



Legislation Details (With Text)

**File #:** 220212      **Version:** 2      **Name:**  
**Type:** Ordinance      **Status:** Passed  
**File created:** 2/18/2022      **In control:** Council  
**On agenda:** 3/24/2022      **Final action:** 3/24/2022

**Title:** Approving a Kansas City Brownfields Regional Coalition Revolving Loan Fund Program loan application submitted by Zhou B Art Center LLC for remediation of the former Crispus Attucks Elementary School in the aggregate amount of \$500,000.00; and authorizing the Director of City Planning and Development to enter into an amended loan agreement and execute the necessary loan documents.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Fact Sheet (Zhou B Art Center), 2. Fiscal Note (Zhou B Art Center), 3. Authenticated Ordinance 220212 C.S

Date	Ver.	Action By	Action	Result
3/24/2022	2	Council	Passed as Substituted	Pass
3/23/2022	1	Neighborhood Planning and Development Committee	Adv and Do Pass as Cmte Sub	Pass
3/9/2022	1	Neighborhood Planning and Development Committee	Hold on Agenda	
3/3/2022	1	Council	referred	Pass

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 220212

Approving a Kansas City Brownfields Regional Coalition Revolving Loan Fund Program loan application submitted by Zhou B Art Center LLC for remediation of the former Crispus Attucks Elementary School in the aggregate amount of \$500,000.00; and authorizing the Director of City Planning and Development to enter into an amended loan agreement and execute the necessary loan documents.

WHEREAS, a Brownfields Revolving Loan Fund (RLF) Program has been established by the City of Kansas City, Missouri (the “City”), and the U.S. Environmental Protection Agency (EPA) has awarded Brownfields RLF grant funds to the City in the amount of \$3,950,107.00, and the City has entered into Federal Cooperative Agreement No. BF-97700901 with EPA (the “Kansas City RLF”); and

WHEREAS, on October 1, 2020, the U.S. Environmental Protection Agency (EPA) awarded the City another RLF grant to a coalition of local governments consisting of the City; the Unified Government of Wyandotte County/Kansas City, Kansas; and Jackson County, Missouri in the amount of \$800,000.00, and the City has entered into Federal Cooperative Agreement No. BF-97782201 with EPA (“the Coalition RLF”); and

WHEREAS, on October 9, 2020 the Kansas City Brownfields Commission (the “Commission”) received the application of ZB AC, LLC to the Kansas City RLF Program for a loan in an amount up to \$500,000.00 to abate asbestos containing materials, lead-based paint and other hazardous substances from the

structure known as the former Crispus Attucks Elementary School, located at 1818 East 19th Street, Kansas City, MO 64108 (the “Site”); and

WHEREAS, on October 18, 2021, the Commission adopted Resolution 001-2021 recommending approval of an RLF loan to ZB AC, LLC from the Kansas City RLF in the amount of \$300,000.00 to remediate the Site; and

WHEREAS, on November 4, 2021, finding all conditions of Resolution 001-2021 having been met, the City Council adopted Committee Substitute for Ordinance 210988 approving a loan from the Kansas City RLF to ZB AC LLC in the amount of \$300,000.00; and

WHEREAS, on November 10, 2021, developers of the Site requested that the borrower entity be changed from ZB AC LLC to a related entity, Zhou B Art Center LLC, in order to secure equity from the sale of state and federal historic tax credits issued for the project; and

WHEREAS, on December 7, 2021, the City’s loan advisor, AltCap, reviewed financial statements of Zhou B Art Center LLC and issued a revised basic financial evaluation recommending approval of the loan subject to the same collateral requirements and guarantees required for the prior borrower;

WHEREAS, on February 2, 2022, the Commission received the application of Zhou B Art Center, LLC for an additional loan from the Coalition RLF in the amount of \$200,000.00; and

WHEREAS, on February 22, 2022, the Brownfields Commission adopted Resolution No. 001-2022 recommending that the City Council approve the application of Zhou B Art Center, LLC for an additional loan from the Coalition RLF in the amount of \$200,000.00 for the cleanup of the Site, subject to the preconditions that: (1) the EPA confirms eligibility of the loan under the Federal Cooperative Agreement; (2) the City’s loan consultant reviews the current and updated financial information submitted by ZB AC, LLC and provides a basic financial re-evaluation of the loan satisfactory to the City and the Commission; and

WHEREAS, the first precondition has been met by the email communication from Susan Klein, EPA Region 7 dated March 9, 2022; and

WHEREAS, the second precondition has been met by the City’s loan consultant providing a basic financial re-evaluation of the RLF Loan satisfactory to the City and the Commission, dated February 14, 2022; and

WHEREAS, Zhou B Art Center, LLC has secured construction loan financing, state and federal historic preservation tax credits, and equity partner contributions to the project, and has provided cash flow projections demonstrating how the project is expected to generate sufficient revenues to cover its brownfields loan and other debt service obligations; and

WHEREAS, Zhou B Art Center, LLC has provided an updated redevelopment plan with information on how the project is expected to produce long term cultural, business, educational, health and economic benefits for the 18th & Vine Jazz District, the surrounding communities and for Kansas City as a whole;

WHEREAS, on March 18, 2022, the City of Kansas City, Missouri and Zhou B Art Center, LLC entered into a Loan Agreement for \$300,000.00 funded by the Coalition RLF (“the RLF Loan”);

WHEREAS, the City of Kansas City, Missouri and Zhou B Art Center, LLC wish to execute an amendment to the Loan Agreement to increase the RLF Loan by an additional \$200,000.00 of Coalition RLF

funds, resulting in an aggregate loan amount not to exceed \$500,000.00; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. The application of Zhou B Art Center, LLC for \$200,000 of additional Coalition RLF loan funds, resulting in an aggregate RLF Loan amount not to exceed \$500,000, is approved and funded from funds previously appropriated in the following account:

22-2550-645020-B-G64RBRLF      KC Regional Brownfields Coalition      \$500,000.00

Section 2. The Director of City Planning and Development is authorized to enter into an Amendment to the RLF Loan with Zhou B Art Center, LLC and execute Loan Documents as necessary to memorialize, issue, and secure the Amended RLF Loan, all in accordance with the terms and conditions of Federal Cooperative Agreement No. BF-97782201. Copies of the Loan Documents and Amendments thereto, approved in substantial form, are on file with the City Planning and Development Department.

Section 3. The Director of City Planning and Development is authorized to take such necessary further acts related to the RLF Loan and the Amendment to the Loan Documents all consistent with this ordinance.

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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.

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Tammy L. Queen  
Director of Finance

Approved as to form and legality:

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Matthew Cooper  
Assistant City Attorney