



Development Management Division

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STAFF REPORT

February 7, 2017

(13)

RE: **Case No. 737-S, 20th & Main PIEA Redevelopment Area**

APPLICANT/AGENT: David Macoubrie
Planned Industrial Expansion Authority
20 E 5th St, Suite 200
Kansas City, MO 64106

REQUESTS: Declaring an area of about 2 acres generally located on the block bound by 19th St on the north, Walnut St on the east, 20th St on the south, and Main St on the east excepting the northwest portion, to be blighted and insanitary and in need of redevelopment and rehabilitation pursuant to the Missouri Planned Industrial Expansion Authority (PIEA) Law 100.300-100.620, and approving a PIEA general development plan for the same, said plan to be known as the 20th & Main PIEA General Development Plan.

SURROUNDING ZONING & LAND USE:

North	Commercial uses along Main St and 19 th St beyond which is Corrigan Station zoned DX-15.
East	Walnut St beyond which is commercial uses and surface parking lots zoned DX-15.
West	Main St beyond which are a mixture of commercial uses, residential uses and a surface parking lot zoned UR and DX-15.
South	20 th St beyond which is a hotel under construction and zoned DX-15.

MAJOR STREET PLAN: Main St is classified as a four-lane commerce/mixed-use street requiring 80 feet of right-of-way.

LAND USE PLAN: The Greater Downtown Area Plan recommends downtown mixed uses for the subject property which corresponds to District DX-15 (current zoning).

ARTERIAL STREET IMPACT FEE: The subject property is exempt from impact fees as required by Chapter 39.
(Informational only)

PREVIOUS CASES: **654-S** – Crossroads Arts PIEA (see below).
709-S – 1915 Main Urban Renewal Plan (see below).
1721-V – A request to vacate a portion of the 20th St and Walnut St right-of-way. The request is pending and is necessary to accommodate the proposed project.

OTHER INCENTIVE PLANS:

22nd & Main Tax-Increment Financing Plan, 3rd amendment which added the subject property to the plan was approved by Ordinance 000780 on June 29, 2000.

Crossroads Arts PIEA, approved by Committee Substitute for Ordinance 070192 on March 29, 2007.

Main Street Urban Renewal Area, approved by Ordinance 140593 on August 14, 2014 included 1915 Main St (one of the parcels within the plan area). It proposed renovation of the building into an office and retail use. This project has not proceeded.

EXISTING CONDITIONS:

The subject property is a 2-acre site consisting of the entire block (excepting the northwestern parcel) bound by 19th St, 20th St, Main St and Walnut St, including a north/south public alley. The property includes one large building and surface parking lot east of the alley and three vacant buildings and a surface parking lot west of the alley; one of these being the former Midwest Hotel which was listed on the National Register of Historic Places on May 6, 2004. Immediately south of the hotel building is a vacant lot which was once the location of a Hereford House restaurant. A number of redevelopment projects are ongoing or have been completed recently in the immediate vicinity including 1914 Main directly across Main St, Corrigan Station directly across 19th St and the Home2 Suites Hotel, under construction across 20th St.

PROPOSED REDEVELOPMENT:

The applicant is proposing retain the former Midwest Hotel structure, demolish the remaining structures, vacate the north-south alley, relocate necessary utilities, and construct a development known as City Club, a \$52 million mixed-use development. The development is proposed to consist of approximately 280 residential units and about 4,000 square feet of retail and 4,000 square feet of restaurant space along Main St. The development is to be constructed atop an underground garage containing about 300 parking spaces. The historic hotel is proposed to be integrated into the development. **This redevelopment will require rezoning to District UR, an application for which has already been filed with the City and should appear before City Plan Commission soon.**

The developer is committing 10% of the units for leasing to those earning 80% of the median income in Jackson County and to limit rent increases in these units to annual inflation or 3%, whichever is less.

AREA PLAN:

The Greater Downtown Area Plan recommends downtown mixed uses for the subject property. The design recommendations of the area plan have been incorporated into the general development plan. The proposed redevelopment conforms to this recommendation.

INCENTIVE REQUEST:

The property owners may seek a tax abatement which provides for abatement for a period of up to 25 years. During the first 10 years of this 25 year period such properties are only subject to property tax on the land, exclusive of improvements, during the calendar year preceding the calendar year during which the title is acquired. During the next 15 years, such properties may be assessed up to 50% of their true value. The City may impose Payments in lieu of taxes, or "PILOTS" to be paid on an annual basis to replace all or part of the taxes abated. The applicant is not proposing any PILOTS at this time. Redevelopment projects must conform to the corresponding general development plan approved by the City.

The actual incentive granted will be determined by the PIEA following conclusion of financial

analysis and negotiation with taxing jurisdictions, both of which typically occur after City Council approval of these requests. This request was submitted to the EDC prior to passage of Second Committee Substitute for Ordinance 160383, As Amended, which sets a cap on the abatement level to 75% for first 10 years and 37.5% for the following 15 years. As a consequence, EDC staff has determined that the request is not subject to this ordinance.

The PIEA has statutory right to exercise the power of eminent domain and the plan notes this may be necessary to assemble property.

BLIGHT ANALYSIS:

City Staff does not comment on whether the site is blighted or not, however a blight analysis prepared by Belke Appraisal and Consulting Services determines that the plan area is blighted, citing the following factors, observed in the plan area:

- 1) Insanitary or Unsafe Conditions (Blight Analysis, Page 56).
- 2) Deterioration of Site Improvements (Blight Analysis, Page 84).
- 3) Endangerment by Fire or other causes (Blight Analysis, Page 134).

The analysis states that these factors have led to the following within the plan area:

- 1) Hindrance to Housing Accommodation (Blight Analysis, Page 136).
- 2) Economic or Social Liability (Blight Analysis, Page 136).
- 3) Menace to Public Health, Safety, Morals, or Welfare (Blight Analysis, Page 139).

RECOMMENDATION:

Should the City Plan Commission make a finding of blight, staff RECOMMENDS APPROVAL of Case No. 737-S, 20th & Main PIEA General Development Plan, based on the application, plans, and documents provided for review prior to the hearing.

Respectfully submitted,



Joseph C. Rexwinkle, AICP
Planner