ECONOMIC DEVELOPMENT CORPORATION
Land Clearance for Redevelopment Authority
LCRA

June 26, 2026

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

Re: Notice of Intent to Lease Property Pursuant to Sale/Leaseback and Redevelopment Contract in East Kansas City Urban Renewal Area

Dear Mayor Lucas,

Please be advised that the Land Clearance for Redevelopment Authority of Kansas City, Missouri ("LCRA") issued a Request for Redevelopment Contract Proposals ("RFP") for the purpose of selecting a qualified redeveloper for a redevelopment project within the East Kansas City Urban Renewal Area. LCRA received one response from MCT2, LP, a Missouri limited partnership ("Redeveloper"), for rehabilitation of a seven-story building with 72 existing apartment units and construction of a two-story building with 8 new apartment units for a total of 80 apartment units targeting residents aged 55 and older, 72 of which units are income restricted, and construction of related improvements ("Project").

The details of the Project are as follows:

Redeveloper: MCT2, LP, a Missouri limited partnership, with offices at 220 NW Executive Way, Lee's Summit, Missouri 64063. The Redeveloper is affiliated with Fulson Housing Group and Mid-City Towers II, Incorporated, the current non-profit owner of the property.

Location: The Project is located at 3136 Flora Avenue and is generally bounded by 31st Street on the north, Flora Avenue on the east, Linwood Boulevard on the south, and Paseo Boulevard on the west.

Project: Rehabilitation of a seven-story building with 72 existing apartment units and construction of a two-story building with 8 new apartment units for a total of 80 apartment units targeting residents aged 55 and older, 72 of which units are income restricted, and construction of related improvements. The income restricted apartments will have a 30 year Land Use Restriction as part of the tax credit award.

Timeline: Construction is anticipated to begin in 2026 and be completed in 2028.

Employment: An estimated 50 construction jobs are anticipated for construction of the Project and an estimated 2 employees are anticipated to be retained upon completion.

Financing: Total project costs are estimated to be approximately $18.6 million. Sources of funds include Redeveloper equity and debt, Kansas City housing trust funds, low income housing tax credits, deferred developer fee, and transfer of existing reserves. LCRA intends to issue bonds to facilitate a sales tax exemption on the purchase of construction materials and supplies.

Tax Incentive: The Redeveloper is requesting LCRA sale/leaseback exemption on sales tax for construction materials and supplies in connection with the Project. The Redeveloper will transfer title to the property to LCRA and LCRA will lease the property back to the Redeveloper pursuant to a lease agreement during the construction period and for an abatement period of twenty-five (25) years. Upon lease termination, LCRA will transfer title to the property back to the Redeveloper. LCRA approved 100% tax abatement during the abatement period pursuant to the sale/leaseback structure. Specific details of the LCRA incentives and services will be set out in agreements to be entered into with the Redeveloper.

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

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

Very truly yours,

Dan Moye
Executive Director

cc: Marilyn Sanders, City Clerk
Mario Vasquez, City Manager
City Council