

ZHOU B ART CENTER, LLC



February 6, 2024

Dion Lewis, Division Manager (Local and State Initiatives)
Housing and Community Development Department
414 E. 12th Street, 24th Floor
Kansas City, Missouri 64106

RE: Zhou B Art Center, LLC - Project Modification Request

Dear Director:

Per Ordinance #220431 dated September 23, 2022, Zhou B Art Center, LLC (“Developer”) was granted \$1,500,000 through the Central City Economic Development Sales Tax program for the development, preservation and rehabilitation of the Crispus Attucks School into an art museum, gallery and event venue located along Woodland Avenue between 18th Street and 19th Street in the Wendell Phillips Neighborhood (the “Project”). Of the \$1,500,000 original award, \$353,588.08 remains to be submitted for reimbursement.

During construction, finalization of the Project documents, and market instability due to COVID-19 pandemic, the Developer has experienced cost increases related to deviations summarized below and are hereby submitting a one-time request for an additional funding of 25% or \$375,000.

Evidence of Eligibility :

1. Funding Round: IV
2. Contracted with the City: Attached
3. Construction Status: On going, estimated completion 4/1/24
4. Evidence of Project Completion upon Award: Budget attached
5. CCED Funding: 7% of the total project budget including the additional funding request
6. Minor Deviations (grounds and facts relied on):
 - I. The Project was started with 50% drawings and demolition occurred from September 2022 through December 2022. In November 2022, 100% construction drawings were issued following findings that became apparent during demolition. Then again in March and April 2023 additional clarifications were issued to address deviations related to existing conditions and their impact on construction as a result of building deterioration.
 - II. The timing of these discoveries that were revealed during demolition and issues associated with existing conditions that required changes to the construction were further exasperated by material escalations and supply chain issues from the COVID-19 pandemic that has impacted the schedule and pushed the completion of the Project into 2024.
 - III. During the permit review process, the Planning Department requested public infrastructure improvements in which we have secured \$165,000 in PIAC funding to complete.
 - IV. The total economic impact of the deviations is \$801,127.43 and exceeds the 25% / \$375,000 maximum allowed for a project modification. We believe with the funding of this request we can meet our obligations and bring the Project to a successful completion.

ZHOU B ART CENTER, LLC



7. Changes of Ownership: None
8. Previous Award of Additional Funds: No

Please advise if this item will be place on the CCED Agenda for consideration. We sincerely appreciate your consideration and look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to be 'R Mosky'.

Zhou B Art Center, LLC
Robert Mosky
Developer

Cc: Scott Stefani, RDM Companies
513-376-2229
sstefani@rdm-co.com

Jim Panella, RDM Companies
773-849-6917
jpanella@rdm-co.com

Herbert Harwick, Hardwick Law Firm, LLC

Constuction Scope	Original Budget	Revised Budget	Budget Change
DIV. 01 - GENERAL CONDITIONS			
G/L Insurance	\$ 51,298.80	\$ 48,952.00	\$ (2,346.80)
Bond	\$ -	\$ 1,500.00	\$ 1,500.00
Layout and As-Builts	\$ 11,048.65	\$ 11,900.00	\$ 851.35
Temporary Provisions	\$ 318,946.20	\$ 336,516.85	\$ 17,570.65
Supervision	\$ 386,408.75	\$ 432,869.00	\$ 46,460.25
Project Management	\$ 311,523.37	\$ 323,435.00	\$ 11,911.63
Preconstruction	\$ 56,385.00	\$ 61,306.00	\$ 4,921.00
DIV. 02 - EXISTING CONDITIONS			
Abatement	\$ 567,986.00	\$ 557,986.00	\$ (10,000.00)
Demolition	\$ 192,266.00	\$ 309,976.00	\$ 117,710.00
DIV. 03 - CONCRETE			
Concrete	\$ 721,415.00	\$ 797,352.00	\$ 75,937.00
Polished Concrete	\$ 120,300.00	\$ 120,300.00	\$ -
Polished Concrete	\$ 6,000.00	\$ 6,000.00	\$ -
Tilt Up Concrete Panels	\$ 103,010.00	\$ -	\$ (103,010.00)
Concrete Topping	\$ 84,094.72	\$ 84,095.00	\$ 0.28
DIV. 04 - MASONRY			
Tuckpointing & Masonry Restoration	\$ 446,595.00	\$ 460,281.00	\$ 13,686.00
Masonry	\$ 193,800.00	\$ 377,736.00	\$ 183,936.00
DIV. 05 - STEEL			
Structural Steel Framing	\$ 679,061.00	\$ 646,188.00	\$ (32,873.00)
DIV. 06 - CARPENTRY			
Carpentry	\$ 764,265.00	\$ 746,898.00	\$ (17,367.00)
Millwork	\$ 699,868.52	\$ 838,217.00	\$ 138,348.48
Millwork - Vestibule Transom Repair	\$ 10,000.00	\$ 42,233.00	\$ 32,233.00
DIV. 07 - MOISTURE CONTROL			
Waterproofing & Joint Sealants	\$ 76,143.00	\$ 89,880.00	\$ 13,737.00
Ashpalt Shingle Roofing	\$ 106,738.00	\$ 243,936.00	\$ 137,198.00
Cementitious Cladding	\$ 62,300.00	\$ 57,400.00	\$ (4,900.00)
TPO Roofing	\$ 278,000.00	\$ 268,667.00	\$ (9,333.00)
Sheet Metal	\$ 55,750.00	\$ 50,236.00	\$ (5,514.00)
Sheet Metal - Dormer Windows	\$ 10,000.00	\$ 10,000.00	\$ -
Expansion Control	\$ 58,632.00	\$ 77,754.00	\$ 19,122.00
DIV. 08 - DOORS, WINDOWS, GLASS			
Doors, Frames, HW	\$ 366,134.00	\$ 424,352.00	\$ 58,218.00
Won Door	\$ 19,311.00	\$ -	\$ (19,311.00)
Glass & Glazing	\$ 1,308,111.00	\$ 1,318,817.00	\$ 10,706.00
Glass & Glazing		\$ -	\$ -
Louvers	\$ 12,500.00	\$ 12,500.00	\$ -
DIV. 09 - FINISHES			
Plaster	\$ 695,590.00	\$ 743,911.00	\$ 48,321.00
Drywall	\$ 794,480.00	\$ 1,020,713.00	\$ 226,233.00
Ceramic Tile	\$ 73,974.00	\$ 73,974.00	\$ -
Wood Flooring	\$ 309,791.00	\$ 383,106.00	\$ 73,315.00
Resinous Flooring	\$ 48,500.00	\$ -	\$ (48,500.00)
Carpet & Resilient Flooring	\$ 17,132.50	\$ 58,283.00	\$ 41,150.50
Painting	\$ 380,300.00	\$ 427,547.00	\$ 47,247.00
Construction Cleanup	\$ 139,185.99	\$ 142,844.00	\$ 3,658.01
Final Cleaning	\$ 36,229.00	\$ 37,429.00	\$ 1,200.00
DIV. 10 - SPECIALTIES			
Toilet Partitions	\$ 24,950.00	\$ 24,950.00	\$ -
Toilet, Bath and Laundry Access.	\$ 34,510.66	\$ 41,925.00	\$ 7,414.34
Fire Extinguishers	\$ 6,000.00	\$ 6,000.00	\$ -
DIV. 12 - FURNISHINGS			
Site Furnishings	\$ 7,922.00	\$ 7,922.00	\$ -
DIV. 14 - CONVEYING SYSTEMS			
Elevators	\$ 174,100.00	\$ 195,700.00	\$ 21,600.00
Wheelchair Lift	\$ 41,750.00	\$ -	\$ (41,750.00)
Scaffolding	\$ 65,645.00	\$ 65,645.00	\$ -
Trash Chute	\$ 5,961.00	\$ 5,961.00	\$ -
DIV. 21 - FIRE SUPPRESSION			
Fire Suppression	\$ 263,833.00	\$ 275,042.00	\$ 11,209.00
DIV. 22 - PLUMBING			
Plumbing	\$ 960,412.00	\$ 1,083,609.00	\$ 123,197.00
DIV. 23 - HVAC			
HVAC	\$ 2,671,925.00	\$ 2,849,198.00	\$ 177,273.00
DIV. 26 - ELECTRICAL			
Electrical	\$ 1,767,200.00	\$ 1,923,989.00	\$ 156,789.00
Electrical - Temporary Power	\$ 33,528.00	\$ 33,528.00	\$ -
DIV. 27 - AUDIO-VIDEO SYSTEM			
Voice / Data Cabling	\$ 83,450.00	\$ 83,450.00	\$ -
DIV. 31 - EARTHWORK			
Trash Hauling	\$ 24,000.00	\$ 24,000.00	\$ -
Earthwork	\$ 67,523.00	\$ 166,782.00	\$ 99,259.00
Helical Piles	\$ 250,000.00	\$ 115,936.00	\$ (134,064.00)
DIV. 32 - EXTERIOR IMPROVEMENTS			
Asphalt Paving & Markings	\$ 30,793.00	\$ 30,793.00	\$ -
Street Patching	\$ 22,000.00	\$ 30,000.00	\$ 8,000.00
Unit Pavers	\$ 57,295.00	\$ 63,954.00	\$ 6,659.00
Fences & Gates	\$ 178,245.00	\$ 176,180.00	\$ (2,065.00)
Landscaping	\$ 74,076.00	\$ 116,476.00	\$ 42,400.00
Traffic Control	\$ -	\$ 11,777.00	\$ 11,777.00
DIV. 33 - UTILITIES			
Site Utilities	\$ 478,000.00	\$ 538,600.00	\$ 60,600.00
Foundation Drains	\$ 15,000.00	\$ -	\$ (15,000.00)
Permits	\$ 119,040.00	\$ 91,040.00	\$ (28,000.00)
Site Security	\$ 86,000.00	\$ 86,000.00	\$ -
SUBTOTAL	\$ 18,116,232.17	\$ 19,693,546.85	\$ 1,577,314.68
CONSTRUCTION CONTINGENCY	\$ 817,604.83	\$ 8,288.00	\$ (809,316.83)
OVERHEAD & PROFIT	\$ 823,612.00	\$ 856,741.58	\$ 33,129.58
TOTAL	\$ 19,757,449.00	\$ 20,558,576.43	\$ 801,127.43

Zhou B Art Center of Kansas City Cost to Date Financial Summary

	Budget	Spent	Estimated to Completion		Budget Change
			Remaining	Total	
Construction Cost					
Construction Cost - Draws Submitted to Date	\$ 19,757,449.00	\$ 16,565,964.48	\$ 3,992,611.95	\$ 20,558,576.43	\$ 801,127.43
Less Retainiage		\$ (1,579,058.79)			
Total Construction	\$ 19,757,449.00	\$ 14,986,905.69	\$ 5,571,670.74	\$ 20,558,576.43	\$ 801,127.43
Soft Costs					
Property Acquisition	\$ 2,500,000.00	\$ 2,500,000.00	\$ -	\$ 2,500,000.00	\$ -
FF&E	\$ 550,000.00	\$ 299,742.97	\$ 204,451.11	\$ 504,194.08	\$ (45,805.92)
Architecture	\$ 508,116.00	\$ 711,974.64	\$ 30,635.14	\$ 742,609.78	\$ 234,493.78
Engineering	\$ 32,800.00	\$ 103,032.04	\$ 21,972.25	\$ 125,004.29	\$ 92,204.29
Interior Design	\$ 60,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	\$ -
Building Maintenance	\$ 18,228.00	\$ 32,401.28	\$ -	\$ 32,401.28	\$ 14,173.28
Third Party Developer Fee	\$ 675,000.00	\$ 559,455.63	\$ 85,000.05	\$ 644,455.68	\$ (30,544.32)
Bridge Loan Fees	\$ 38,978.54	\$ 38,979.00	\$ -	\$ 38,979.00	\$ 0.46
Loan Fees - Capitol Federal	\$ 87,500.00	\$ 87,500.00	\$ -	\$ 87,500.00	\$ -
Loan Fees - Broker	\$ 155,000.00	\$ 155,000.00	\$ -	\$ 155,000.00	\$ -
Loan Fees - Brownfield	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00	\$ -
Title and Recording, Closing	\$ 48,120.63	\$ 49,091.63	\$ 2,500.00	\$ 51,591.63	\$ 3,471.00
Project Management and Reimbursable	\$ 325,000.00	\$ 301,186.99	\$ 23,813.01	\$ 325,000.00	\$ -
State Tax Credit Issuance Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Fees & Permits	\$ 40,000.00	\$ 6,699.70	\$ -	\$ 6,699.70	\$ (33,300.30)
HTC - Consultants & Fees	\$ 50,000.00	\$ 58,824.50	\$ -	\$ 58,824.50	\$ 8,824.50
Brownfield Consultant Fees	\$ 31,069.00	\$ 33,432.91	\$ 1,000.00	\$ 34,432.91	\$ 3,363.91
EEZ Fees	\$ 100,000.00	\$ 99,079.00	\$ -	\$ 99,079.00	\$ (921.00)
Construction Period Insurance	\$ 60,000.00	\$ 145,022.39	\$ -	\$ 145,022.39	\$ 85,022.39
Construction Period Taxes	\$ 15,000.00	\$ 17,958.55	\$ -	\$ 17,958.55	\$ 2,958.55
Consultants	\$ 31,540.00	\$ 31,540.00	\$ -	\$ 31,540.00	\$ -
Appraisal	\$ 19,500.00	\$ 19,500.00	\$ -	\$ 19,500.00	\$ -
Survey	\$ 11,592.00	\$ 11,592.00	\$ -	\$ 11,592.00	\$ -
Legal Fees Developer	\$ 178,862.00	\$ 211,115.18	\$ 5,000.00	\$ 216,115.18	\$ 37,253.18
Legal Fees - Investor / Lender	\$ 166,700.00	\$ 166,700.00	\$ -	\$ 166,700.00	\$ -
Accounting	\$ 84,000.00	\$ 60,800.00	\$ 25,000.00	\$ 85,800.00	\$ 1,800.00
Marketing	\$ 50,000.00	\$ 18,861.72	\$ -	\$ 18,861.72	\$ (31,138.28)
Soft Cost Contingency	\$ 30,443.00	\$ 30,443.48	\$ -	\$ 30,443.48	\$ 0.48
Owners Contingency	\$ 602,883.43	\$ 386,244.00	\$ -	\$ -	\$ (216,639.43)
Operating & Debt Service Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Total Soft Cost	\$ 6,477,832.60	\$ 6,203,677.61	\$ 399,371.56	\$ 6,216,805.17	\$ 125,216.57
Total Cost Before Interest	\$ 26,235,281.60	\$ 21,190,583.30	\$ 5,971,042.30	\$ 26,775,381.60	\$ 926,344.01
Interest Costs					
Brownfield interest	\$ 17,500.00	\$ -	\$ 17,500.00	\$ 17,500.00	\$ -
Bridge Loan Interest	\$ 289,016.39	\$ 136,375.38	\$ 152,641.01	\$ 289,016.39	\$ -
Construction Loan Interest	\$ 613,227.63	\$ 219,408.63	\$ 393,819.00	\$ 613,227.63	\$ -
Total Interest	\$ 919,744.02	\$ 355,784.01	\$ 563,960.01	\$ 919,744.02	\$ -
Total Cost	\$ 27,155,026	\$ 21,546,367.31	\$ 6,535,002.31	\$ 27,695,125.62	\$ 926,344.01

Sources & Uses	Beginning Balance	Additional Sources	Funded to Date	Total	Remaining Balances
Brownfield	\$ 500,000.00		\$ 500,000.00	\$ 500,000.00	\$ -
Historic Tax Credits - Closing	\$ 814,578.27		\$ 814,578.27	\$ 814,578.27	\$ -
Owner Equity	\$ 4,942,693.30		\$ 4,942,693.30	\$ 4,942,693.30	\$ -
CCED	\$ 1,500,000.00	\$ 375,000.00	\$ 1,146,411.92	\$ 1,875,000.00	\$ 728,588.08
Historic Tax Credits - Bridge Loan	\$ 3,897,854.06		\$ 3,745,213.15	\$ 3,897,854.06	\$ 152,640.91
Debt	\$ 15,500,000.00		\$ 10,011,226.68	\$ 15,500,000.00	\$ 5,488,773.32
PIAC Funds	\$ -	\$ 165,000.00	\$ -	\$ 165,000.00	\$ 165,000.00
Total	\$ 27,155,125.62	\$ 540,000.00	\$ 21,160,123.31	\$ 27,695,125.62	\$ 6,535,002.31

February 7, 2024

Central City Sales Tax Board of Directors
c/o Mr. Dion Lewis
Division Manager (Local and State Initiatives)
Housing and Community Development Department
City of Kansas City, Mo.
City Hall, 24th Floor, Suite 2403
414 E. 12th Street, Kansas City, Missouri 64106

RE: Prospect Summit Homes

Dear CCED Board Members:

On November 12, 2023, I penned a letter to the CCED Board requesting additional funding to assist in moving the Prospect Summit project to closing. Consideration of that request by the Board was delayed with cancelled meetings and the subsequent appointment of new board members over the subsequent months. Since that time, the Board has adopted a new policy for consideration of requests for additional funding. I am now reiterating a request for additional funding.

