACPEN Enterprise	Construction of Child Care Center with Services	\$1,000,000	\$3,249,750	\$2,249,750	30.77%		Funding Agreement entered and Project Fully Funded. Developer in the process of combining lots. CPD is awaiting application	Project moving through pre development phase. Submitted first reimbursement request for architectural services associated with the design of the public infrastructure.
Community Builders of Kansas City	Renovation for Entrepreneur Space at 5008 Prospect	\$627,785	\$752,785	\$125,000	83.39%		Funding Agreement entered and Project Fully Funded. Project complete.	Project Complete
Emmanuel Family & Child Development	Construction of Child care Center with Services	\$725,000	\$7,309,387	\$11,103,448	9.92%		Estimate Received for Sound Barrier. Ordinance being prepared to allocate additional funding for \$500k	Ordinance prepared to amend funding agreement and allocate additional funding.
Ivanhoe Neighborhood Council	Senior Cottages at 39th Street	\$933,840	\$1,800,140	\$866,300	51.88%		Funding Agreement being prepared. Final budget needed to present to HRD for minority participation goals	Project scheduled for the FICB on June 11th. After goals are established, ordinance will be prepared to allocate additional funding.
National Association of Construction Coop	Rehabilitation of Homes throughout the Dis	\$215,000	\$10,000,000	\$9,785,000	2.15%		Applicant requesting reconsideration in response to board requesting withdrawal of proposal	CCED rescinded order to withdraw funding. Upon receipt of approval from NACCC's board to enter into agreement, funding agreement will be reissued.
Neighborhoods United	Rehabilitation of Homes for Disabled Veterans	\$313,804	\$627,608	\$313,804	50.00%		Funding Agreement complete	Construction has begun. Construction monitoring has been initiated by architectural consultant.
Total		\$6,204,575	\$32,331,670		19.19%			
Public Infrastructure/ Site Development Preparation - 20%		\$1,240,915						
Actual - Public Infrastructure/ Site Development Preparation		\$0						\$0
Public Infrastructure Deficit		\$1,240,915						

CCED Project Updates - Round 2

Project	Summary	CCED Funds	Project Budget	Leveraged Funds	LTV	Infrastruc.	Update 5/2020	Update 6/2020
Urban America Southpointe, LLC	Pre-development expenses for the construction of office space, retail, hospitality, multi-family residential and parking in the 63rd Street and Prospect Avenue area	\$500,000	\$180,259,034	\$179,759,034	0.28%		Awaiting full proforma and a phased plan based on their EDC TIF application. Master Planning and Engineering has not been received to satisfy their preconstruction services agreement with CPD.	Board recommended at its May 2020 Meeting to withdraw funding. Developer is encouraged to re-apply for funding in Round 4.
Urban America – KC EVE, LLC	Redevelopment of historical Castle Building and construction of Enterprise Village Ecosystem -36 net zero cottage style homes in the South Vine Street Corridor	\$1,205,231	\$21,947,664	\$20,742,433	5.49%		Project details, budget and full proforma are outstanding and needed to move forward with funding agreement.	Board recommended at its May 2020 Meeting to withdraw funding. Developer is encouraged to re-apply for funding in Round 4.
KC Town Hall	Redevelopment of building on 36th & Indiana Ave to provide restaurant, incubator and 3 affordable housing apartments.	\$490,539	\$680,169	\$189,630	72.12%		Scheduled to attend Fairness in Construction Meeting to establish construction MBE/WBE and workforce goals.	Applicant has yet to submit budget information to HRD. Workforce goals have not been set.
Urban Neighborhood Initiative	Site work and infrastructure related to the new construction of 30 single-family homes, in partnership with Habitat for Humanity.	\$250,000	\$1,731,600	\$1,481,600	14.44%	\$250,000	Checklist items received and being reviewed.	Draft funding agreement provided to legal department for review. Prevailing wage required for project.
Oak Park Neighborhood Association	Equity funding to support the development of 29 units of affordable housing at 38th Street and Prospect Avenue	\$2,800,000	\$8,183,550	\$5,383,550	34.21%		Conditional approval received from MHDC. Funding approval needed for PIAC Funds.	Final budget needed to assess workforce goals and construct funding agreement. PIAC funding outstanding.
Linwood Garden	Equity funding to develop 32 units of affordable housing, community kitchen, coffee shop and exterior shelter near Linwood and Bruce Watkins Drive.	\$1,150,000	\$7,617,968	\$6,467,968	15.10%	\$0	Construction started. Applicant requested funding agreement written to construct kitchen, coffee shop, exterior shelter and services.	Staff engaged in discussion with developer about project scope. Encouraged team to discuss funding structure with consultants and board members to allow funding for social services.
Prospect Summit Duplexes	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.	\$1,900,000	\$5,653,625	\$3,753,625	33.61%	\$1,010,002	Funding agreements being negotiated. Funding/closing scheduled for June/July. Environmental Review Officer awaits site evaluation for contamination and noise evaluation.	Funding agreement and loan documents being drafted to supplement MHDC documentation. Environmental review is in process for HOME Funding by MHDC and City.
Palestine Economic Dev. Corp	Equity funding to support the construction of a 39 unit assisted living facility at 35th Street and Prospect Avenue.	\$2,299,008	\$5,735,008	\$3,436,000	40.09%	\$300,000	Applicant proposes to enter into an agreement for 2 phases - a pre-development phase and construction phase. The project has yet to apply for NMTC.	PEDC provided consultants with updated budget for pre-development fees. Staff scheduling meeting with project team to discuss revised budget and funding sources.
Total		\$10,594,778						

