

ORDINANCE NO. 120198

Authorizing execution of a First Amendment to Contract No. 07064 between the City of Kansas City ("City"), Beacon Hill Developers, LC ("Developer") and the Economic Development Corporation of Kansas City ("EDC") for continued development of the Beacon Hill Development and approval to submit the amendment as the primary development agreement for the Beacon Hill Development.

WHEREAS, on or about October 17, 2006, the three original parties, including the City, the Beacon Hill Developers, and the Kansas City, Missouri Homesteading Authority entered into a Development Contract ("Development Contract") for the Beacon Hill Redevelopment Area and have been acting in partnership under said Contract for the last five and one-half years; and

WHEREAS, several parcels of property in Beacon Hill are owned by the Housing and Economic Development Financial Corporation ("HEDFC"), the City's former subrecipient, which is currently operating under the management of a court-appointed receiver pursuant to a complaint filed by the City against HEDFC in the U.S. District Court for the Western District of Missouri in Case No. 4:05-CV-00368-GAF; and

WHEREAS, on January 6, 2011, the Court in the above referenced case issued an Order and Directions for Termination of Receivership for the transfer and disposition of HEDFC assets ("Termination Order") which included direction for the City to complete and execute a performance agreement pertaining to Beacon Hill; and

WHEREAS, it is the desire of the City and the Developer to amend the October 17, 2006, Development Contract in order to update the scope of services and to correlate with the amended Chapter 353 Redevelopment Contract of March 30, 2010, between the City and the Developer, which was approved by Committee Substitute for Ordinance No. 090947; and

WHEREAS, in order to implement the Termination Order, on May 24, 2011, the City entered into the Re-Build Kansas City Neighborhoods Implementation, Loan Servicing and Administration Contract with the EDC and its agencies: the Land Clearance for Redevelopment Authority of Kansas City, Missouri, the EDC Charitable Fund and the EDC Loan Corporation in order for the contractors to manage and maintain the former assets of HEDFC, including the land in Beacon Hill; and

WHEREAS, EDC desires to enter into this contract amendment for the primary purpose of property management services, as it is currently performing pursuant to the Re-Build Kansas City contract, replacing the Kansas City, Missouri Homestead Authority; and

WHEREAS, the City, Developer and EDC desire to enter into the contract amendment to implement the redevelopment activities described herein; NOW, THEREFORE,

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BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager, or his designee, is hereby authorized to enter into a First Amendment to Contract No. 07064 with the Beacon Hill Developers, LC and the Economic Development Corporation of Kansas City Development for continued development of the Beacon Hill Development.

Section 2. That the First Amendment, in substantial form, includes a revised scope of services and development milestones for the following activities: Completion of infrastructure improvements in the NW Quadrant by the City, development of twenty-eight single family homes along Tracy Avenue by a subdeveloper selected by the EDC and City, proposed development of a 250-unit graduate student housing complex at 23rd and Troost, proposed development of a grocery store at 27th and Troost, continued development of housing throughout the Beacon Hill Development as the market demands, and a revised development fee schedule based on project accomplishments.

Section 3. That this First Contract Amendment be submitted to the U.S. Department of Housing and Urban Development (“HUD”) Region 7 Office for approval as the primary development agreement for the Beacon Hill Development.

Approved as to form and legality:

Nicole Rowlette
Assistant City Attorney