In 2019, the Central City Economic Development Sales Tax Board awarded Prospect Summit Homes funding in the amount of \$1,900,000 to support development of a 24-unit Low Income Housing Tax Credit project on a site bounded by Olive and Prospect and by the 22nd the 22nd Street Connector and 23rd Street. The award by the CCEDST Board was followed by a ratification by the City Council. Subsequently, the CCED Board recommended, and the Council ratified an additional commitment of \$150,000 in July of 2022.

The project was held up with environmental clearances, as well as numerous issues getting the project through the rezoning process. Our UR Plan was approved by the City Plan Commission and by the City Council. The project has been further delayed by having to use PIEA's powers of eminent domain to cure title discrepancies on one small 25-foot lot on the project site in which we held a 50% interest. The owners of the other 50%, heirs of the original owner were unknown, hence the need for title cure. That process has been recently completed.

During these delays, inflationary pressures resulting from the COVID-19 pandemic created a significant growth in project costs that caused a funding gap. We have continued to re-estimate the cost of the project as construction costs continue to rise. We have been working to close that gap through a number of funding sources. In that regard, we received a commitment of \$750,000 from the Housing Trust Fund. We have also been notified of a recent award of additional HOME funds from the City in the amount of \$500,000. Furthermore, the Housing Authority of Kansas City, Missouri has recently made a commitment of Project Based Vouchers for 24 units at Prospect Summit. These recent commitments put us in reach of closing the gap, of course assuming that the CCED will make a commitment of additional funds.

Consequently, I am requesting that the CCED Board allocate additional funding to the project in the total amount of \$475,000, with \$350,000 dedicated to public infrastructure and the remaining \$125,000 dedicated to other on-site project costs. The request for \$475,000 is 25% of the original CCED award of \$1,900,000. Such a commitment would allow the project to move toward closing. The entirety of the sources and used of funds for the project would be as follows:

Uses of Funds

Acquisition Costs	317,425.00
Operating Reserves	143,800.00
Hard Construction Costs	8,400,000.00
Other Development Costs	1,977,107.39
Developer's Fee	480,000.00

Total Uses

11,318,332.39

Sources of Funds

Total Tax Credit Equity	4,626,597.00
Limited Partner Equity	110.00
Perm Debt	1,300,000.00
KCMO HOME	500,000.00
NEW KC HOME	500,000.00
MHDC HOME	1,100,000.00
KC HTF	750,000.00
Existing KCMO Central City Sales Tax Committed	2,050,000.00
New Requested CCED Funding	475,000.00
Deferred Developer's Fee	16,625.39

Total Sources

11,318,332.39

I have reviewed the Updated CCED Policy promulgated by the Board on January 9, 2024. Prospect Summit meets all of the criteria for consideration with the exception of contracting with the City. We have not moved forward with the contract because we need to complete CREO requirements concerning MBE/WBE participation. This issue is being held in abeyance until we have the total capital stack confirmed and we can bid the project to get firm prices to include in CREO documentation. This issue is a problem with a great many projects and there is pending action to resolve this issue with ordinance, 231017 which is currently under consideration by the City Council. The ordinance would allow for contracting prior to providing the CREO documentation, but would require CREO documentation before proceeding with funding. The ordinance is being debated in the Special Committee for Legal Review. I am told that the ordinance may be recommended to the full council for approval in the near future. If this issue is not resolved quickly at the council level with passage of this ordinance, we respectfully request the requested additional CCED award be made. We will then proceed with fulfilling the CREO requirements and move quickly to contracting.

In review of the Updated Policy, I do see another hurdle for Tax Credit projects like Prospect Summit, that being the requirement to defer 50 % of the developer fee.

We are requesting a waiver for the requirement to defer 50% of the developer for Prospect Summit. There are a few reasons why this requirement does not fit a Low-Income Housing Tax Credit (LIHTC) project. Developer fees in LIHTC projects are limited by a per unit cap, deferred fees function as the project's development contingency and the fees are a part of the upfront calculation of tax credits.

- First, fee limitation. The fee is regulated by MHDC and limited to \$20,000 per unit. In the case of Prospect Summit, the developer fee is only 4.35% of the \$11+ Million in total development costs. This means that for guaranteeing a \$5.6 million construction loan AND \$4.5 million in tax credit equity AND operating deficit guarantees ongoing, if the development goes as planned the developer's entire incentive is \$480K over the next 2 and half years of development, construction and lease up. That also does not mention the extensive reporting that is required for the various sources in the capital stack of our project. This development fee is industry standard for the risk associated with providing quality affordable housing, which is the goal of the program.
- Second is the development contingency aspect of the development fee. Development cost overruns are the responsibility of the developer. However, the first place those come from is deferred development fees. Effectively, the developer fee is the last item in the budget paid. If we arbitrarily put a deferred fee in, tax credit investors must have evidence that this deferred fee can actually be paid out over a given period of time. It is not simply that whatever the deferred fee is, it must be accepted by the investor. A 50% deferral simply makes the project less feasible in the eyes of the private capital that is committed to the project. A 50% deferred developer fee would jeopardize the availability of private funding.
- Lastly, the tax credit calculation issue. LIHTC projects include the developer fee in the calculation of tax credits a project qualifies for. This is especially critical in a 4% LIHTC project like Prospect Summit. A 4% LIHTC project needs to spend all of its calculated costs in order to justify the calculated credits set out in the underwriting of the project and raise the equity used in the project proforma. If the deferred fee is higher, the investor may remove it from the tax credit calculation. This impacts the amount of equity the investor puts into the project, creating even more deferred development fee. This is a circular reference, but less fee means less costs, less costs mean less credits and less credits means less sources into the project. So, the deferred fee can't be plugged into underwriting. It is the result of not having enough sources to pay for all of the development costs.

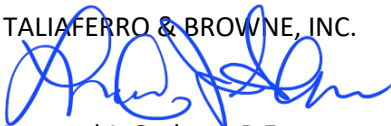
It is for these reasons that we ask that the new requirement for deferring 50% of the developer fee be waived Prospect Summit and for that matter for other LIHTC projects requesting additional funds.

I hope that the Board will look favorably on this request, in that the addition allocation would allow this sorely needed low-income housing tax credit project to move forward to an early 2024 closing with construction to start immediately thereafter.

Thank you very much.

Very truly yours,

TALIAFERRO & BROWNE, INC.



Leonard J. Graham, P.E.
President



Subject: Request for Additional Funding Due to Inflationary Costs

CCED Board,

I hope this letter finds you in good health and high spirits. I am writing on behalf of Monarque Advisory with regard to the current significant impact of inflationary costs on our project.

We originally requested and were approved for the amount of \$668,232 per our CCED application to provide eight affordable housing units, but the City Council only awarded us \$275,000 of the \$668,232 which we used for acquisition. Cutting \$393,232 of the funds we were selected to receive. Moreover, as you may be aware inflation has been steadily rising over the past year, impacting various sectors of the economy. Unfortunately, our organization has not been immune to these inflationary pressures, which have had a profound effect on our overall expenses. Consequently, we find ourselves in need of additional financial resources to sustain and expand our project effectively.

Outlined below are the key reasons why we require more funding to address the inflationary costs:

1. Cost of Goods and Services: Inflation has led to a substantial increase in the cost of raw materials, equipment, and other essential supplies required for our production processes.
2. Operating Expenses: Inflationary pressures have also affected our day-to-day operating expenses, including utilities, transportation, and maintenance costs. These expenses, which are vital for the smooth running of our business, have risen considerably. To ensure uninterrupted operations and maintain the quality of our products/services, additional funds are imperative.
3. Interest rates: Rates at the time of the application were about 5% they are now 9.25%

Given the circumstances outlined above, of the \$393,232 that was taken from what were selected by CCED to receive, plus the estimated \$328,732 in new inflationary cost we obtained on the project, equally a total of \$721,964 for a small business like ours to now account for. We were gratefully awarded \$275,000 from CCED and \$660,000 from the RebuildKC Grant = \$935,000. We understand your 45% cap of grant funds can only be allocated of the total budget of the project, which was \$2,472,690 at the time of submission but has now increased due to inflation and some other add ons required by the City (please see excel attachment).



Combined with a new budget of \$2,801,427 and the inflationary cost (\$328,732) plus the funds that the CCED board selected us to receive but did not (\$393,232). We kindly request your support in allocating an additional budget of \$328,732 to alleviate the financial burden caused by the new inflationary costs. We are asking this exception to use this infusion of funds to continue our passion of providing high-quality products/services to our valued customers, while also safeguarding the financial stability of our project.

We greatly appreciate your consideration and would be grateful of any amount added to our project and we assure you that any additional funding granted will be utilized judiciously and with utmost transparency. We are committed to delivering measurable results, demonstrating a positive return on investment for your support.

Your timely consideration and support in this matter will not only provide immediate relief but also contribute to the long-term growth and success of our project.

Thank you for your attention to this matter and let us know if you have any questions or concerns.

Yours sincerely,

Monarque Advisory

Derek Durham

	Budget	% of Increase in Budget	Current Budget	Total difference in cost	CCED Funds	Rebuild Kansas City	Conventional Loan
Purchase/Acquisition	\$ 220,000.00			\$ -	\$ 220,000.00	\$ -	
SOFT COST \$455,000	\$ -			\$ -	\$ -		
Architect & Engineering	\$ 155,000.00			\$ -	\$ 15,000.00	\$ -	140,000
Professional Services / Permitting	\$ 35,000.00			\$ -		\$ 18,000.00	17,000
Management/Consulting	\$ 330,000.00			\$ -	\$ 40,000.00	\$ 99,000.00	191,000
BUILD OUT \$404,000				\$ -	\$ -	\$ -	\$ -
Doors & Hardware	\$ 62,000.00	14.00%	\$ 70,680.00	\$ 8,680.00	\$ -		62,000
Dry Wall/Tape and Mud	\$ 74,000.00	20.00%	\$ 88,800.00	\$ 14,800.00		\$ 60,000.00	14,000
Painting	\$ 65,700.00	15.00%	\$ 75,555.00	\$ 9,855.00			65,700
Kitchen Cabinets and counter top	\$ 109,300.00	14.00%	\$ 124,602.00	\$ 15,302.00			109,300
Flooring	\$ 69,500.00	14.00%	\$ 79,230.00	\$ 9,730.00			69,500
Tub and toilets/vanities	\$ 23,500.00			\$ -		\$ 14,000.00	9,500
	\$ -			\$ -	\$ -	\$ -	\$ -
Windows	\$ 111,000.00	11.00%	\$ 123,210.00	\$ 12,210.00		\$ 65,000.00	46,000
Plumbing	\$ 187,000.00	11.80%	\$ 209,066.00	\$ 22,066.00		\$ 70,000.00	117,000
HVAC	\$ 175,000.00	17.00%	\$ 204,750.00	\$ 29,750.00		\$ 77,000.00	98,000
Electrical	\$ 187,250.00	12.00%	\$ 209,720.00	\$ 22,470.00		\$ 77,000.00	110,250
Sheetrock	\$ 15,390.00	20.00%	\$ 18,468.00	\$ 3,078.00			15,390
Back decks	\$ 63,500.00	16.00%	\$ 73,660.00	\$ 10,160.00			63,500
Utilities & Exterior Lighting	\$ 50,000.00			\$ -	\$ -		50,000
Parking Lot	\$ 43,000.00	15.00%	\$ 49,880.00	\$ 6,880.00			43,000
Landscaping	\$ 31,000.00	16.40%	\$ 36,084.00	\$ 5,084.00			31,000
Exterior Fascade	\$ 70,550.00	15.00%	\$ 81,132.50	\$ 10,582.50		\$ 40,000.00	30,550
Framing	\$ 75,000.00	16.00%	\$ 87,000.00	\$ 12,000.00		\$ 60,000.00	15,000
Foundation Work	\$ 55,000.00	16.00%	\$ 63,800.00	\$ 8,800.00		\$ 30,000.00	25,000
Site Ground work	\$ 65,000.00	16.00%	\$75,400.00	\$10,400.00	\$0.00		65,000
Contingency Funds	\$ 75,000.00			\$ -		\$ 20,000.00	55,000
Sprinkler system request after inspection		Spinkler system was not in current budget. We were orginally told it could be grandfather due to the age of the buidling and having the proper egress with the plans submitted.	\$40,000.00	\$40,000.00			
Equipment & Rentals	\$ 125,000.00			0		\$ 30,000.00	95,000
Interest rate increase +5%		5.00%		\$76,884.50			0
TOTALS	\$ 2,472,690.00			\$ 328,732.00	\$ 275,000.00	\$ 660,000.00	1,537,690



February 9, 2024

CCED Board
Kansas City, Missouri

RE: Project Modification Request – Jazz Hill Homes

Twelfth Street Heritage Development Corporation and F&C have partnered on the substantial renovation of the historic Jazz Hill Apartments to deliver quality affordable housing units back to the community. These architectural gems, once relegated to neglect and abandonment, are set to emerge as the cornerstone of a revival, breathing vitality into the very heart of Kansas City.

The development comprises of 181 studio, one-, and two-bedrooms units in ten historic colonnade- style buildings along Paseo Boulevard. On-site amenities include surface parking, community rooms, and laundry facilities. Jazz Hill is a service-enriched development that partners with service agencies like Samuel Rodgers, the Full Employment Council, and the VA to provide residents with the services they need.

The project utilizes State and Federal historic credits, Federal LIHTCs, tax-exempt bonds, CCED funds, and deferred development fees to create 181 units of affordable rental housing for families and veterans whose incomes fall at or below 60% of the area median income for the Kansas City, MO metro.

The project is currently under construction with the goal of being 100% complete by January 2025. As detailed in the following project budget attachment, the project's total development cost has increased from \$35,028,762 (at closing in December 2022) to \$41,241,584, resulting in a gap of \$6,212,822. This is in addition to the \$2,428,018 of F&C sponsor funds that were temporarily loaned to the project to execute a timely closing with the intent to apply for additional funds post-closing. Now that we are well into construction, and experiencing unprecedented building conditions and cost overruns, the team is requesting an additional \$995,000 in CCED funds to assist with hard construction costs. The project's scope of work has not materially changed nor have there been any changes in ownership. The project will be ready to deploy the funds as soon as they are approved. The remaining gap of \$5,446,011 will be covered by additional deferred developer fees and sponsor funds.

The Development Team has applied for other funding sources, including KCMO Housing Trust Fund and Jackson County ARPA funds. \$1,000,000 of Housing Trust Funds has recently been awarded to the project.

\$3,212,056 of CCED funds were spent on the acquisition of the buildings. The remaining award balance is \$912,240 and is ready to be drawn for hard construction costs.

Jazz Hill Sources & Uses

	<u>At Close</u> <u>12/2022</u>	<u>As of</u> <u>2/6/2024</u>	<u>Difference</u>
Acquisition Costs	4,366,000	4,366,000	
Hard Costs - Rehab	22,787,239	28,000,000	5,212,761
Soft Costs	5,500,523	6,500,584	1,000,061
Developer Fee	<u>2,375,000</u>	<u>2,375,000</u>	
Total Uses	<u>35,028,762</u>	<u>41,241,584</u>	6,212,822
Equity	17,900,171	20,000,000	2,099,829
CCED Loan	4,124,296	4,124,296	
CCED Additional Funds		995,000	995,000
KCMO Housing Trust Fund		1,000,000	1,000,000
Sponsor Loan - Gap			
Funding	2,428,018	5,446,011	3,017,993
Deferred Developer Fee	1,562,277	1,562,277	
Permanent Loan	<u>9,014,000</u>	<u>8,114,000</u>	-900,000
Total Sources	<u>35,028,762</u>	<u>41,241,584</u>	6,212,822

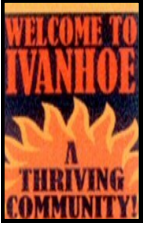
The development team appreciates the opportunity to apply for additional CCED funds to deliver high-quality affordable housing to Kansas City, Missouri.

Please do not hesitate to reach out with any questions.

Respectfully,

Derek Hammond

Derek Hammond
 CFO
 Flaherty & Collins Properties
dhammond@flco.com
 (317) 816-9300



IVANHOE NEIGHBORHOOD COUNCIL

Nutter Ivanhoe Neighborhood Center

3700 Woodland

Telephone: (816) 921-6611

Kansas City, Missouri 64109

Fax: (816) 921-3791

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Dianne Cleaver

Geoff Jolley

Dr. Marvia Jones

Margaret May

Nailah M'Biti

Jomella Watson-Thompson

Alan Young

Friday, February 9th, 2024

Project Name: Garfield East Senior Cottages

Developer: Ivanhoe Neighborhood Council

Developer Contact Information: Nailah M'Biti; (816) 651-2665;
Nailah@accomak.com

Request: Budget modification and increased funding of \$165,707 via Tier 2 Qualification

Remaining CCED Balance: The original award is \$933,840 with an increase of \$287,492 to make adjustment for prevailing wage rate requirements. To date, all funds - \$1,221,332 have been expended.