Total - Excluding Urban America Projects	\$8,889,547				
Public Infrastructure/ Site Development Preparation - Actual	\$1,560,002				\$1,560,002
Public Infrastructure/ Site Development Preparation - 20%	\$2,118,956				
Public Infrastructure Excluding Urban America	\$1,777,909				
Public Infrastructure Deficit	\$217,907				

Mission Statement

Protecting and restoring the Central City District for long term economic viability and growth

Vision Statement

Support a thriving and stable Central Business District where businesses and residents share in the success and enhancement of the community

Goal 1

Foster and Maintain Diverse and Sustainable Neighborhoods

Objective: Increase the number of new single-family and multi-family housing units by ten percent (10%) by 2026

Tactic:

1. Prioritize funding for the construction of mixed income housing of various types in CCED Request for proposals annually.
2. Establish a requirement in RFPs that sellers of new homes marketed to first time homeowners must ensure that the borrower completes a HUD approved housing counseling and money management program.
3. Partner with a housing counseling agency to serve residents of the Central City district

Objective: Preserve approximately 120 existing owner-occupied housing units to standards that comply with local housing codes by 2026

Tactics:

4. Establish 4.5% of CCED funding to create a housing rehabilitation program to rehabilitate Central City low- and moderate-income owner-occupied homes at an average cost of \$35,000 each annually.
 - a. Collaborate with local banks, community loan funds or similar organizations to develop a program where CCED funds are leveraged annually by to offer a rehabilitation loan pool.
 - b. Incorporate the City of KCMO's income guidelines to define low- and moderate-income households.
 - c. Utilize a mix of loans types to include principal reduction, deferred payment, non-interest bearing and interest bearing to address the borrowing capacity of low and moderate-income households
 - d. Identify and fund a local community-based organization, with demonstrated experience, to develop a rehabilitation program and administer it.

Goal 2

Create and Expand Employment Opportunities

Objective: Coordinate efforts for job creation and job training for employment of Central City residents by September 2020.

Tactics:

1. Review existing partnerships that the City of KCMO has for work force development training.

- a. Encourage the location of existing programs for accessibility by Central City residents.
 - b. Identify and focus on categories of job losses and future job opportunities by Central City businesses to define the employment and training needed.
 - c. Ensure that a variety of job training methods, i.e., classroom- based instruction, interactive, on-the-job, and online learning are offered.
2. Communicate with local and state economic development organizations to understand the expansion of current and emerging job opportunities
- a. Work with area institutions of higher learning and technical schools to develop certification programs that result in job opportunities that pay a living wage.
 - b. Work with KCMO Planning Department to identify and prepare residents for employment at new or expanded businesses in the Central City district.
3. Use CCED funding to partner with a workforce development agency that provides a variety of supportive services, like day care, transit passes, emergency rent, mortgage and utility assistance, legal aid or clothing assistance for Central City residents while they are completing training programs.

Objective: Create Opportunities for Economic Stability of Central City Residents by September 2020

Tactics:

1. The CCED should explore, with the assistance and approval of the City, a program proposal for a grant application to a major private foundation.

Goal 3

Create Opportunities for Access, Equity and Shared Prosperity

Objective: Increase Support to Existing Central City Businesses by December 2020

Tactics:

1. Award emergency funding to assist Central City residents economically from the impacts of COVID19.
2. Assess the needs for sustainability of merchants' associations in the Central City district.

- a. Encourage all business owners to become members of a merchant association.
 - b. Identify community institutions that are willing to provide guidance to members of local merchants' associations.
 - c. Facilitate the development of partnerships between community institutions and merchants' associations.
3. Support the creation of new small businesses
 - a. Underwrite the cost for the participation of a number of Central City residents to enroll in a business incubation training annually.
 4. Support the recruitment of national companies to the Central City district that offer job opportunities.

Goal 4

Enhance Opportunities for Small and Minority Owned Business Development

Objective: Support the Growth and Stability of Minority Owned and Small Businesses by June 2021

Tactics:

1. Funding for Small Businesses
 - a. Identify and secure the services of a non-traditional lender that focuses on education, training loans, and investments of small and minority businesses.
 - b. Use CCED funds to create a micro-loan pool to support business start-up.
2. Support small and minority owned businesses to become certified minority businesses by local and the state governments.
 - a. Recruit mentors to assist small and minority business through the certification process.
3. Create an annual event where Central City business owners can interact with community business leaders to learn best practices.