



January 4, 2024

Hon. Quinton Lucas
Mayor, Kansas City, Missouri
29th Floor, City Hall
414 E. 12th Street
Kansas City, MO 64106

RE: Notice of Intent to Lease Property Pursuant to Sale/Leaseback and
Redevelopment Contract in Oak Park Urban Renewal Area

Dear Mayor Lucas,

Please be advised that the Land Clearance for Redevelopment Authority of Kansas City, Missouri ("LCRA") issued a Request for Redevelopment Contract Proposals ("RFP") for the purpose of selecting a qualified redeveloper for adaptive reuse and historic redevelopment of the vacant Ladd Elementary School building located at 3460 Benton Boulevard and other related improvements ("Project"). LCRA received one response from LCKC Ladd Development Partners, LLC, a Missouri limited liability company ("Redeveloper"), and intends to enter into a Sale/Leaseback and Redevelopment Contract with the Redeveloper.

The details of the Project are as follows:

Redeveloper: LCKC Ladd Development Partners, LLC, is a single-purpose entity affiliated with LaunchCode Kansas City, a minority, woman-owned real estate development company, and has offices at 3230 Benton Boulevard.

Location: The Project site is the location of the vacant Ladd Elementary School building and surrounding undeveloped property and is generally bounded by 36th Street on the north, Benton Boulevard on the east, 37th Street on the south, and Bellefontaine Avenue on the west.

Project: Adaptive reuse and historic redevelopment of the vacant Ladd Elementary School building and surrounding undeveloped property to include (a) a total of approximately 61-75 apartment units, including approximately 27 units on the upper two floors of the school building and approximately 34-48 units in newly constructed three-story buildings with studio, one-bedroom, and two-bedroom options), (b) planned commercial space on the first floor of the school building, (c) planned event/meeting space in the gym and the auditorium of the school building, (d) an approximately 5,000 to 7,000 square foot newly constructed commercial building, (e) parking improvements, (f) outdoor community space, and (g) related improvements.

Timeline: Construction is anticipated to begin in summer 2024 and be completed in fall 2025.

Hon. Quinton Lucas
Mayor, Kansas City, Missouri
January 4, 2024
Page 2



Employment: An estimated 100 construction jobs are anticipated for construction of the Project and an estimated 10 new jobs and 10 relocated jobs are anticipated upon completion.

Financing: Total project costs are currently estimated to be approximately \$27.28 million. Major sources of financing include approximately \$5.9 million in state and federal historic tax credits, an approximately \$4.5 million construction loan, an approximately \$4 million convertible NFP loan, approximately \$3.8 million in new market tax credits, an approximately \$3 million CCED grant, an approximately \$500,000 Rebuild Kansas City grant, and approximately \$5.5 million in Redeveloper equity. LCRA intends to issue bonds to facilitate a sales tax exemption on the purchase of construction materials and supplies.

Tax Incentive: The Redeveloper is requesting a sales tax exemption on the purchase of construction materials and supplies in connection with the Project. The Redeveloper will transfer title to the property to LCRA and LCRA will lease the property back to the Redeveloper pursuant to a lease agreement to effectuate the sales tax exemption and abatement incentives. LCRA approved tax abatement for the Project at 100% for ten (10) years and at 50% for five (5) years. An additional five (5) years of tax abatement at 50% may be implemented, for a total of twenty (20) years, if a look-back assessment report during year 14 concludes that an extended incentive is warranted. Upon lease termination, LCRA will transfer title to the property back to the Redeveloper. Specific details of the LCRA incentives and services will be set out in agreements to be entered into with the Redeveloper.

By copy to Marilyn Sanders, City Clerk, I am requesting that she note receipt of this correspondence for the official City record and that it be placed on the City Council docket as a communication.

If you have any questions regarding this Project, please contact me.

Very truly yours,

Daniel Moyer
Executive Director

cc: Marilyn Sanders, City Clerk
Brian Platt, City Manager
City Council

241489