Supporting Reasons for Request: The project experienced a number of significant site conditions that contributed to delays, including utility relocation delay by AT&T, structural requirement to install a pier system due to buried basement rubble and striking an eight-foot deep layer of rock that needed to be excavated.

Total project cost is \$3,082,310. The project is at 88% completion and has a gap of \$433,618. Ivanhoe is working with Central Bank to secure a permanent loan of \$270,000.

The developer's fees have remained constant and are 7.5% of the total project cost. The current CCED award is 39% of the total project costs. With a \$165,707 increase to \$1,138,7039, CCED funding will be 45% of total project cost.

The project saw substantial cost increases across several scopes during 2021 and 2022. Construction costs increased 44% from \$1,754,343 to \$2,515,817.

Eligibility: The Developer, Ivanhoe Neighborhood Council is a nonprofit.

Detailed Budget: See attached.

Sincerely,

"A Thriving Community"

Garfield East Senior Cottages Project Budget

Project Funding (all sources)

CCED	\$ 1,221,332.00
HOME	\$ 957,000.00
HTF	\$ 370,360.00
Rebuild KC	\$ 100,000.00
TOTAL SOURCES	\$ 2,648,692.00

ORIGINAL PROJECT SCOPES	ORIGINAL BUDGET	ADDITIONAL COST	FINAL OVERALL BUDGET
Earthwork	\$235,999.71	\$0.00	\$235,999.71
Site Utilities	\$46,182.75	\$236,231.80	\$282,414.55
Concrete	\$184,910.00	\$138,250.00	\$323,160.00
Masonry & Structural Steel	\$18,922.00	\$0.00	\$18,922.00
Retaining Wall	\$70,878.00	-\$56,300.00	\$14,578.00
CMU Wall	\$0.00	\$21,860.00	\$21,860.00
Asphalt - Parking Lot and Sidewalks	\$40,690.00	\$44,023.50	\$84,713.50
Gutters and Downspouts - Flashing & Sheet metal	\$6,537.00	\$0.00	\$6,537.00
Rough Carpentry	\$205,368.65	\$112,794.70	\$318,163.35
Finish Carpentry & Decks/Porch	\$16,788.32	\$0.00	\$16,788.32
Insulation	\$13,649.00	\$8,580.70	\$22,229.70
Roof Systems	\$70,550.00	\$0.00	\$70,550.00
Doors, Interior Trim & Hardware	\$20,200.00	\$7,980.90	\$28,180.90
Windows	\$8,250.00	\$8,113.29	\$16,363.29
Drywall	\$53,564.00	\$95,891.00	\$149,455.00
Carpet & Resilient Flooring	\$35,342.00	\$0.00	\$35,342.00
Painting (Exterior & Interior)	\$65,300.00	\$13,060.00	\$78,360.00
Casework	\$14,400.00	\$14,872.00	\$29,272.00
Countertops	\$6,000.00	\$8,000.00	\$14,000.00
Appliances	\$30,346.00	\$7,731.84	\$38,077.84
Window Treatments	\$5,133.32	\$4,177.96	\$9,311.28
Plumbing	\$77,800.00	\$0.00	\$77,800.00
HVAC	\$98,900.00	\$0.00	\$98,900.00
Electrical	\$146,000.00	\$65,599.00	\$211,599.00
Landscaping	\$45,805.00	-\$5,387.54	\$40,417.46
Fencing, Gates & Site Furnishings	\$38,680.00	\$0.00	\$38,680.00
Soil Pretreat	\$3,200.00	\$0.00	\$3,200.00
Energy Rating	\$3,200.00	-\$3,200.00	\$0.00
Cleaning	\$9,000.00	\$0.00	\$0.00
Permits (estimated)	\$0.00	\$0.00	\$0.00
General Requirements	\$116,717.25	\$37,575.66	\$154,292.91
Builders Overhead	\$30,463.00	\$5,400.00	\$35,863.00
Builders Profit	\$30,463.00	\$0.00	\$30,463.00
Insurance	\$5,104.00	\$5,220.00	\$10,324.00
TOTAL CONSTRUCTION COSTS	\$1,754,343.00	\$770,474.81	\$2,515,817.81
SOFT COSTS			
Architectural Supervision	\$13,840.00	\$10,000.00	\$23,840.00
Utility Relocation	\$0.00	\$26,853.00	\$26,853.00
Environmental Remediation	\$0	\$63,266.42	\$63,266.42
Energy Star	\$0	\$6,000.00	\$6,000.00

Survey	\$3,000	\$3,500.00	\$6,500.00
Contingency	\$103,439	\$15,000.00	\$118,439.00
Legal	\$5,000	\$0.00	\$5,000.00
Titling, Construction Titling	\$10,000	\$0.00	\$10,000.00
Construction Period Insurance	\$5,000	\$3,500.00	\$8,500.00
Developer Fee	\$232,294	\$0.00	\$232,294.00
Consultant Fee	\$50,000	-\$10,000.00	\$40,000.00
Lease Up Reserve	\$12,000	-\$6,000.00	\$6,000.00
Operating Reserve	\$15,000	\$0.00	\$15,000.00
Replacement Reserve	\$4,800	\$0.00	\$4,800.00
TOTAL ALL COSTS	\$2,208,716.00	\$882,594.23	\$3,082,310.23

CCEDST Budget Modification

February 9, 2024

PROJECT NAME: **Linwood Gardens**

DEVELOPER NAME: **Linwood Property, Inc.**

DEVELOPER CONTACT INFORMATION: David Warm, President
600 Broadway, Ste. 200
Kansas City, MO 64105
p. 816.474.4240
e. dwarm@marc.org

REMAINING CCED AWARD BALANCE

Project 1 (Linwood Gardens Resident Services)

Awarded: \$ 800,000.00
Remaining (thru 08.15.2035): \$ 653,195.67

Project 2 (Community/Shared Use Kitchen/Coffee Shop)

Awarded: \$ 350,000.00
Remaining: \$ 0.00

REASONS FOR REQUEST

Linwood Property, Inc. kindly requests additional funding in the amount of \$22,697 as the budget for construction that was included in the proposal submitted in January 2019 of \$189,000 is inadequate to complete the scope of Project 2, the Community/Shared Use Kitchen/Coffee Shop.

After approval of the CCED funding for the Linwood Gardens project by City Council in September 2019, which included funding of \$800,000 for resident services at the Linwood Gardens LIHTC development on the LAMP campus over a fifteen-year timeframe (Project 1) and funding of \$350,000 for the renovation of space on the LAMP campus to provide for a community/shared use kitchen/coffee shop, COVID-19 greatly slowed the project. A final funding agreement between Linwood Property, Inc. and the city was agreed to in January 2022. Drawings began immediately, with a building permit granted in August 2022 and contractor selection occurring in December 2022.

Increased construction costs due to increased material costs, labor shortages, and supply chain disruptions caused by COVID-19 impacted the cost of the project, as the scope to complete the project increased from \$189,000 to \$217,236.60. As a result, Linwood Property, Inc., working within the confines of the \$350,000 overall budget for the project, scaled back the purchase of equipment for the kitchen to the minimum needed to enable construction to proceed. Although the construction cost increased by \$28,236.60 over the original estimate, the amount for the remainder of the equipment is \$22,697. The partial funding of the construction cost increase will allow Linwood Property, Inc. to complete the scope of the approved project.

Supply chain disruptions delayed the delivery of the large, heavy kitchen equipment required to be installed before construction phases could proceed, which also required additional renewals of Linwood Property, Inc.'s builders risk insurance.

Below is detail of the construction costs as contracted/incurred:

General Construction	\$ 134,050.00
Mechanical/Electric/Plumbing	\$ 71,115.00
Fire Safety	\$ 5,970.00
Kitchen Countertop	\$ 4,015.00
Construction Permit	\$ 961.60
Builders Risk Insurance	<u>\$ 1,125.00</u>
	\$ 217,236.60

The equipment that remains to be purchased includes the following:

Individual Induction Hot Plates	\$ 1,100.00
Induction Hot Plate Equipment	\$ 2,500.00
Production Equipment (canning supplies, mixer, Refrigerator/shelving for storage of product)	\$ 6,097.00
Dishes/Utensils/Sanitation items for classes	\$ 3,000.00
Wash Station Equipment/Shelter	\$ 7,500.00
Tents/Supplies for Outdoor Programming	<u>\$ 2,500.00</u>
	\$ 22,697.00

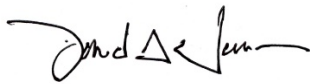
EVIDENCE OF ELIGIBILITY

1. Linwood Property, Inc.'s proposal for the Linwood Gardens projects was recommended by the CCED Board in Round 2 and was approved by City Council Ordinance No. 190653 on September 8, 2019.
2. Entered into a Funding Agreement with the City of Kansas City, Missouri on January 7, 2022.
3. Project 2 is awaiting final inspection by the city. Not all equipment has been purchased due to increased construction costs.
4. See attached evidence that the requested increased funding amount from CCED will allow for completion of Project 2 (Community/Shared-Use Kitchen).
5. Not applicable. Project 2 is less than \$1,000,000 and Linwood Property, Inc. is a not-for-profit entity.
6. Scope, plan, design and concept for Project 2 have not changed since approval.
7. No changes in ownership of Linwood Property, Inc. since Project 2 approval.
8. Project 2 has not received a previous award of additional funds

DETAILED BUDGET

Original Project Scope	Original Project Budget	Additional Cost	Final Overall Budget
Grant Administration	\$ 35,000	\$ 0.00	\$ 35,000.00
Architecture	\$ 21,000	\$ 5,111.25	\$ 26,111.25
Engineering	\$ 5,000	\$ 705.00	\$ 5,705.00
Construction	\$ 189,000	\$ 28,236.60	\$ 217,236.60
Equipment	\$ 100,000	(\$9,693.22)	\$ 90,306.78
TOTAL	\$ 350,000	\$ 24,359.63	\$ 374,359.63

SIGNATURE OF AUTHORIZING OFFICIAL



David Warm, President
Linwood Property, Inc.

Board Members
Melvin A. Gross, Chairman
Modern Alpha Plastics, Inc.



Reverend James Watkins, Sr., Ex Officio
*Palestine Missionary Baptist Church of
Jesus Christ*

Damon Hodges, Vice Chairman/Secretary
City Administrator

Kevin Butler, Ph.D.
Kansas City School District

Kenneth Ferguson
University of Missouri-Kansas City

Leota Jones
Business Professional

Daniel D. Rexroth
John Knox Village

Terry Painode, Principal
Strategic Business Advisors

Carrie A. Rice-Harris
Community Member

Twana Smith
Community Member

Sharon Staples
Community Members

Wendell Jones
Community Member



Mission

To be a pioneer in affordable lifetime care
services
and a catalyst for renewing
the urban core.

Vision

Faithfully building partnerships and
community support to improve
quality of life in the urban core.

Address:

Palestine Economic Development Corp.
3619 E. 35th Street
Kansas City, MO 64128

February 8, 2024

Central City Sales Tax Board
City Hall
414 East 12th Street, 24th Floor
Kansas City, MO 64106

Re: Palestine Legacy Residences / CCEDST Budget Modification Request

Members of the Board,

On behalf of the Palestine Economic Development Corporation let me express our appreciation for this opportunity to submit this budget modification request for \$572,002. The approval of this request will complete the financing plan required for the development of Palestine Legacy Residences (PLR), a new 39-bed assisted-living facility in the heart of central Kansas City at 35th Street and Montgall Avenue on the Palestine senior campus.

The facts regarding the unavailability of modern, affordable assisted-living in central Kansas City presented in our CCEDST application in 2018 remain unresolved. Those low and moderate-income community residents unable to remain in independent-living situations due to poor health have few acceptable living options with modern, suburban facilities charging upwards of \$5,000 per month.

In brief, the goal of the PLR facility is to make modern, assisted-living care available to community residents at affordable monthly charges averaging \$2,700 per month, and with a variety of available care subsidies. Our projections indicate that 50% of the residents will have incomes categorized as Very Low-Income and Extremely Low-Income.

Please find attached the evidence of eligibility, the reasons for this request and other materials responding to your recently adopted policy. We would be pleased to provide more detailed information about the features, financing, and operations of the PLR facility at your convenience.

Respectfully Submitted,


Melvin A. Gross
Chairman

Palestine Legacy Residences / CCEDST Budget Modification Request

Developer:

Palestine Economic Development Corporation (a 501c3 not-for-profit corporation)
3619 East 35th Street
Kansas City, MO 64128

Melvin A. Gross, Chairman
(816) 564-8501

CCEDST Award & Balance

1st Round Award: \$2,288,008

Available Award Balance: \$1,547,713

(\$740,295 expended for land acquisition, legal costs, construction documents and project management)

Reasons for the Request

PLR is requesting **\$572,002** in additional CCEDST funding. This amount partially covers the increase in construction costs of **\$1,882,665** experienced over the past six years. In addition to the requested CCEDST budget increase, the developer has identified an additional **\$1,952,413** in new, non-CCEDST sources, to cover the construction cost increase and other cost increases largely attributed to land acquisition, demolition, environmental remediation and associated legal expenses. These increased costs and new sources are detailed on the attached budget page.

Evidence of Eligibility

- The CCEDST award was made in funding Round 1.
- The developer has contract #2020-073 with the City of Kansas City.
- Construction is not complete.
- Including the requested increase, the total amount of CCEDST funding is less than 45% of the total project budget. CCEDST funding represents 35% of the new, total project cost.
- No changes have been made to the project scope, plan, design, or concept.
- The developer, Palestine Economic Development Corporation, is a 501c3 not-for-profit corporation and remains the sole owner of the development.
- No additional funds have been received under the new policy.

Palestine Legacy Residences / CCEDST Budget Modification Request

Brief Project Status

- The project holds a Certificate of Need (RS 5323) from the state of Missouri.
- All land acquisition is complete.
- Asbestos remediation and demolition of two vacant structures will occur in the 1st quarter of 2024.
- Construction documents are complete, and a building permit application is under review by the city.
- Initial meetings with the city regarding the required rezoning have taken place with neighborhood meetings planned for the 2nd quarter of 2024.
- A financial closing and the start of construction is planned for the 3rd quarter of 2024.

PALESTINE LEGACY RESIDENCES / 35th & Prospect
 KCMO Contract 2020-073 / State of Missouri CON RS 5323
 39 Assisted-Living Care Beds
 Development Cost Sources & Uses

Application 12/2018
Development Costs

Construction Cost	\$3,375,000
Architecture / Engineering	\$236,250
Construction Loan Fees & Interest	\$200,000
Demolition, Remediation	\$0
Market Study, Appraisal, Environ.	\$35,000
Contingency	\$175,000
Legal, Title & Accounting	\$250,000
FF&E	\$300,000
Acquisition (incl. Legal & Fees)	\$500,000
Developer Fee (PEDC)	\$100,000
Project Management	\$50,000
Lease Up & Marketing	\$236,458
Operating Reserve	<u>\$27,300</u>
Replacement Reserve	
Total Development Cost	<u>\$5,735,008</u>

Development Financing Sources

NMTC	\$1,147,000
Central City ED Sales Tax	\$2,288,008
Other Soft	\$300,000
PEDC Equity	\$300,000
Private Debt / Philanthropy	<u>\$1,700,000</u>
Total Sources	<u>\$5,735,008</u>

Budget Modification 2/2024
Development Cost Increases

Construction Cost	\$1,882,665
Architecture / Engineering	\$39,050
Construction Loan Fees & Interest	\$0
Demolition, Remediation	\$115,000
Market Study, Appraisal, Environ.	\$15,000
Contingency	\$50,000
Legal, Title & Accounting	\$100,000
FF&E	\$101,000
Acquisition (incl. Legal & Fees)	\$150,000
Developer Fee (PEDC)	\$0
Project Management	\$50,000
Lease Up & Marketing	\$25,000
Operating Reserve	\$0
Replacement Reserve	\$11,700
Total Development Cost Increases	<u>\$2,539,415</u>

New Development Financing Sources

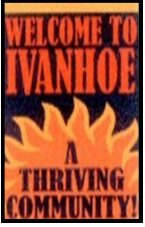
NMTC	\$653,000
Central City ED Sales Tax	\$572,002
Other Soft / PIAC	\$15,000
PEDC Equity	\$100,000
Private Debt / Philanthropy	\$899,413
Sherman Family Foundation	\$250,000
Ride KC	<u>\$50,000</u>
Total New Sources	<u>\$2,539,415</u>

Final Overall Budget 2/2024
Development Costs

Construction Cost	\$5,257,665
Architecture / Engineering	\$275,300
Construction Loan Fees & Interest	\$200,000
Demolition, Remediation	\$115,000
Market Study, Appraisal, Environ.	\$50,000
Contingency	\$225,000
Legal, Title & Accounting	\$350,000
FF&E	\$351,000
Acquisition (incl. Legal & Fees)	\$450,000
Developer Fee (PEDC)	\$500,000
Project Management	\$150,000
Lease Up & Marketing	\$75,000
Operating Reserve	\$236,458
Replacement Reserve	<u>\$39,000</u>
Total Development Cost	<u>\$8,274,423</u>

Development Financing Sources

NMTC	\$1,800,000
Central City ED Sales Tax	\$2,860,010
Other Soft / PIAC	\$315,000
PEDC Equity	\$400,000
Private Debt / Philanthropy	\$2,599,413
Sherman Family Foundation	\$250,000
Ride KC	<u>\$50,000</u>
Total Sources	<u>\$8,274,423</u>



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Nutter Ivanhoe Neighborhood Center

3700 Woodland

Telephone: (816) 921-6611

Kansas City, Missouri 64109

Fax: (816) 921-3791

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Dr. Marvia Jones

Margaret May

Nailah M'Biti

Jomella Watson-Thompson

Alan Young

Friday, February 9th, 2024

Project Name: Heroes Home Gate

Developer: Ivanhoe Neighborhood Council

Developer Contact Information: Nailah M'Biti; (816) 651-2665;
Nailah@accomak.com

Request: Budget modification and increased funding of \$375,000 via Tier 2 Qualification

Remaining CCED Balance: The original award is \$1,500,000. Construction started in November 2023. To date, \$654,756.55 has been expended. Remaining balance of \$845,243.45. The project is on-target for a January 2025 completion.

