



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: TMP#6045

Submitted Department/Preparer: City Planning

Revised 6/10/24

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in [Administrative Regulation \(AR\) 4-1](#).

Executive Summary

Amending Ordinance No. 241051 conditionally approving the application of Historic Northeast Lofts, LLC for a Brownfields loan to remediate Buildings Nos. 1 and 2 of the former Hardesty Federal Complex by repealing Sections 1 and 3, and enacting new Sections 1 and 3.

Discussion

Council adopted Ord. 241051 conditionally approving the application of Historic Northeast Lofts LLC (HNEL) to the Kansas City Brownfields Revolving Loan Fund (RLF) for a loan in the amount of \$7,575,000.00 to abate asbestos-containing materials (ACM), lead-based paint (LBP) and other hazardous substances from Buildings No. 1 and 2 of the former Hardesty Federal Complex located at 5401 Independence Ave., Kansas City, Missouri. HNEL is the developer and owner of the subject properties for a project with an estimated value of approximately \$413 million that includes over 389 residential units (of which approximately 82% will be affordable with a range of 30% to 80% average median income (AMI)), an approximately 30,000 square foot daycare and after school care facility, 2 MW of solar power generation to supply 50% of the site energy needs, passive house energy efficiency construction standards, transit-oriented development (TOD) features, 60,000 square feet of greenspace, and other common area amenities.

Changes to the ownership of the Site and the financial structure of the redevelopment project have made it impracticable for HNEL to satisfy the conditions of Ordinance 241051 for approval of the HNEL Loan. Such changes include the acquisition of the Site by the Planned Industrial Expansion Authority of Kansas City, Missouri (PIEA) instead of by HNEL, the scope of the redevelopment and budget has increased from \$178.9 million to \$416.1 million, the increase in ratio of private to public investment has increased from 2.7:1 to 6.3:1, and the increase in capital sources has been entirely from private sources of equity or debt, and the permanent debt financing required for the redevelopment project will be of a range between \$7 million and \$31 million. After taking into consideration the above-described changes, the approval of the HNEL Loan continues to be in the City's best interests. This ordinance amends Ord. 241051 to remove the impracticable conditions and replace them with appropriate conditions that HNEL can meet to secure the loan.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
Not applicable
3. How does the legislation affect the current fiscal year?
No effect. This ordinance only amends a prior ordinance and has no independent financial impact.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
No
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
No.

Office of Management and Budget Review

(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☐ Yes ☒ No
2. This fund has a structural imbalance. ☐ Yes ☒ No
3. Account string has been verified/confirmed. ☐ Yes ☒ No

Additional Discussion (if needed) This ordinance has no direct fiscal impact.

Citywide Business Plan (CWBP) Impact

1. View the [Adopted 2025-2029 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Housing and Healthy Communities (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):

- ☐ Utilize planning approaches in neighborhoods to reduce blight, ensure sustainable housing, and improve resident wellbeing and cultural diversity.
- ☒ Maintain and increase affordable housing supply to meet the demands of a diverse population.
- ☒ Address the various needs of the City's most vulnerable population by working to reduce disparities.
- ☐ Foster an inclusive environment and regional approach to spur innovative solutions to housing challenges.
- ☐ Ensure all residents have safe, accessible, quality housing by reducing barriers.
- ☐ Protect and promote healthy, active amenities such as parks and trails, play spaces, and green spaces.

Prior Legislation

Related Ordinance No. 241051

Service Level Impacts

The RLF loan related to this ordinance will produce an estimated 600,000 square feet of remediated building space and support construction of 389 housing units of which approximately 82% will be affordable with a range of 30% to 80% average median income.

Other Impacts

1. What will be the potential health impacts to any affected groups?
Sensitive populations and current and future residents living or working on or near the HNEL Project will benefit from the cleanup activities performed with the grant funds accepted by the ordinance.
2. How have those groups been engaged and involved in the development of this ordinance?
Stakeholders, including non-profits, neighborhood organizations, and interested residents were informed and invited to provide input concerning the remediation and redevelopment Project through local newspaper advertisements and a public meeting hosted by HNEL, and through other public meetings of the Kansas City Brownfields Initiative and the Kansas City Brownfields Commission.
3. How does this legislation contribute to a sustainable Kansas City?
The RLF loan helps cleanup and reuse vacant, idle and blighted property, and reuse and improve existing infrastructure. Reuse of the Former Hardesty Federal Complex helps the City make more efficient use of its existing investments, increase density, promote public transit, reduce vehicle

miles traveled and related carbon emissions, and reduce the overall cost of providing services to residents. Moreover, cleanup and redevelopment of the Site enhances environmental quality, helps to address social inequity and environmental justice issues, and contributes to the economic vitality of the old northeast neighborhoods and the City overall.

4. Does this legislation create or preserve new housing units?
No (Press tab after selecting)

No new units. The RLF loan related to this ordinance will support construction of 389 housing units of which approximately 82% will be affordable with a range of 30% to 80% average median income.

[Click or tap here to enter text.](#)

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

Yes - I have submitted documents for CREO Review (Press tab after selecting)
Please attach or copy and paste CREO's review.

[Click or tap here to enter text.](#)

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No(Press tab after selecting)

[Click or tap here to enter text.](#)

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?
No(Press tab after selecting)