Supporting Reasons for Request: The project has great and consistent momentum with concept development in late 2019; environmental study and fundraising kick-off in 2020. Secured grants from the Sunderland and David Kemper Woods Foundations in early 2021 supported architectural and engineering design, site preparation, environmental remediation and other pre-development activities to ensure the project was shovel ready.

Total project cost is \$7,371,262.

The developer's fees have remained constant and are 2.2% of the total project cost. The current CCED award is 20% of the total project costs. With a \$375,000 increase to \$1,875,000, CCED funding will be 25.4% of total project cost.

The project saw substantial cost increases across almost all scopes from late 2021 when our design General Contractor, Haren Companies provided a detailed budget analysis to when the project was released for bid August 2022. Construction costs increased 55% from \$4,071,984 to \$6,307,237.

Eligibility: Both the Developer, Ivanhoe Neighborhood Council and Project Owner, Footprints, Inc. are non-profits. Footprints has raised substantial philanthropic dollars - \$1,566,500 and public dollars - \$3,625,000. They continue to fundraise with the goal of raising an additional \$2.5M to eliminate/decrease the use of a \$2.5M construction loan provided by IFF.

They have an active fundraising committee that is soliciting grants from local and national foundations. They also have a "Buy-A-Brick" campaign which is designed to give individuals, small businesses, and local agencies an opportunity to purchase a memorial brick and contribute to the success of the project.

Detailed Budget: See attached.

Sincerely,

"A Thriving Community"

HEROES HOME GATE TRANSITIONAL LIVING

Project Funding (all sources secured)

FOUNDATION GRANTS	\$ 1,566,500.00
CCED	\$ 1,500,000.00
CDBG	\$ 800,000.00
HTF	\$ 725,000.00
FHLB	\$ 600,000.00
	\$ 5,191,500.00
IFF CONSTRUCTION LOAN	\$ 2,545,785.00

Project Name/Address: 2005 & 2011 E 35th Street Kansas City, MO 64133

ORIGINAL PROJECT SCOPES	ORIGINAL BUDGET	ADDITIONAL COST	FINAL OVERALL BUDGET
Earthwork	\$179,600.00	\$56,927.00	\$236,527.00
Site Utilities	\$66,400.00	\$140,274.94	\$206,674.94
Concrete	\$385,500.00	\$174,103.00	\$559,603.00
Masonry & Structural Steel	\$120,530.00	\$232,560.92	\$353,090.92
Asphalt - Parking Lot and Sidewalks	\$26,379.00	\$30,694.25	\$57,073.25
Siding	\$76,400.00	(\$47,410.00)	\$28,990.00
Gutters and Downspouts - Flashing & Sheet metal	\$14,468.00	\$1,832.00	\$16,300.00
Rough Carpentry	\$416,045.00	\$129,926.00	\$545,971.00
Finish Carpentry & Decks/Porch	\$95,205.00	(\$56,305.00)	\$38,900.00
Insulation	\$43,275.00	\$399.31	\$43,674.31
Waterproofing	\$26,265.00	(\$17,365.00)	\$8,900.00
Roof Systems	\$70,000.00	\$8,400.00	\$78,400.00
Elevator	\$81,000.00	\$30,300.00	\$111,300.00
Fire Suppression	\$51,930.00	\$196,415.00	\$248,345.00
Doors and Interior Trim	\$117,900.00	(\$24,900.00)	\$93,000.00
Windows	\$62,250.00	(\$8,591.36)	\$53,658.64
Drywall	\$228,520.00	\$61,174.24	\$289,694.24
Carpet & Resilient Flooring	\$121,170.00	\$86,730.00	\$207,900.00
Acoustical Ceiling	\$7,500.00	\$4,100.00	\$11,600.00
Painting (Exterior & Interior)	\$72,308.00	\$69,239.00	\$141,547.00
Signage	\$17,463.00	(\$1,163.00)	\$16,300.00
Casework	\$31,200.00	\$4,735.00	\$35,935.00
Countertops	\$7,693.00	\$8,207.00	\$15,900.00
Bathroom & Closet Accessories Hardware	\$17,255.00	\$17,592.00	\$34,847.00
Appliances	\$12,000.00	\$928.00	\$12,928.00
Commercial Kitchen Equipment	\$147,200.00	\$12,800.00	\$160,000.00
Fireplace	\$13,366.00	(\$13,366.00)	\$0.00
Window Treatments	\$21,090.00	(\$2,640.00)	\$18,450.00
Plumbing	\$244,000.00	\$132,738.00	\$376,738.00
HVAC	\$216,375.00	\$305,237.00	\$521,612.00
Electrical	\$346,200.00	\$392,200.00	\$738,400.00
Landscaping	\$51,254.00	\$72,596.00	\$123,850.00
Fencing, Gates & Site Furnishings	\$6,000.00	\$59,025.25	\$65,025.25
General Requirements	\$139,796.00	\$269,306.95	\$409,102.95
Builders Overhead	\$318,340.00	(\$206,340.00)	\$112,000.00
Builders Profit	\$220,107.00	\$114,893.00	\$335,000.00
TOTAL CONSTRUCTION	\$4,071,984.00	\$2,235,253.50	\$6,307,237.50
Soft Costs			
Architectural Design	\$95,977.00	\$6,425.00	\$102,402.00
Architectural Supervision	\$31,787.41	\$13,213.00	\$45,000.41
Engineering	\$47,480.00	\$0.00	\$47,480.00
GeoTech Soil	\$4,000.00	\$0.00	\$4,000.00

Survbey	\$4,000.00	(\$500.00)	\$3,500.00
Permits (estimated)	\$17,130.00	\$26,561.00	\$43,691.00
Environmental Study/Remediation	\$20,000	\$108,693.00	\$128,693.00
Energy Star	\$7,500	(\$750.00)	\$6,750.00
Market Study	\$3,700	\$0.00	\$3,700.00
Appraisal	\$4,500	\$0.00	\$4,500.00
Contingency	\$203,599	\$107,000.00	\$310,599.00
Legal	\$15,000	\$5,000.00	\$20,000.00
Titling, Construction Titling	\$5,800	\$5,450.00	\$11,250.00
Construction Period Interest	\$12,000	\$8,000.00	\$20,000.00
Construction Loan Fee	\$34,909	(\$9,451.00)	\$25,458.00
Construction Insurance	\$10,000	\$15,000.00	\$25,000.00
Land Acquisition	\$32,000	\$2,000.00	\$34,000.00
Other - Utility Relocation	\$15,000	(\$15,000.00)	\$0.00
Developer Fee	\$161,602	\$0.00	\$161,602.00
Consultant Fee	\$40,000	\$0.00	\$40,000.00
FFE	\$12,000	\$0.00	\$12,000.00
Operating Reserves	\$14,400	\$0.00	\$14,400.00
TOTAL Soft Costs	\$792,384.41	\$271,641.00	\$1,064,025.41
TOTAL PROJECT COSTS	\$4,864,368.41	\$2,506,894.50	\$7,371,262.91



1900 Vine Street LLC

924 NW 1st Street, Fort Lauderdale, FL 33311

March 4, 2024

Central City Sales Tax Board of Directors

c/o Ms. Winklaar-Kirkwood

Email: sherise.winklaar-kirkwood@kcmo.org

Administrative Officer

Housing and Community Development Department

City of Kansas City, Mo.

City Hall, 24th Floor, Suite 2403

414E. 12th Street, Kansas City, Missouri 640106

RE: ONE NINE VINE- CCED Board Policy- Project Modification (1/9/2024), Additional Funding Assistance Request

Dear Esteemed CCED Board Members,

I hope this letter finds you well. On behalf of 1900 Vine Street, LLC, I am reaching out regarding our ongoing project under the CCED Program. We extend our deep gratitude to God and to this esteemed board for your invaluable support thus far.

We are pleased to report significant progress in our project, with our team fully dedicated to its realization. Our anticipation is high as we look forward to bringing our vision to life and contributing meaningfully to the vibrant community of Kansas City.

However, I wanted to provide you with an update on our project budget and the challenges we are currently facing, particularly in terms of funding. As stakeholders, we have been diligently funding this project to the best of our abilities. However, it has become increasingly difficult to cover the additional costs that continue to arise.

Since the inception of our project in 2019, we started with a construction budget of \$17,500,000.00 million, as shown on Exhibit 1. However, due to unforeseen inflationary pressures compounded by the impact of COVID-19, our budget has significantly increased. As of 2024, our budget has surged to \$24,377,539.22 million as shown on Exhibit 2. This represents a substantial increase of approximately 39% from our initial budget.

The \$6.8 million increase can largely be attributed to the unprecedented rise in the costs of materials, labor, and equipment. Despite our best efforts to mitigate these challenges, the construction cost market has not shown signs of recovery post-COVID. Instead, we continue to face soaring prices and severe limitations in the supply of materials and labor, surpassing any previous levels we have encountered.

Additional Funding Request Under New Policy

We express our sincere gratitude for the opportunity afforded by the new policy, enacted on January 9, 2024, which enables us to pursue supplementary support. This additional assistance stands as a pivotal factor in achieving the realization of our project's vision.

In light of this, we respectfully submit a formal request for an additional funding allocation totaling **\$693,461.81**. This amount represents 17.5% of the original grant sum of \$3,960,000.00. We believe that this supplementary funding will significantly bolster our capacity to meet project objectives and overcome any challenges encountered along the way.

Background

ONE NINE VINE emerges as a beacon of progress, a dynamic mixed-use development at the pulse of the Jazz District. Boasting 80 modern apartments and 17,000 square feet of prime retail space, our vision is to redefine urban living and commerce.

While the residential units have reached completion, our journey encounters a pivotal juncture. Faced with unprecedented challenges, notably exacerbated by COVID-related costs, we strive to propel forward. Despite sacrificing 100% of the developer fee, additional support is vital to finalize residential contracts.

In addition to all post Covid construction challenges, adverse weather conditions and complications with neighboring properties resulting in increased costs. Despite these hurdles, we have remained steadfast in our commitment to this project.

Evidence of Eligibility

1. CCED Award was made in funding round 3.
2. The developer has a contract (2021-0062) with the city of Kansas City.
3. Construction is not complete. We have not paid Paric for the construction of the residential units, and the commercial space is not completed. Design and buildouts are pending.
4. Including the requested additional funding, the total amount of CCED funding is less than 45% of the total project budget. CCED funding represents 19% of the project budget.
5. No changes have been made to the project scope, plan, design, or concept.
6. The developer/owner remains the sole owner of the development.
7. No additional funds have been received under the new policy.
8. Ownership has allocated 100% of the developer fee and additional capital to bring the project to near completion, but we need assistance to finish the project.
9. We anticipate that the additional funding will be sufficient to complete the project, and we do not foresee needing any further funding.
10. We have exhausted all other options of funding to complete the retail and pay the last payment application for the residential portion of the building.

Remarks and Financial Figures

The following exhibits demonstrate the effect of COVID-19 on the project budget, (i) In 2021, the budget increased from \$17.5 million to \$21.7 million (ii) By 2022, the budget further rose to \$22.5 million. As of 2024, since construction commenced, the budget had escalated to \$24.4 million.

Exhibit 1: 2019 Original Budget Pre-Covid reflecting a \$17.5MM cost.

Exhibit 2: 2024 Breakdown of revised budget and additional \$1.7MM increase due to COVID and other unforeseen conditions.

Exhibit 3: Paric Change Order back up documentation.

Exhibit 4: G702 for the project

Exhibit 5: G702 for the project

As you can appreciate, based on the information provided, it is evident that unforeseen circumstances, particularly the impact of COVID-19, have necessitated adjustments to our project budget. In conclusion, we kindly request your thoughtful consideration of the additional funding of \$693,461.81 to complete the ONE NINE VINE project. We are fully committed to delivering a successful project that will not only benefit the community but also contribute to the growth and revitalization of the Jazz District. Your support in this matter is greatly appreciated.

Thank you for your unwavering support and understanding.

Sincerely,



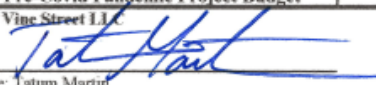
Tatum Martin
Managing Member

EXHIBIT 1

2019 -Pre Covid Budget was \$17,500,000

ATTACHMENT 2 BUDGET	Project Name Address City, State, Zip	ONE NINE VINE 1901 Vine Street Kansas City, MO 64108
CATEGORY AND BUDGET LINE ITEM	PROJECY BUDGETED AMOUNT	CCED BUDGETED AMOUNT
General Conditions	\$1,418,690.36	
Shoring & Bracing	\$185,000.00	\$185,000.00
Earthwork	\$368,000.00	\$368,000.00
Aggregate Ground Improvement	\$198,000.00	\$198,000.00
Site Utilities	\$200,000.00	\$200,000.00
Site Electrical	\$93,231.00	
Asphalt Paving	\$77,452.00	
Site Concrete	\$418,122.64	
Fencing	\$141,822.00	
Retaining Wall	\$84,597.00	
Bike Racks	\$3,000.00	
Landscaping	\$59,735.00	
Concrete Foundation CCED	\$820,000.00	\$820,000.00
Concrete Foundation	\$1,846,062.00	
Concrete structural	\$598,000.00	\$598,000.00
Cementitious Concrete	\$74,203.00	
Masonry	\$1,011,379.00	
Structural Steel	\$336,616.00	
Metal Railing	\$204,774.00	
Carpentry - Labor	\$939,855.00	
Carpentry - Material	\$871,654.00	
Carpentry - Material	\$971,000.00	\$971,000.00
Casework & Finish Carpentry	\$542,546.00	
Millwork & Counter Tops	\$223,697.00	
Waterproofing & Caulking	\$134,247.00	
Insulation & Air Barrier	\$292,993.00	
Siding	\$508,600.00	
Roofing	\$234,794.00	
Sheetmetal	\$185,689.00	
Frames / Doors / Hardware	\$342,160.00	
Overhead Doors	\$26,185.00	
Windows / Glass & Window Treatments	\$329,636.00	
Windows (Deposit)	\$150,000.00	\$150,000.00
Drywall	\$1,372,867.00	
Resilient Flooring	\$448,666.00	
Fluid Applied Flooring	\$13,695.00	
Painting, Ceramic tile & Acoustic ceiling	\$357,229.00	
Signage	\$3,500.00	
Fire Protection	\$12,542.00	
Awnings & Canopies	\$127,565.00	
Postal Specialties	\$10,898.00	
Toilet Accessories & Shelving	\$67,607.00	
Parking Equipment	\$28,084.00	
Appliances	\$283,150.00	
Fire Alarm	\$82,544.00	
Elevator	\$145,719.00	
Elevator (Deposit)	\$145,000.00	\$145,000.00
Trash Chute	\$16,601.00	
Fire Protection	\$350,764.00	
Plumbing	\$1,327,847.00	
Mechanical	\$1,037,800.00	
Electrical	\$1,143,343.00	
Electrical (Deposit)	\$325,000.00	\$325,000.00
Access Controls	\$101,532.00	
Light Fixtures	\$297,464.00	
Insurance	\$347,569.00	
Fee	\$653,887.00	
Total Project budget 2022	\$22,592,613.00	
*Pre-Covid Pandemic Project Budget	\$17,500,000.00	\$3,960,000.00

1900 Vine Street LLC

By: 

Name: Tatum Martin

Title: Manager

EXHIBIT 2

2024 Budget including the most recent increase of \$1,704,484,.24 with PARIC, leaving us with a new budget of \$24377,539.22

ATTACHMENT 2 (Revised 09/20/2022) Modified 11/24/2023 (Additional funding request) BUDGET		Project Name Address City, State, Zip		ONE NINE VINE 1901 Vine Street Kansas City, MO 64108	
CATEGORY AND BUDGET LINE ITEM	PROJECT BUDGETED AMOUNT	Project Main Agreement with Covid Increased and others small Change orders	Project Cost Increase Side Agreement (Change order)	CCED BUDGETED AMOUNT	Final Disbursement request form budget
General Conditions	\$1,488,644.00	\$1,542,200.67	\$291,249.62		
Shoring & Bracing	\$184,700.00	\$182,300.00	\$275,180.86	\$185,000.00	\$185,000.00
Earthwork	\$368,000.00	\$363,862.57	\$273,038.15	\$368,000.00	\$368,000.00
Aggregate Ground Improvement	\$199,500.00	\$199,500.00		\$198,000.00	\$198,000.00
Site Utilities - Water, Sewer & Gas	\$200,000.00	\$312,847.81	\$95,901.43	\$200,000.00	\$200,000.00
Site Utilities - Storm	\$95,437.00				
Site Electrical	\$93,231.00	\$86,109.08		\$93,231.00	\$93,231.00
Asphalt Paving	\$78,727.00	\$78,727.00	\$18,898.50		
Site Concrete	\$333,525.00	\$317,865.89	\$45,956.39		
Fencing	\$141,822.00	\$141,822.00	\$34,300.00		
Retaining Wall - Steel	\$84,597.00	\$12,137.00		\$84,597.00	\$84,597.00
Landscaping / Bike Rack	\$62,735.00	\$62,474.83	\$19,365.00		
Concrete Foundation - Rebar	\$68,672.00	\$3,273,189.92		\$68,672.00	\$68,672.00
Concrete Foundation CCED	\$820,000.00			\$820,000.00	\$820,000.00
Structural Rebar Purchase	\$100,000.00			\$100,000.00	\$100,000.00
Concrete Structure & Garage	\$2,261,339.00		\$126,078.05		
Cementitious Concrete	\$74,203.00	\$74,203.00			
Masonry	\$1,011,379.00	\$1,072,444.52			
Structural Steel	\$336,616.00	\$366,581.60	\$203,029.00		
Metal Railings	\$204,774.00	\$69,446.39	\$6,173.00		
Carpentry - Material Deposit	\$971,000.00	\$971,000.00	\$38,648.67	\$971,000.00	\$971,000.00
Carpentry - Material	\$871,654.00	\$825,556.33	\$19,324.33		
Carpentry - Labor	\$939,855.00	\$973,121.21			
Casework	\$378,383.00	\$379,013.50			
Finish Carpentry	\$164,163.00	\$282,614.07			
Millwork	\$43,626.00	\$43,626.00			
Countertops	\$180,071.00	\$179,669.80			
Waterproofing	\$75,000.00	\$75,000.00			
Insulation	\$251,488.00	\$247,774.00			
Air Blaster	\$2,441.00	\$2,441.00			
Sliding	\$508,600.00	\$511,754.70			
Roofing	\$234,794.00	\$234,794.00	\$50,860.23		
Sheetmetal	\$185,689.00	\$185,689.00			
Caulking	\$98,311.00	\$121,127.00			
Frames, Doors, Hardware	\$342,160.00	\$312,568.87			
Overhad Doors	\$26,185.00	\$26,185.00			
Windows - Submittal & Deposit	\$81,475.00	\$415,207.00		\$50,000.00	\$50,000.00
Windows	\$333,513.00				
Drywall	\$1,372,867.00	\$1,356,935.25	\$29,680.51		
Ceramic Tile	\$106,451.00	\$111,028.00			
Acoustic Ceilings	\$6,935.00	\$6,935.00			
Resilient Flooring - Material	\$198,366.00	\$404,509.05			
Resilient Flooring	\$250,280.00				
Fluid Applied Flooring	\$13,695.00	\$13,695.00			
Painting	\$243,843.00	\$251,206.11	\$9,000.00		
Storage	\$3,500.00				
Fire Protection	\$12,542.00	\$12,542.00	\$9,394.00		
Awnings & Canopies	\$127,565.00	\$127,565.00	\$12,432.59		
Postal Services	\$10,898.00	\$10,898.00			
Toilet Accessories	\$40,193.00	\$40,193.00			
Shelving	\$27,414.00	\$27,414.00			
Parking Equipment	\$28,084.00	\$47,260.00			
Appliances	\$283,150.00	\$283,150.00		\$283,150.00	\$198,440.00
Window Treatments	\$64,648.00	\$64,648.00			
Fire Alarm	\$82,544.00	\$85,444.00			
Elevator - Engineering Deposit	\$174,431.00	\$293,589.00		\$145,000.00	\$145,000.00
Elevator	\$116,288.00				
Trash Chute	\$16,601.00	\$16,601.00			
Fire Protection	\$350,764.00	\$350,764.00			
Below Grade Plumbing	\$102,000.00			\$102,000.00	\$102,000.00
Plumbing	\$1,225,847.00	\$1,326,551.60	\$24,565.23		
Mechanical	\$1,037,800.00	\$1,037,597.70			
Electrical Switch Gear	\$74,500.00			\$74,500.00	\$74,500.00
Electrical	\$1,393,843.00	\$1,542,875.45	\$36,661.47		
Access Controls	\$101,532.00				
Light Fixtures	\$297,464.00	\$307,866.87		\$216,850.00	\$301,560.00
Insurance	\$258,352.00	\$387,233.75	\$29,338.59		
Permits		\$26,182.34			
Fee	\$653,887.00	\$655,827.10	\$55,408.32		
Total Project budget 2022	\$22,592,613.00	\$22,673,054.98	\$1,704,484.24	\$3,960,000.00	\$3,960,000.00
*Pre-Covid Pandemic Project Budget	\$17,500,000.00				
Final Project cost at delivery	\$24,377,539.22				

EXHIBIT 3

Supporting Documents- Changer Order increasing cost.


	PARIC CORPORATION 77 Westport Plaza Drive Suite 250 St. Louis, MO 63146	
	001	
OWNER CHANGE ORDER		
Project: One Nine Vine 1901 Vine Street Kansas City, MO 64108	Initiation Date: 02/09/2022 Paric Job No.: 20341	
To: 1900 Vine Street, LLC 924 NW 1st Street Ft. Lauderdale, FL 33311	Contract For: General Construction Contract Date: 01/17/2022	
<hr/> You are directed to make the following changes in this contract:		
- PCI-E-0001 , Market Reconciliation from November Contract		\$800,000.00
Subcontractor market reconciliation from November contract based on Permit Draw ings dated 5/11/2021		
Signature of the contractor indicates his agreement herewith, including any adjustment in the contract Sum or Contract Time.		
The Original Contract Sum was		\$21,792,613.00
Net Change by previously authorized Change Orders		0.00
The Contract Sum prior to this Change order was		\$21,792,613.00
The Contract Sum will be increased by this Change Order		\$800,000.00
The New Contract Sum including this Change order will be		\$22,592,613.00
The Contract time will be unchanged by		0 Days
The Date of Substantial completion as of the Date of this Change order therefore is		03/20/2023
<hr/> Authorized:		
HJM Architects ARCHITECT 7520 Washington Street Kansas City, MO 64114 Address	Paric Corporation CONTRACTOR 77 Westport Plaza Suite 250 St. Louis, MO 63146 Address	1900 Vine Street, LLC OWNER 924 NW 1st Street Ft. Lauderdale, FL 33311 Address
By: _____	By: <u>Evan Chiles</u>	By: <u>[Signature]</u>
Date: _____	Date: <u>2/11/2022</u>	Date: <u>2-25-22</u>

EXHIBIT 3-Page 2



PARIC
PROJECT SUMMARY

PROJECT: One Nine Vine
LOCATION: Kansas City, MO
ESTIMATE NO.: 20341

	DESCRIPTION	TOTAL	BOUGHT	DIFFERENCE
1	CONCRETE FOUNDATIONS	\$ 4,011,278	\$ 4,093,138	\$ (81,860)
2	CONCRETE FLATWORK	\$ -		
3	GYPCRETE	\$ 80,860	\$ 74,203	\$ 6,647
4	MASONRY	\$ 995,478	\$ 1,011,379	\$ (15,901)
5	MISC. STEEL	\$ 670,048	\$ 614,221	\$ (44,173)
6	FRAMING MATERIAL	\$ 1,610,167	\$ 1,822,894	\$ (312,727)
7	ROUGH CARPENTRY	\$ 967,442	\$ 914,461	\$ 42,991
8	FINISH CARPENTRY	\$ 164,163	\$ 143,283	\$ 20,880
9	CASEWORK - TRIM	\$ 388,069	\$ 414,620	\$ (26,461)
10	TRAFFIC COATING	\$ 60,938	\$ 76,000	\$ (14,062)
11	INSULATION	\$ 261,488	\$ 261,488	
12	FLUID APPLIED AIR BARRIER	\$ 166,820	\$ 186,000	\$ (18,180)
13	FIBER CEMENT SIDING	\$ 497,600	\$ 508,600	\$ (11,100)
14	TPO ROOFING	\$ 231,902	\$ 306,214	\$ (73,312)
15	SHEET METAL FLASHING AND TR	\$ 173,910	\$ 183,640	\$ (9,730)
16	JOINT SEALANTS	\$ 72,797	\$ 86,000	\$ (12,203)
17	RESIDENTIAL DOORS	\$ 303,400	\$ 343,123	\$ (39,723)
18	DOORS-FRAMES-HDW	\$ 142,263	\$ 26,000	\$ 117,263
19	ENTRANCES AND STOREFRONTS	\$ 190,117	\$ 183,350	\$ 6,767
20	ALUMINUM WINDOWS	\$ 193,978	\$ 216,058	\$ (21,080)
21	DRYWALL	\$ 1,340,686	\$ 1,422,867	\$ (82,181)
22	TILE	\$ 106,451	\$ 117,096	\$ (10,645)
23	ACOUSTICAL CEILINGS	\$ 6,935	\$ 6,935	
24	FLOORING	\$ 344,845	\$ 390,768	\$ (45,913)
25	EPOXY FLOORING	\$ 12,921	\$ 12,921	
26	PAINTING	\$ 268,448	\$ 276,000	\$ (6,552)
27	FIRE EXTINGUISHERS	\$ 8,880	\$ 12,642	\$ (3,662)
28	TOILET ACCESSORIES	\$ 56,630	\$ 63,362	\$ (7,732)
29	POSTAL SPECIALTIES	\$ 7,230	\$ 10,898	\$ (3,668)
30	CLOSET SYSTEMS	\$ 27,414	\$ 27,414	
31	PARKING CONTROL EQUIPMENT	\$ 28,084	\$ 36,000	\$ (6,916)
32	WINDOW TREATMENTS	\$ 64,648	\$ 64,648	
33	QUARTZ COUNTERTOPS	\$ 162,869	\$ 187,288	\$ (24,429)
34	APPLIANCES	\$ 283,160	\$ 283,160	
35	ELEVATORS	\$ 287,460	\$ 326,719	\$ (38,269)
36	CHUTES	\$ 22,356	\$ 30,000	\$ (7,644)
37	FIRE SPRINKLERS	\$ 288,400	\$ 394,011	\$ (106,611)
38	PLUMBING	\$ 1,206,285	\$ 1,321,254	\$ (114,969)
39	HVAC	\$ 905,024	\$ 1,024,943	\$ (119,919)
40	ELECTRICAL	\$ 2,016,816	\$ 2,160,340	\$ (143,524)
41	EARTHWORK	\$ 474,780	\$ 469,642	\$ 5,138
42	DRILLED PIERS	\$ -		
43	SITE UTILITIES	\$ 317,476	\$ 296,437	\$ 22,039
44	SITE CONCRETE	\$ -		
45	ASPHALT PAVING	\$ 73,271	\$ 80,698	\$ (7,327)
46	RETAINING WALLS	\$ 84,697	\$ 84,697	
47	LANDSCAPING	\$ 69,736	\$ 69,736	
48	IRRIGATION	\$ -		
49	FENCING	\$ 141,822	\$ 141,822	
50	BIKE RACKS	\$ 4,201	\$ 3,000	\$ 1,201
51	SIGNAGE	\$ 3,600	\$ 3,600	

EXHIBIT 3-Page 3



PARIC
PROJECT SUMMARY

PROJECT: One Nine Vine
LOCATION: Kansas City, MO
ESTIMATE NO.: 20341

	DESCRIPTION	TOTAL	BOUGHT	DIFFERENCE
62	METAL CANOPIES	\$ 106,110	\$ 127,665	\$ (22,465)
63	OVERHEAD DOORS	\$ 18,372	\$ 26,000	\$ (6,628.00)
64	DAMP - WATERPROOFING	\$ 18,609	\$ 20,000	\$ (1,491.00)
65	FINAL CLEANING	\$ 12,694	\$ 12,694	
66	GENERAL REQUIREMENTS	\$ 1,162,769	\$ 1,162,769	
SUBTOTAL CONSTRUCTION COST		\$ 20,873,936	\$ 22,091,067	\$ (1,217,131)
	PERMIT	\$ -		\$ 286,000 MATERIAL ESCALATION ALLOWANCES
	INSURANCE PACKAGE	\$ 258,352		\$ (931,131) TOTAL BUYOUT SAVINGS/LOSS
	SUBTOTAL	\$ 21,132,288		
	FEE	\$ 660,325		
	SUBTOTAL	\$ 21,792,613		
	PERFORMANCE BOND	\$ -		
	TOTAL PROJECT COST	\$ 21,792,613		

With the acceptance of additional value engineering including Barricade House Wrap in lieu of Fluid Applied Air Barrier, wood stairs in lieu of concrete filled steel pan stairs and an Owner Required Special Inspections/Testing Allowance of \$25,000.

The revised change order request with the above changes is **\$800,000**.

EXHIBIT 4

Increased of Budget up to \$22,673,054.98

Paric Corporation

PAGE 1 OF 5 PAGES

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: 1900 Vine Street, LLC 924 NW 1st Street Ft. Lauderdale, FL 33311	PROJECT: One Nine Vine VIA:	APPLICATION NO.: 17 PROJECT NOS.: 20341 INVOICE NO.: 20341000022 PERIOD TO : 31-OCT-23 CONTRACT DATE : 09-FEB-22	Distribution to: <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> ARCHITECT <input type="checkbox"/> CONTRACTOR
FROM CONTRACTOR: Paric Corporation PO Box 790379 St. Louis, MO 63179			
CONTRACT FOR: General Construction			

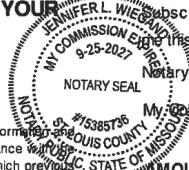
CONTRACTOR'S APPLICATION FOR PAYMENT

1. ORIGINAL CONTRACT SUM	\$ 21,792,613.00
2. NET CHANGE BY CHANGE ORDERS	\$ 880,441.98
3. CONTRACT SUM TO DATE	\$ 22,673,054.98
4. TOTAL COMPLETED & STORED TO DATE	\$ 22,050,120.81
5. TOTAL RETAINAGE	\$ 998,607.81
6. TOTAL EARNED LESS RETAINAGE	\$ 21,051,513.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$ 20,596,077.99
8. CURRENT PAYMENT DUE	\$ 455,435.01
9. BALANCE TO FINISH, PLUS RETAINAGE	\$ 1,621,541.98

NOTICE TO OWNER
FAILURE OF THIS CONTRACTOR TO PAY THOSE PERSONS SUPPLYING MATERIAL OR SERVICES TO COMPLETE THIS CONTRACT CAN RESULT IN THE FILING OF A MECHANIC'S LIEN ON THE PROPERTY WHICH IS THE SUBJECT OF THIS CONTRACT PURSUANT TO CHAPTER 429, RSMO. TO AVOID THIS RESULT YOU MAY ASK THIS CONTRACTOR FOR "LIEN WAIVERS" FROM ALL PERSONS SUPPLYING MATERIAL OR SERVICES FOR THE WORK DESCRIBED IN THIS CONTRACT. FAILURE TO SECURE LIEN WAIVERS MAY RESULT IN YOUR PAYING FOR LABOR AND MATERIAL TWICE.

State of: MO County of: St. Louis

Subscribed and sworn to before
 this 1st day of November 2023
 Notary Public: Jennifer L. Wiegand
 My Commission expires: Sept. 25 2027



The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor : Paric Corporation
 By : Adam Reich Date : 11/1/23

AMOUNT CERTIFIED.....\$ 455,435.01
 (Attach explanation if amount certified differs from the amount applied for.)

ARCHITECT :
 By : Clara Simon Date : 11/06/2023

OWNERS:
 By : _____ Date : _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of Work is in accordance with the Contract Documents, and the Contractor is entitled to the payment of the AMOUNT CERTIFIED.

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

EXHIBIT 5

Additional cost increase of \$1.7MM, making the new budget up to \$24,377,539 as 2024.

Paric Corporation
PARTIAL

PAGE 1 OF 4 PAGES

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: 1900 Vine Street, LLC
924 NW 1st Street Ft. Lauderdale, FL 33311

PROJECT: One Nine Vine Additional Work

VIA:

APPLICATION NO.: 15

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

FROM CONTRACTOR: Paric Corporation
PO Box 790379
St. Louis, MO 63179

PROJECT NOS.: 22324

INVOICE NO.: 22324000017

PERIOD TO: 31-OCT-23

CONTRACT FOR: General Construction

CONTRACT DATE: 18-AUG-22

CONTRACTOR'S APPLICATION FOR PAYMENT

1. ORIGINAL CONTRACT SUM	\$	1,014,817.37
2. NET CHANGE BY CHANGE ORDERS	\$	689,666.87
3. CONTRACT SUM TO DATE	\$	1,704,484.24
4. TOTAL COMPLETED & STORED TO DATE	\$	1,595,909.74
5. TOTAL RETAINAGE	\$	74,703.04
6. TOTAL EARNED LESS RETAINAGE	\$	1,521,206.70
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$	1,461,629.19
8. CURRENT PAYMENT DUE	\$	59,577.51
9. BALANCE TO FINISH, PLUS RETAINAGE	\$	183,277.54

NOTICE TO OWNER

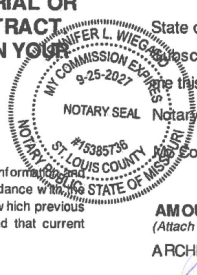
FAILURE OF THIS CONTRACTOR TO PAY THOSE PERSONS SUPPLYING MATERIAL OR SERVICES TO COMPLETE THIS CONTRACT CAN RESULT IN THE FILING OF A MECHANIC'S LIEN ON THE PROPERTY WHICH IS THE SUBJECT OF THIS CONTRACT PURSUANT TO CHAPTER 429, RSMO. TO AVOID THIS RESULT YOU MAY ASK THIS CONTRACTOR FOR "LIEN WAIVERS" FROM ALL PERSONS SUPPLYING MATERIAL OR SERVICES FOR THE WORK DESCRIBED IN THIS CONTRACT. FAILURE TO SECURE LIEN WAIVERS MAY RESULT IN YOUR PAYING FOR LABOR AND MATERIAL TWICE.

State of : MO County of: St. Louis

Subscribed and sworn to before me this 1st day of November 2023

Notary Public: Christopher W. [Signature]

Commission expires: Sept - 29, 2027



The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor : Paric Corporation
By : [Signature] Date : 11/1/23

AMOUNT CERTIFIED \$ 59,577.51
(Attach explanation if amount certified differs from the amount applied for.)

ARCHITECT :
By : [Signature] Date : 11/06/2023

OWNERS:
By : _____ Date : _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of Work is in accordance with the Contract Documents, and the Contractor is entitled to the payment of the AMOUNT CERTIFIED.

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

ORDINANCE NO. 200993

Authorizing the Director of the Neighborhoods and Housing Services Department to negotiate and execute a Funding Agreement with 1900 Vine Street, LLC, in the amount of \$3,960,000.00 for the purpose of constructing market rate and affordable apartments in a mixed-use development.

WHEREAS, 1900 Vine Street, LLC (“Developer”) has proposed to construct the One Nine Vine, a mixed-use facility which includes 80 market and affordable rate residential units to be located in Wendell Phillips neighborhood at 1900 Vine Street (the “Project Site”); and

WHEREAS, the Developer’s proposal contemplates a financing package that includes Central City Economic Development Sales Tax Funds; and

WHEREAS, the Developer requested a public contribution of \$3,960,000.00 and the Central City Economic Development Sales Tax Board has recommended that funding be approved in the same amount; and

WHEREAS, the project serves a predominantly public municipal purpose because, without limitation, completion of the project (i) enhances the tax base of the Project Site; (ii) retains and generates jobs; (iii) promotes economic development in the area of the City in which the Project Site is located, and promotes consideration of areas of the City that the City Council has determined to be blighted as a location for business operations; (iv) results in generation of tax revenues to the City from the conduct of business and other activities in the City that would not otherwise occur; (v) serves as a catalyst for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Project Site is located; and (vi) furthers the City’s policy of encouraging economic stability and growth; and

WHEREAS, the City desires to encourage the Developer to carry out the project for the purpose of realizing these predominantly public purposes by entering into an agreement to contribute certain revenues in an amount needed to cause the project to be undertaken and attract the necessary private investment; and

WHEREAS, the contributions contemplated by the Funding Agreement are limited to those which have been determined to be needed for the purpose of ensuring that the project proceeds, and but for their contribution, the project would not proceed, to the detriment of the public interest; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of the Neighborhoods and Housing Services Department is hereby authorized to execute a Funding Agreement with 1900 Vine Street, LLC for the purposes contemplated herein in an amount not to exceed \$3,960,000.00 to be appropriated from the Unappropriated Fund Balance into the following account of the Central City Economic Development Sales Tax Fund:

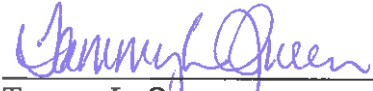
ORDINANCE NO. 200993

21-2200-57998-B-5719Vine

One Nine Vine

\$3,960,000.00

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.



Tammy L. Queen
Director of Finance

Approved as to form and legality:



Joseph Guarino
Assistant City Attorney



Authenticated as Passed



Quinton Craig, Mayor

Marilyn Sanders, City Clerk

DEC 10 2020

Date Passed

CENTRAL CITY ECONOMIC DEVELOPMENT SALES TAX

Round Three Proposal
for

One Nine Vine



A Catalytic Economic Development Project

Submitted May 28, 2020
by Proposer
1900 Vine Street, LLC, a Missouri limited liability company

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Introduction

1900 Vine Street, LLC (the “Proposer”), a Missouri limited liability company, seeks to implement a generational development concept (the “Project”) within Kansas City’s historically significant 18th & Vine District (the “District”):



A catalytic, multi-phased, mixed-use project of market and affordable rate housing, neighborhood retail/mixed-use, structured parking, and high-density commercial uses.

The entire Project, once complete, is anticipated to cost roughly \$68 million.

The Project will span two City blocks at the northern edge of the Benefit District, around 19th and Vine Street, immediately adjacent to and east of The Paseo. It represents the single largest private investment in the District, since the City of Kansas City (the “City”) committed to the District’s renaissance in the late 1990s, and one of the largest new construction endeavors within the Benefit District, in more than a generation.



Known as the **“One Nine Vine”** project — the Phase 1 Project, with an estimated budget of \$18,133,565, is located at 1901 Vine Street, the northern boundary of the Benefit District and just south of the heart of the City’s 18th and Vine District.

The Project will be implemented in two phases. The first development phase — the **“Phase 1 Project”** that is the subject of this Proposal — is a mixed-use development comprised of 80 apartment units, 30 one-bedroom units and 50 two-bedroom units. The proposed budget for the housing component of the Phase 1 Project is \$11,391,168. Seven of the one-bedroom units, and seven of the two-bedroom units, will be affordable rate.¹



The Phase 1 Project will host six 2,775 square foot units of neighborhood scale, mixed-use on the ground level of the structure, with a total of 17,550 square feet. The proposed budget for the retail component of the Phase 1 Project is \$2,887,355.

¹ As used herein, “affordable rate” means 60% of median income. When compared to other market rate multi-family housing developments in urban Kansas City, the Phase 1 Project’s market rate units are, practically speaking, affordable.



A multi-tiered parking structure containing 98 parking stalls will adjoin the building structure to the south. Alongside and adjacent to the apartment and parking structure will be 40 surface parking spaces. The surface lot will remain dedicated to such use until the Phase 2 Project requires use of the parking lot for a higher density purpose. The proposed budget for the parking component of the Phase 1 Project is \$3,855,042.

The Phase 1 Project will complement the City's long-standing financial support of the District, and other ventures which have recently come to the northeast area of the District. By creating new housing and commercial opportunities in the District, the Proposer will make the District a new urban attraction, provide missing housing and consumer options, and start a new era of District investment and



growth. Proposer's commitment to allocate a mix of private debt and equity for the Phase 1 Project will communicate to other private investors that the District is ready for its renaissance.

In the following pages, the Proposer offers the CCED Board ample information to substantiate that One Nine Vine is a catalytic economic development project — one which respects the mandates of a myriad of City studies referenced and summarized in **Attachment 1**.

The Phase 1 Project is wholly consistent with CCED-centric policies. The Project:

- ☑ Is a large-scale, "catalytic" mixed-use project, through new construction
- ☑ Offers quality multi-family, mixed income housing options and scaled neighborhood retail in a transit-oriented development
- ☑ Will facilitate temporary and permanent job creation
- ☑ Enhance the tax base by establishing diversified revenue sources upon now vacant land
- ☑ Support existing businesses, including minority-owned and small businesses
- ☑ Provide for significant infrastructure improvements



Proposer Information

Proposer/Organization Name: 1900 Vine Street, LLC, a Missouri limited liability company

Contact Name: Kelvin Simmons, Managing Member

Address, City, State, Zip: 8108 Forest Park Drive
Parkville, Missouri 64152

E-Mail Address: kelvincol@aol.com

Phone: 816.213.4460

Attorney for Proposer: Allison L. Bergman, Esq.

Attorney’s Address: 2405 Grand Boulevard, Suite 800
Kansas City, MO 64108

Attorney’s Email Address: abergman@hardwicklaw.com

Attorney’s Phone: 816.797.9991

Request for Funding

I. Provide detailed request for funding, including grant, loan, guarantee, credit enhancer, and matching funds, and proposed use of funds.

The anticipated cost of the Phase 1 “One Nine Vine” Project is \$18,133,565. Segregated into its component parts, the estimated construction cost is as follows:

Housing	Commercial
\$11,391,168	\$2,887,355
Parking	
\$3,855,042	

Proposer is committing considerable personal resources to the success of the Phase 1 Project. More than 70% of the Phase 1 Project funds will come from the Proposer’s equity and a conventional bank loan.



To reinforce and validate Proposer’s pledge and to reinforce the City’s existing investments in the District, Proposer is asking the CCED Board to recommend the City Council make a \$3,960,000 million CCED Sales Tax investment in Proposer’s catalytic District Project.

As is shown in the table below, the requested CCED Sales Tax investment represents 22% of the Phase 1 Project development cost.

Sources of Funds	Amount	% of Total Project
CCED Sales Tax Investment	\$3,960,000	22%
Public Funds (i.e. PIAC)	\$450,000	2%
Developer Equity and Debt	\$12,773,565	71%
Development Gap	\$950,000	5%
Total Sources	\$18,133,565	
Use of Funds		
	Amount	
Land Acquisition	\$750,000	
Construction Cost	\$14,352,000	
Soft Costs	\$1,919,785	
Developer Fee	\$805,000 (partially deferred)	
Conventional Mortgage Debt	\$313,716	
Total Uses	\$18,133,565	

To fill remaining 7% funding gap, the Proposer intends to pursue public funds and incentives through the City and programs facilitated by the Economic Development Corporation of Kansas City, Missouri (the “EDC”).

A 22% CCED Sales Tax investment in the Phase 1 Project is proportionately modest, when compared to amount of money allocated by the City to residential projects in the Round 2 CCED funding. Two Round 2 projects received 34% CCED Sales Tax allocations, and a third was roughly 40% of the project budget.² Furthermore, for a 22% investment, the City will garner far more residential units than what it might see from the Project 2 CCED Sales Tax investments.³

A CCED Sales Tax investment in the Phase 1 Project is a much-needed kick-start to Proposer’s development efforts. Receiving this support will demonstrate the City’s continued commitment and investment in the District, and position the Proposer to negotiate long-term financing on favorable terms. This is particularly important, because there are so few development projects within this general area east of The Paseo to substantiate the property and project valuations needed by the Proposer to demonstrate an appropriate amount of lender risk. By offsetting a portion of the required equity match, the CCED Board will also help reduce some of the financial risk to the Proposer, as it endeavors to implement the first phase of a substantial, catalytic project in the District, in today’s post-Coronavirus economy.

² For example, Oak Park Townhomes Project, 34%; Palestine Legacy Homes, 40%, and Prospect Summit Duplexes, 34% of total project budget.

³ For example, Oak Park Townhomes Project will have 29 units; Palestine Legacy Homes will have 39 units, and Prospect Summit Duplexes will have 23 units.



II. Provide in detail the outcome/impact of this funding.



"The City has taken the positive leadership steps in funding and planning the revitalization of this iconic District. The Historic 18th & Vine Jazz District represents Kansas City's place in the forefront of the Jazz Music World."

— Congressman Emanuel Cleaver, II
(MO-05)

In October, 2018, the 18th & Vine Development Policy Committee prepared a District market analysis. The demographic analysis stated the following, all of which telegraphed a sullen economic message:

- Although there has been significant population growth Downtown, that growth has not extended to the 18th & Vine district
- Kansas City is experiencing substantial growth in its multifamily residential stock
- 18th & Vine has seen no new multi-family housing construction since 2006
- The existing stock of multifamily development in the District consists of low-rise subsidized and naturally occurring affordable units
- Multifamily residential development is not growing organically in the 18th & Vine district

Two key recommendations were borne from the 18th & Vine Development Policy Committee study and are relevant to this Proposal:

1. ***Multifamily development within 18th & Vine will require significant support in the near term***
2. ***Additional residential development should be part of the strategy to expand neighborhood services***

Funding the Phase 1 Project will honor the spirit of these recommendations.

A CCED Sales Tax investment in the Phase 1 Project will assist the Proposer in bringing the first new market rate/affordable housing offering to the District in more than 14 years. By providing new housing options, the District will gain greater residential density which, in turn, will spawn demand for new retail and commercial offerings and create a fertile ground for additional private investment.

As was identified by the 18th & Vine Development Policy Committee analysis, the District is well populated by low-income and senior housing offerings. There is, however, a dearth of market and affordable rate housing options and immediately accessible, supportive neighborhood retail. By recommending CCED Sales Tax investment in the Phase 1 Project, the CCED Board take the first step toward shifting the climate of direct City investment in the District to a culture of private sector investment.



III. Statement of Public Good highlighting the community benefit supporting the use of public funds.

The City has invested more than \$100,000,000 in District economic development, since 1997.

Its investment has slowly attracted some private investment to the District, such as the Major League Baseball Urban Youth Academy at 1622 East 17th Terrace, and the Zhou B. Art Center at 18th & Woodland.



In 2016, the City approved a commitment to a larger, three-phased \$27.6 million plan to improve the District. At that time, the City allocated \$7 million to various “phase one” projects. Recent activities suggest the City has some interest in continuing its support, though no official acts have been taken to appropriate additional funds.

These civic commitments have shouldered the slow progress of the District, and has set the stage for private investors to see the District as a place of opportunity – a place which is positioned for growth and profit. The Proposer would like to be a part of this new era of opportunity within the District, an era marked by a shift to private investors being the primary source of capital.

However, it is likely that the current economic circumstances stemming from the Coronavirus could derail the development momentum of the last few years and create a future uncertainty. Because of this uncertainty, it is critical to encourage private investment now, particularly as public sector investment may slow, due to dwindling municipal tax revenue. Perhaps like no time before, time is of the essence for the City to create an environment which encourages private investment in the District. With such support, the Proposer is confident that development momentum in the District can be propelled rather than halted. ***The Phase 1 Project offers the City its first opportunity – post Coronavirus – to recommit to the District, in a new economic era.***

By supporting the Phase 1 Project with a CCED Sales Tax investment, District stakeholders and community residents will benefit from the Proposer's savvy and connections to the District: the Proposer's leadership and co-owner is African-American, with experience and knowledge about the District that is relevant and will be sensitive to long-term political and social interests. In addition to the Proposer, its carefully selected development team includes African-American members who have lived in the Benefit District and made an impact on the 18th & Vine area and the Kansas City community. They will each call upon their backgrounds to tap into necessary cultural competencies, to work and respond to development issues and challenges with a real sense of the community perspective. The Proposer is confident that its diverse leadership and experience will ensure project equity and especially in an iconic historical district, and serve — both short and long-term — as a community benefit.

Development or Project Narrative

I. **Project description including site location, neighborhood, unique characteristics, number of units, type of units (LIHTC/market/mixed use or income).**

Project Description; Number and Type of Units

The Phase 1 Project is a mixed-use development comprised of 80 housing units (66 market rate and 14 affordable), 17,550 square feet of neighborhood retail/mixed-use located within six separate commercial units, and a total of 138 parking stalls. The Phase 1 Project is the first phase of a proposed two-phased development Project that includes higher density commercial uses.

The Phase 1 Project will include 30 one-bedroom units and 50 two-bedroom units. Fourteen of the 80 units will be designated as affordable income units, based on the City of Kansas City's index for affordability and the set-aside requirements established by City Ordinance. Of the 14 affordable income units, seven will be one-bedroom, and seven will be two-bedroom units.

None of the units will be financed using LIHTC. All units will have reserved, secured parking available within the 98-stall parking garage which is a part of the 138 total parking stalls.





Site Location and Neighborhood



The Phase 1 Project will be constructed at the 1900 block of Vine Street, one-half block east of the eastern boundary of The Paseo (the “Site”). The complex is one block south of the Historic 18th & Vine District, and immediately north of the Kansas City Terminal Railway lines. The proposed Project is located in the Wendell Phillips Neighborhood.



Unique Characteristics



The Phase 1 Project is just a few blocks east of the City's thriving Crossroads Arts District, slightly north of the City's burgeoning Hospital Hill district and its ever-growing high density uses, and squarely in the shadow of Kansas City's Central Business District. The Phase 1 Project is centered between from north/south and east/west arterials of the Kansas City Area Transportation Authority's transit network, and complements the transit-oriented development initiatives of espoused in the City's Transit-Oriented Development Policy.

Importantly, The Paseo Boulevard, an historic Kansas City boulevard, adjoins the Project and serves as a gateway to the Phase 1 Project, providing wide street access and urban vistas, all while the Phase 1 Project is nestled among intimately scaled historic buildings and housing developments north and east of the Phase 1 Project Site.

II. Background of each team member and non-profit partner including a description of each member's experience and prior development projects, indicating date of project, type of project and location.

Proposer

1900 Vine Street, LLC, is a single purpose limited liability company organized and in good standing in the State of Missouri. It is comprised of two-members entities: Avenir Group, LLC, a Missouri limited liability company, and Marston Development, LLC, a Florida limited liability company. The individual entity biographies are summarized below.



III. Attach a development schedule and timeline for the project. Indicate whether there will be phasing of the project. Timeline of project should include funding, predevelopment, construction commencement and completion dates, and all other construction milestones.

As indicated in the introduction of this Proposal, the Project is comprised of two phases. The timing of the second phase of the Project is difficult to ascertain, due to the enormous business interruptions caused by Covid-19 which create shifting market demands and possible challenges with sourcing construction workforce and materials, and securing reasonable Project financing.

For purposes of this Proposal, the development schedule and timeline of the Phase 1 Project are anticipated to be in accordance with the following perimeters:

Funding

Proposer has completed 100% of its private fundraising for the Phase 1 Project. Its financing is comprised of 20% cash equity and the Project Site, with the remaining 51% of the Project financing coming from private debt financing sources through Proposer member Marston Development’s long-term and established relationship with Wells Fargo Private Lending division. To increase and diversity Project sources, Proposer intends to augment 7% of the Phase 1 Project financing with incentives potentially available through the Economic Development Corporation (“EDC”) AdvanceKC process, and through City’s processes (likely PIAC), in addition to the 22% Phase 1 Project funding potentially accessible through this CCED Proposal.

Predevelopment

Early in 2019, the Proposer engaged its predevelopment team or development, financial, planning, architectural, engineering, and legal consultants to strategically coordinate all aspects of the Project planning.

Furthermore, since its acquisition of the Site in 2019, Proposer has been working diligently with special project architects and engineers, to refine a viable, marketable vision for the Site.

Proposer’s original vision for the Project was for two phases:

First, a large-scale commercial development with retail and structured parking (see right, an early concept rendering) and

Second, the market and affordable rate housing, mixed use and parking concept that is the subject of this Proposal.



Due to historic shifts in the economy related to Covid-19 and fluid market demands, Proposer had to take a step back and re-envision the two Project phases, to create a smaller, more economically viable alternative as its first. Therefore, as the predevelopment activities evolved, the Project phases have traded places, and altered to their current iteration:

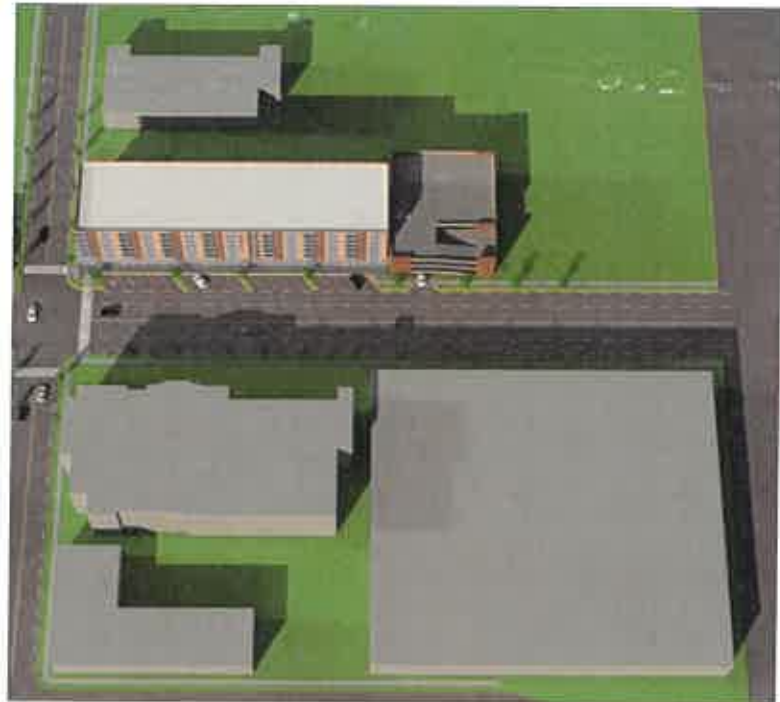
Phase 1:

A market and affordable rate housing and neighborhood mixed-use project with structured and surface parking



Phase 2:

A to-be-determined, large-scale commercial development with 25,000 square feet of retail, 150 residential units, and a parking garage with approximately 500 parking spaces



Naturally, because the shift in development priorities occurred only a few months ago, Proposer has completed more predevelopment work in connection with the large commercial project and structured parking, to date, than it has for what is now envisioned as the Phase 1 Project. Nonetheless, Proposer is moving expediently to bring predevelopment in alignment with the current Project vision by engaging the experts needed to bring the currently envisioned Phase 1 Project architectural plans and engineering into advance drawing stages. Doing so will refine final project budgets and prepare the Phase 1 Project for immediate commencement, upon the CCED Board's recommendation and other City approvals.

Construction Commencement

Assuming the CCED Board affirmatively supports the Proposer's Phase 1 Project Proposal, the Proposer will move quickly to submit its application to the EDC's Advance KC process, and its land use and permitting approvals through the City's Department of Planning and Development. Pending final City approvals, the Proposer's intent is to commence early construction activities in Winter of 2020/Spring of 2021. Immediately after filing this Proposal, the Proposer intends to request a meeting with the Department of Planning and Development's Development Assistance Team, to establish and confirm the applicable development criteria.

Completion Date

Assuming construction commencement as described above, the Proposer anticipates construction of the Phase 1 Project could be completed in roughly 12-18 months, subject to unanticipated delays, events of force majeure, and significant changes in market and economic conditions.



Construction Milestones

The Proposer has 100% control of the Phase 1 Project Site, and there are no environmental, title encumbrance or other regulatory approvals which require resolution before the Proposer can commence the Phase 1 Project, other than satisfying routine City planning and permitting requirements.

The Site is comprised wholly of vacant land, and there are no structures or known infrastructure that must be demolished or relocated to ready the Site for construction.



After the CCED Board’s recommendation and the City’s approval of this Proposal, the Proposer does not anticipate any other milestones which must be achieved before the Proposer could commence construction of the Phase 1 Project, other than confirming the final terms of financing and permits.

With the CCED Board’s recommendation of support as its financial foundation, the Proposer is confident the other development and financing dominos will quickly fall into place.



IV. Current stage in development process: fundraising, pre-development or development.

As discussed in Section III above, fundraising is complete and predevelopment activities are well underway. No physical construction or other Site development activities have commenced as of the date of this Proposal.

Please see Section III above for additional information concerning fundraising, pre-development and development.

V. Proposed outcomes; number/type of units; matrix of outcomes.



The Proposer intends to build market rate and affordable housing units, employing contemporary design and efficient, modern new construction techniques. The Phase 1 Project will be the first of its kind in the District.

As indicated in Section 1 of the Development or Project Narrative above, the Phase 1 Project is a mixed-use development comprised of 80 housing units (66 market rate and 14 affordable), 17,550 square feet of neighborhood retail/mixed-use located within six separate commercial units, and a total of 138 parking stalls.

The Phase 1 Project will include 30 one-bedroom units and 50 two-bedroom units. Fourteen of the 80 units will be designated as affordable income units, based on the City of Kansas City's index for affordability and the set-aside requirements established by City Ordinance. Of the 14 affordable income units, seven will be one-bedroom, and seven will be two-bedroom units. None of the units will be financed using LIHTC. All units will have reserved, secured parking available within the 98-stall parking garage which is a part of the 138 total parking stalls.

The offerings within the retail spaces will be available to the residents of the Phase 1 Project, as well as the professional and residential occupants of the Crossroads Arts District, Hospital Hill, Crown Center, and small industrial areas east of the Phase 1 Project. The intended outcome of the Phase 1 Project is to enhance the community benefits associated with:

1. Creating temporary and permanent jobs in an adverse employment climate
2. Providing quality affordable housing
3. Enhancing residential density in the District by offering the first new multi-family housing development constructed in the District in over 14 years
4. Providing adequate parking, so as to no burden existing infrastructure
5. Converting a vacant and underutilized tract of land into a long-term taxable asset
6. Increasing private investment in the District
7. Maximizing the City's return on investment and commitment to the District
8. Creating linkages between the Phase 1 Project, the District, and other, more established commercial and residential areas
9. Offering a new transit-oriented development to the urban fabric
10. Constructing a project that is consistent with City land use objectives, studies, and the priorities developed via community engagement
11. Setting the stage for the Phase 2 Project, a large-scale commercial development with 25,000 square feet of retail, 150 additional residential units, and a parking garage to support over 500 parking spaces
12. Leveraging the Proposer's diverse minority developer expertise as a way to foster cultural competencies and community perspectives
13. Preserving the long-term viability of an historically African-American District

VI. Explain the need for this project, if applicable.



The District is at a crossroads.

Momentum could continue with the right private sector partner, or development could stagnate and the value of the City's investment could wither, over time.

When the City created the 18th & Vine Policy Development Committee in 2017, one of its goals:

“Deliver projects that accelerate the pace of progress against the goal of ensuring a sustainable district for generations ahead.”

Specifically, in the 18th & Vine Historic District Improvements Plan Update in 2018, the document states the following economic development goals:

- Increase residential density with mixed income multifamily apartments
- Create an environment for private investment
- Address parking issues

The same 18th & Vine Policy Development Committee commissioned a new study of 18th & Vine which was completed by HOK in October of 2018. After numerous meetings with the community, stakeholders and district patrons of the District, the study concluded with a resounding bottom line: ***encourage development of properties at 19th and Vine and 19th & Paseo.***

The Proposer aims to fulfill this bottom line objective by developing the Phase 1 Project. This will respond to needs and desires espoused by members of the 18th & Vine community, stakeholders, policy principals at the City, all of which are summarized in the various market studies designed specifically for the District referenced in **Attachment 1**.

To formulate its long-range vision, the Proposer studied what the community requested, and what the market could support. Proposer believes the Phase 1 Project responds to both criteria, and will contribute to the strong character and historic legacy of the District.



“Kansas City simply would not be Kansas City without 18th & Vine. Thanks to the dedicated work and partnership of the city, committees, and community, we have made great progress at 18th & Vine, but there’s still work to do. It is absolutely critical that we continue to push forward to ensure that this historical and cultural asset continues to be a major part of Kansas City’s future.”

MAYOR *Sly James*

VII. Explain how this project meets the priorities of the CCED District (as listed on page 2 of this RFP).

The following summary provides a side-by-side comparison of the CCED priorities for the District, and the many ways in which the attributes of the Phase 1 “One Nine Vine” Project — a component of the larger “Project” — favorably addresses the priorities.



Commercial/Industrial Development

Construction of large-scale office buildings and mixed-use projects (both of which may have office and retail development)

The comprehensive Project will be the single largest private mixed-use development project constructed in the District, in over 14 years. This multi-phased development will have a large-scale commercial facility (the Phase 2 Project) that could be utilized for office, retail, or institutional uses. The Phase 1 Project is the first step toward creating the density and demand needed to support the Phase 2 Project.

Industrial developments

Although the Phase 1 Project does not include industrial or manufacturing facilities, each of the Project phases are situated in close proximity to such uses that are east of the Site.

Manufacturing facilities

Therefore, the retail components of the Project will offer services and amenities to the employees and occupants of industrial developments or manufacturing facilities, whereby increasing their locational viability.

Residential Development

Quality multi-family and single-family housing (through new construction or rehabilitation of an existing building)

The Phase 1 Project is a high-quality, new construction project which consists of a mix of market and affordable rate units. Our mixed income offering will attract a diverse income population to the District, and balance an otherwise predominant population of seniors and low-income occupants. With new construction rather than rehabilitation, no existing businesses or lower income residents will be displaced as a result of project implementation.

Expansion of housing options to include new residents: mixed-income and mixed-use

The novelty of new housing and retail construction in the District, coupled with safe parking, convenient urban location and proximity to employment centers (such as Hospital Hill, Crown Center, and the Central Business District) is sure to attract new residents to live in the District, or establish live/work ecosystems. The Phase 1 project will also expand housing options in the District, providing new alternatives, for example, to individuals exceeding the income limitations of affordable housing developments in the District.



Catalytic and incremental projects that will:

Provide access to capital By deploying its own private capital to the process, the Phase 1 Project will provide access to capital to others, by creating temporary and permanent jobs in connection with the construction of the housing component, and the construction, management, and operation of the retail and parking components. The Phase 1 Project is merely the first of two substantial developments. The broader vision for the District, when implemented, will be the impetus for other long overdue private investment and economic growth. The District’s day is now, and the Proposer is prepared to work collaboratively with the City, the CCED Board, District residents, businesses and community visionaries, to catapult the District into new vitality. After cementing a commitment from the CCED Board, such efforts on the Phase 1 Project may begin in 2020.

Assist developers A supportive recommendation for a sales tax investment by the CCED Board is critical component of the Phase 1 Project. Without a CCED investment, the Phase 1 Project may not be viable. There is no assurance that the Phase 1 Project financing gaps can be filled with other sources, in an amount commensurate with the assistance required by the Proposer. With a CCED investment consistent with this Proposal, the Proposer will be positioned to protect the financial viability of the Phase 1 Project during the most volatile economic climate since the Great Depression. Furthermore, by helping stabilize economic conditions for the Phase 1 Project, the Proposer will have the ability to secure funding for the Phase 1 Project on reasonable terms, and have a platform to commit to implement the Phase 2 Project, the second step toward achieving a truly catalytic project for the District.

Facilltate job creation The Phase 1 Project will nearly 66 jobs. Forty five of those new positions will be construction jobs. Based upon applicable square footage occupancy requirements, the six, roughly 2,775 square foot commercial units will accommodate approximately 21 permanent jobs (three jobs per 2,000 square feet).

Enhance the tax base New jobs mean additional earnings taxes to the City, at a time when other sources may be diminished due to the realities of our post-Covid economy. In addition, the Phase 1 Project will enhance the existing tax base by putting now vacant land to use, as is recommended by the City’s Downtown Area Plan.



Support existing businesses, including minority-owned, women-owned and small businesses.

The Proposer’s existing development team is comprised largely of certified minority businesses and minority owned businesses from the community, including the District, including key consultants and certified MBE legal counsel. Following its acquisition of the Site, the Proposer engaged a minority company to assist with upkeep and maintenance, to prevent Code violations and blighting conditions. We have utilized minority consultants to help with the project development, and continue to pursue, whenever possible, hiring minority, women and small businesses to be a part of the Project, including the Phase 1 Project. In addition, the Proposer is aware the need, and is committed to exercising best efforts to exceed the M/WBE goals established by the City, in connection with receiving a Central City Sales Tax investment.

Use of CCED funding for construction of public infrastructure

The Site is currently comprised of completely vacant land, both as to the Phase 1 and Phase 2 Projects. Although several years ago, the Site accommodated a collection of small commercial and residential structures, the infrastructure is outdated and inadequate to support the contemplated development. The Proposer intends to seek assistance from PIAC to offset some of the Site preparation costs. However, the Proposer also anticipates applying a portion of any CCED Sales Tax investment awarded to the Phase 1 Project, to help defray the cost of this significant Site preparation endeavor.

VIII. Explanation as to whether proposed project conforms to City’s current Area Plan and zoning for the project site and, if not, what steps have or will be taken to bring the proposed project into conformance with both.

Area Plan

The Phase 1 Project is consistent with the Area Plan recommendations. The Greater Downtown Area Plan (the “Area Plan”) recommends “Downtown Mixed Use” or “DMX” land use for the site:

The DMX district is primarily intended to accommodate office, commercial, custom manufacturing, some light industrial, public, institutional and residential development, generally at lower intensities than in the dc district⁴ . . . within the same building.

⁴ The Area Plan describes the “dc” district as “primarily intended to promote high-intensity office and employment growth within the downtown core. The DC district regulations recognize and support downtown’s role as a center of regional importance and as a primary hub for business, communications, office, government, retail, cultural, educational, visitor accommodations, and entertainment. The DC district also accommodates residential development, both in a stand-alone high-density form and mixed with office and retail uses.”



One Nine Nine

Zoning

The Site is currently zoned Urban Redevelopment District (UR) and will accommodate the Phase 1 Project.

Steps for Conformance

As indicated above, the zoning is appropriate for the Phase 1 Project. Because the existing UR plan (which also serves as a preliminary design plan and plat) was developed by a prior Site owner for a different project, Proposer will file routine applications for approval of design plans which will update the UR plan currently on file.

Financial Information

I. Attach Project Budget including a detailed breakdown of hard and soft costs.

A detailed budget for the Phase 1 Project is appended to this Proposal as **Attachment 2**.

II. Attach a complete list of sources and uses of funds (indicate if you have received tax credits, historic credits, bonding, CDBG, HOME, PIAC, New Market Tax Credits or other leverage financing). Provide letters of financing commitments, secured financing agreements, letter of credits or other evidence of commitment of funding. If you have not applied for above funding, provide a timeline including expected dates to apply and funding award date.

Along with CCED funding, the Proposer intends seek various tax incentives to combine with its private equity and debt, to support the financial needs for the Phase 1 Project. Such tax incentives will include, for example, real property tax abatement, sales tax exemption, CDBG funds, and PIAC funds. Because the Phase 1 Project is primarily market and affordable rate housing, the Proposer does not intend to pursue HOME funds. If the Proposer can secure a New Market Tax Credit allocation, it may attempt to leverage such tax credits into the Phase 1 Project, for the retail and parking components of the Project. A CCED sales tax investment is the key cornerstone of civic support to this District transformational project.

Without the Central City Board's support, the Phase 1 Project will be ***substantially disadvantaged*** and less attractive to investors, when compared to other market rate projects located in less blighted areas than the District which have recently received very lucrative



incentives from other City agencies.⁵ In addition to affecting project viability, not receiving a critical keystone CCED Sales Tax investment will put into motion a domino effect of negative impacts; such as:

- exacerbating the financial strains of completing and thereafter leasing the Phase 1 Project in the District
- impeding the Proposer from implementing the Phase 2 Project, by depleting Phase 2 Project funds to complete the Phase 1 Project
- perpetuating ongoing disinvestment in the District
- inequitably rewarding economic development incentives in non-diverse areas of the City

The Central City Board’s CCED Sales Tax investment should be made with confidence: the Proposer brings with this Proposal a commitment of support from Wells Fargo, a national lending institution and long-standing private banking partner of the constituent members of Mar-Ston Development, a member of the Proposer poised to provide the private equity and lender guarantees needed to secure all Phase 1 Project financing. In support of its private lending commitment from Well Fargo, the Proposer has attached a general expression of support, a copy of which is appended as **Attachment 3**.

Mar-Ston Development’s active relationship with Wells Fargo and other private sector lenders will allow the Proposer to move quickly to secure contractually binding financing commitments, upon Phase 1 Project approval by the City. The Proposer anticipates this would occur within roughly sixty days after receiving final approval, keeping the Proposer on track to begin construction of the Phase 1 Project in 2020 (pending final City approvals).

The CCED Board’s recommendation of a CCED Sales Tax investment is the first, critical step toward implementation, and will demonstrate to Wells Fargo that its support of the Phase 1 Project is coupled with a strong City commitment.

III. Include a 10-year pro forma statement.

A 10-year pro forma statement for the Phase 1 Project is appended as **Attachment 4**.

IV. If rental units, please provide information on the rental rates for all units and information on rental unit subsidies.

The entire housing component of the Phase 1 Project is comprised of rental units.

⁵ “\$52.4M Freighthouse District apartment project wins incentives.” See https://www.bizjournals.com/kansascity/news/2020/05/07/freighthouse-district-3d-development-apartments.html?ana=e_ae_set1&j=90507422&t=Afternoon&mkt_tok=eyJpIjoiT1RGak5qQmtZams0WWpNMylsInQlOIJZUxOSOE0TW5TVjFMaFhETXk2ZHFsNTIPOGZDb05aNGVsbW9rSDVIWmh3aXRxRVdFbHRSMGUxRFEyRVdDZnVpa25sMzRvQmhudUFTNWIPc0RYR3kyRmtGdDhmMGtmRnpMZHFCEd5cVZQcVhXa2grUXk0UnNqSzFnOFpvREMwccJ9



The market rate, 675 square foot, one-bedroom units will rent for \$850 per month, and the 875 square foot, two-bedroom units will rent for \$1,100 per unit.

The affordable one-bedroom units will rent for \$726 per unit, and the affordable two-bedroom units will rent for between \$835 per unit. The Proposer does not currently anticipate the use of any rental subsidies.

The six 2,775 square foot neighborhood retail/mixed-use commercial units (17,500 total available square feet) are proposed to rent at between \$15 and \$20 per square foot, depending upon their location within the Phase 1 Project.

The 98-stall parking garage will include covered, secured, reserved parking stalls for the residents of the housing component. The stalls of parking not allocated to residents will be available for use by the users of the retail component of the Phase 1 Project.

To complement the 98-stall parking garage, the Proposer intends to also improve a surface area to include an additional 40 spaces, for a total of 138. The surface lot will be landscaped and lighted in accordance with the City Code, and will be developed to a higher density use in connection with the Proposer's completion of the Phase 2 Project.

Project Characteristics

Provide a detailed narrative description of the proposed project including information regarding:

Economic development of the District has been a priority for decades, yet City leaders and advocates have struggled to revive the District into a stable and thriving area of Kansas City, using private investment. The Phase 1 Project will provide a path forward. For the Phase 1 Project, the following characteristics apply:

- Residential
- Commercial
- Industrial
- New Construction
- Rehabilitation or Expansion
- Historical Credit Applicant
- Low Income Housing Tax Credit Applicant
- EDC Applicant
- LCRA Applicant
- New Market Tax Credit
- PIAC



- Single Family
- Multifamily**
- Mixed Income Mixed Use**
- Transit Oriented Development**
- Retail (Located in Historic District)**
- Office Space**
- Family
- Seniors
- At Risk Populations (Homeless, Disabled, or other)
- Other: Permanent and Temporary Job Creation**
- Other: Parking Facilities In Urban Area**
- Other: Opportunity Zone Fund**
- Other: Catalytic Economic Development Project**

As stated in the Introduction and throughout this Proposal, the Phase 1 Project will include 80 apartment units, 66 of which will be market rate and the other 14 affordable rate. Approximately 17,550 square feet of neighborhood commercial/retail will be located in six separate commercial units on the ground level of the newly constructed One Nine Vine apartments, and both the retail and apartments will be flanked by a 98-stall structured parking facility and 40 surface parking spaces.

The varied offering of market and affordable rate housing, retail, and parking will attract a mixed-income population to the District, create new temporary and permanent job opportunities, and result in a catalytic, transformational project which may be enjoyed by this and the next generation of urban dwellers. Although the Phase 1 Project is not immediately on a public transit corridor, the increase in density will ultimately facilitate connecting transportation linkages between the bustling west Crossroads, the industrial uses of the east, Hospital Hill and the City's Central Business District.

In June, the Proposer will be submitting applications to the City's Development Assistance Team, for project design guidance, and to the EDC, for project review, consideration, and scoring. The Proposer's intent is to pursue approval of a multi-phased TIF project from the Tax Increment Financing Commission of Kansas City, Missouri, and/or support of abatement from the Planned Industrial Expansion Authority of Kansas City, Missouri. The Proposer will also seek project assistance via PIAC and possibly the City's community development block grant program, to round out civic support. Finally, the Proposer may pursue a New Market Tax Credit allocation, for the commercial and parking components of the Phase 1 Project.



One Nine Vine

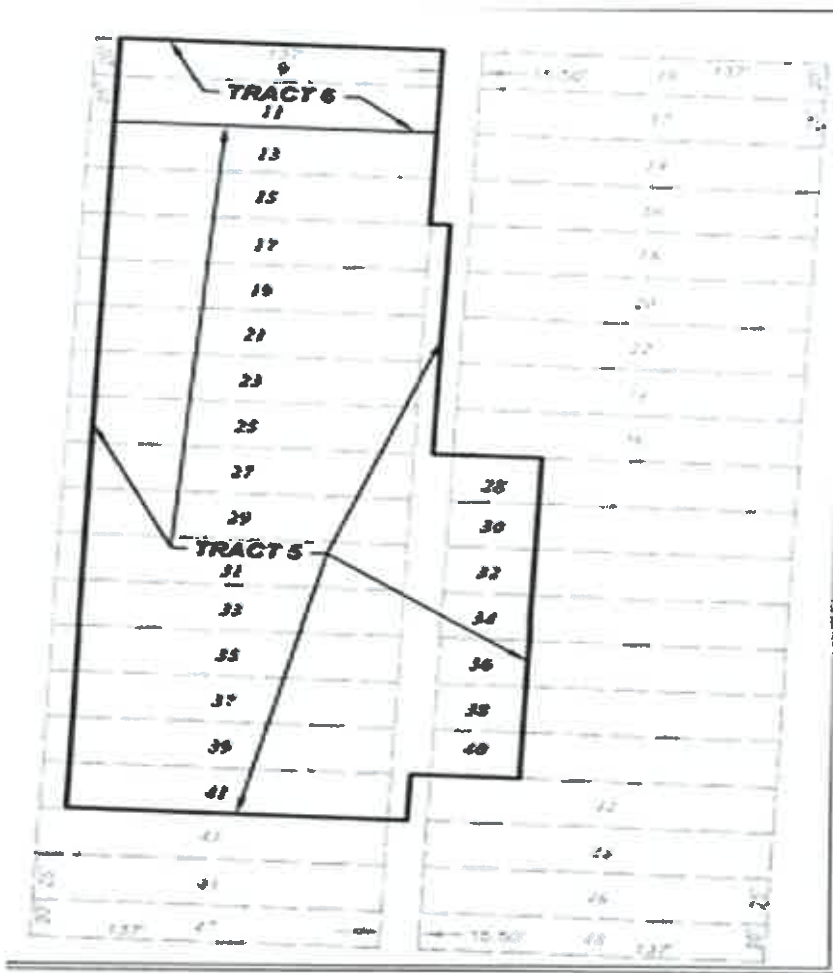
Provide a detailed narrative description of the proposed project including information regarding:

- I. County District:** Jackson County Missouri
Second District

- City Council District:** Kansas City, Missouri, Third District

- State Legislative District:** Missouri 9th Senate District and
23rd House District

II. Attach a map or diagram of the location of the proposed project. Include site photographs, site plan, FEMA Flood map and subdivision map (if applicable).



The Site is comprised of two platted tracts of land referred to as "Tract 5" and "Tract 6." Tract 6 has an address of 1901 Vine, and Tract 5 is known as 1905 Vine.

The two platted tracts are comprised of numerous individuals lots, according to an ALTA/NSPS survey of the Site prepared by Anderson Survey on December 19, 2019.

Above: An aerial view of the Site, looking generally southeast.



III. Provide information regarding public transportation or amenities located near the project (if applicable).

Currently, the north/south KCATA transit lines closest to the Site run on Troost and Prospect Avenues. East/west traffic runs on 18th Street, and there is a KCATA transit stop at 18th and Vine, only one block from the Phase 1 Project site. Proposer intends to work with KCATA leadership in the future to identify opportunities to extend accessible transit options to the Phase 1 Project, as the Phase 1 Project comes online and substantial rider demand warrants a review of KCATA's route program priorities.

Job Creation/Retained

Attach a matrix listing of the following categories relating to jobs as a result of the project:

Permanent Jobs

- A. Number of Jobs Created** Approximately 21 (or more) new permanent and 45 temporary jobs will be created in connection with the Phase 1 Project.
- B. Overview of type of jobs** Twenty one permanent positions will stem from the occupants of the ground level, mixed-use spaces. Because tenants for the mixed use spaces have not been identified, it is unclear what types of permanent jobs might be created.
- Up to roughly seven permanent positions are anticipated to be created in connection with the operation, use and maintenance of the apartments, such as residential marketing and leasing agent, common area housekeeping and maintenance crew, and 24-hour security.
- C. Indicate (for each job) if the jobs are Short Term or Long Term** Short-term construction and professional service positions will be created. When the mixed-use/retail spaces within the Phase 1 Project are available for occupancy, long-term jobs will be created. The actual number of long-term jobs will be based upon City occupancy limits applicable to the mixed-use space square footage. Due to the occupants of these mixed-use spaces being unknown and changing (due to occupancy turnover), the employment duration of these long-term jobs will fluctuate.



- D. **Average Salary of each job (can be averaged by category)** All entry level positions will be paid *no less than* \$15.00 per hour. If the commercial space is utilized by small scale office uses, the average salary of each permanent job may be increased, to account for professional service wages.

Retained Jobs

- A. **Number of jobs retained** The Site is vacant. Therefore, there are no current jobs to retain. There are no existing businesses contemplated for relocation to the Site which would result in the retention of jobs in connection with the Phase 1 Project.
- B. **Overview of type of jobs** Not applicable.
- C. **Indicate (for each job) if the jobs are Short Term or Long Term** Not applicable.
- D. **Average Salary of each job (can be averaged by category)** Not applicable.

Construction Jobs

- A. **Number of jobs created** To facilitate its commencement and completion, the Phase 1 Project will create 45 construction jobs.

In addition, by engaging a team of expert consultants, the Phase 1 Project also creates new opportunities for numerous professional service providers under the employ of each individual consultant’s firm.
- B. **Length of construction jobs** The construction jobs will commence when the General Contractor for the Phase 1 Project permits. The construction jobs will continue until the Phase 1 Project is complete. The construction term is anticipated to last 12-18 months. If the Phase 2 Project has received necessary approvals prior to the end of the constructing the Phase 1 Project, the construction jobs could continue throughout the conclusion of the Phase 2 Project. Otherwise, the Phase 2 Project may commence two to three years after completion of the Phase 1 Project. At present, the Phase 2 Project is anticipated to last 18-24 months.



Attach the legal description of the project site and information demonstrating site control of the property, ownership, need to rezone or assemble existing parcels or land and current zoning of the project site.

The legal description of the Site, comprised of Tracts 5 and 6 pursuant the ATLA/NSPS survey completed by Anderson Survey on December 19, 2019, is set forth on Attachment 5.

The Jackson County parcel identification number is 29-620-16-08-00-0-00-000.

A deed showing the Proposer's fee simple ownership of the Site is recorded in the Office of the Recorder of Deeds for Jackson County, Missouri as Document No. 2019E0071229 on September 6, 2019, and appears on Attachment 6.

As addressed in Section VIII of Development or Project Narrative, the Site is currently zoned Urban Redevelopment District (UR) and will need to be amended to bring the existing, outdated UR preliminary design plan and plat into conformance with the Phase 1 Project objectives.

In connection with the UR application, the Proposer will take steps to confirm, if needed, that the Vacant Non-Residential land use recommendation conforms with the Proposer's intended use of the Site as residential/mixed-use commercial which is consistent with the recommendations of the Area Plan.

All parcels which comprise the Site are owned by the Proposer. In connection with filing the UR rezoning and land use from vacant residential to the DMX land use recommended by the Area Plan, the Proposer will replat the Site and cause all existing parcels shown on the survey set forth in Location of Project, Section II, to be consolidated into a single lot.

If the Proposer owns the project site, indicate:

Date of Purchase: September 6, 2019

Purchase Price: \$750,000.00



Other Required Attachments

- I. **Design plans for project (including site plans & elevations), floor plans and renderings of development, if applicable. Please provide photos of the existing site.**

Below are elevations for the Phase 1 "One Nine Vine" Project.



As stated in above, due to unanticipated delays resulting from Covid-19, specific site plans are being prepared, and will be supplemented following the submission of this Proposal.

Above: Site facing generally east. Vine Street with diagonal parking west of the building façade.

Right: Aerial view of site facing southeast. Vine Street appears to the west of the building façade and accommodates diagonal parking.

Structured parking for the Phase 1 Project is attached to the south end of the apartment structure, and 19th Street on the north end of the Site (at the bottom of the rendering) is the primary point of access to a rear driveway entrance.





Above: View from Vine Street, facing north.

Existing Site

Views of the Site in its current condition are as follows:



Above: View from 19th Street, looking southwest to Vine Street.



Above: Aerial view looking east. The Site is the vacant parcel east (above) of Vine Street. In the image above, Vine Street is shown as the horizontal connection between 19th Street on the north (left) and the KCT Railway tracks on the south (right).



Above: View of the Site, looking east, from intersection of Vine and 19th Street. Basie Court Apartments are located immediately east of and adjacent to the Site.

II. Current Certificate of Good Standing issued by the Missouri Secretary of State and Current Copy of Annual or Biennial Registration Report filed with the Missouri Secretary of State for proposer, if other than an individual or sole proprietor.

A copy of the Proposer's Certificate of Good Standing is appended as **Attachment 7**.

The Proposer is a limited liability company and is not required to file an annual report with the Missouri Secretary of State. Further, the Proposer was formed in late 2018 and thus is not yet required to file Annual or Biennial Registration Report.

III. Revenue Clearance Letter Issued by the City of Kansas City's Finance Department.

A request for a Revenue Clearance Letter was requested from the City on May 8, 2020. A copy of the request is appended as **Attachment 8**. The City office responsible for issuing the letter has been closed, due to the mandated quarantine resulting from the Coronavirus.

The Proposer anticipates receiving the Revenue Clearance Letter on or around the date of this Proposal, and will supplement its Revenue Clearance Letter upon receipt.

Certification

I certify that I have reviewed the submitted Proposal, and that to the best of my knowledge and belief, all the information provided in this Proposal is true, and the Proposal has been authorized by the constituent members of the Proposer.

1900 VINE STREET LLC, a Missouri limited liability company

By: 
Kevin Simmons

Managing Member and Authorized Representative



ATTACHMENT 2

Detailed Project Budget

Category	Project Cost
Conventional Mortgage Debt	\$313,716
Land Cost	\$750,000
Construction Cost	\$14,360,250
Soft Costs	\$1,919,785
Development Fee	\$789,814
TOTAL PROJECT COSTS	\$18,133,565

