

**Request For Proposals
for the
Development of a Multistory
Mixed-Use Building & Off-
Street Parking
In the Arterra21/2100
Wyandotte Urban Renewal
Area**

November 28, 2016



INTRODUCTION

Description of Project

The Land Clearance for Redevelopment Authority (LCRA) is seeking qualified real estate developers to redevelop the property within the redevelopment project area to construct a multistory mixed use building with approximately 115 – 125 market-rate apartments and approximately 2,000 square feet of commercial space, along with adequate off-street parking, in the Arterra21/2100 Wyandotte Urban Renewal Area. The purpose of the redevelopment project is to eradicate existing blight, halt the spread of further blight and disinvestments, and to construct market-rate apartments and commercial space, along with off-street parking, within the Freighthouse neighborhood of the Crossroads.

Achieving the goals of the required development will involve the following elements:

- Acquisition and redevelopment of the subject property to construct a multistory mixed use building with approximately 115 – 125 market-rate apartments and approximately 2,000 square feet of commercial space, along with adequate off-street parking.
- Compliance with the terms and provisions of the Arterra21/2100 Wyandotte Urban Renewal Plan.
- Acquisition of land parcels and structures that may involve relocation of residents and/or business tenants, if applicable, must comply with the LCRA's Standardized Relocation Policy, if applicable.

The subject property is located within the northern one-half of the block generally bounded by E. 21st Street on the north, Wyandotte Street on the east, W. 22nd Street on the south, and Fort Scott Street on the west and are within the Arterra21/2100 Wyandotte Urban Renewal Area. **(Exhibit A-1 and A-2 - Project Boundary and Legal Description)**

The LCRA is requesting proposals in order that interested Redevelopers have the opportunity to submit redevelopment proposals for the Authority's consideration. The Authority will weigh all proposals carefully to determine their feasibility, the appropriateness of the design, and benefits they will bring to the City as a whole, as well as the Arterra21/2100 Wyandotte Urban Renewal Area specifically. **Request for Proposals packets may be picked up at the offices of the LCRA, 1100 Walnut Street, Suite 1700, KC, MO beginning Monday, November 28, 2016 with responses due by 3:00 p.m., Friday, December 9, 2016.**

THE AUTHORITY RESERVES THE RIGHT TO ACCEPT, REJECT, OR NEGOTIATE ANY AND ALL REDEVELOPMENT PROPOSALS.

SUBMISSION CONSIDERATIONS

A. Who Should Submit Proposals

Real Estate Redevelopers may submit proposals for the redevelopment project. The LCRA (the “Authority”) will negotiate directly with the redeveloper or the redevelopment team (the “Redeveloper”) selected under the procedure outlined in this package. The negotiations are designed to assure that due consideration will be given to those who intend to provide the highest quality redevelopment consistent with the Plan.

Each interested Redeveloper should visit the Project Area and become more fully acquainted with all existing conditions. This packet is not all-inclusive, and Redevelopers are responsible for investigating matters that they include in their proposals.

The Authority may consider proposals which it deems to be in the public interest and which best serve the purposes of the Plan, or it may reject any and all proposals for redevelopment. The Authority may grant preference to proposals which also demonstrate the ability to provide off-street parking for other adjacent or nearby historic commercial buildings. The Authority reserves the right to waive any formality in the proposals received and to negotiate with Redevelopers whenever such waiver is in the interest of the City.

- The Authority reserves the right to require the Redeveloper to provide any additional qualifications or financial information and to include a detailed financial statement determined relevant to the Redeveloper’s ability to complete redevelopment in accordance with the Arterra21/2100 Wyandotte Urban Renewal Plan.

No proposal will be accepted from, nor eventual contract awarded to, any person, firm or corporation that is in arrears or in default upon any debt to the City of Kansas City, MO or the Economic Development Corporation of Kansas City, Missouri or any of its affiliated agencies.

B. Project Contingencies

It is recognized that redevelopment proposals received pursuant to this RFP may include contingencies for financing. Such contingencies within the submissions should be clearly presented with (to the greatest extent possible) a statement of those conditions that must be met to secure financial commitments.

Coordination of and staging of redevelopment activities is required to complete the overall redevelopment program. Redevelopment submissions in response to this RFP shall provide a “critical path” schedule of activities that will identify time lines of performance, uses and sources of funds, construction phases, as well as all public and private activities. This critical path schedule will be carefully reviewed and will be the basis of contractual performance under any approved redevelopment contract.

C. Authority Assistance

The LCRA will consider providing development assistance and/or incentives to assist redevelopment projects. Development assistance and incentives may include:

1. *Sale – Leaseback arrangement to facilitate sales tax-exemption on construction materials; and/or*
2. *Real Property Tax abatement*

D. Relocation (if applicable)

- Relocation of an existing resident(s) and/or tenants may be required to cause this project to be developed in accordance with the Relocation Standards of the Arterra21/2100 Wyandotte Urban Renewal Plan. The LCRA, by Resolution 85-25, has a **Standardized Relocation Policy (Exhibit B)** to be adhered to, should relocation be necessary. The Redevelopment Proposal should have a clearly outlined relocation strategy for relocating affected residents.

E. Other Considerations

1. Affirmative Action

The LCRA has developed an **Affirmative Action Process (Exhibit C)** that requires all redevelopers and project contractors to submit individual affirmative action plans. All projects approved by the LCRA are subject to applicable federal, state and/or local affirmative action regulations, requirements, guidelines, and procedures. The interested redeveloper should give consideration to including MBE/WBE Enterprises early in the bidding process.

2. Workable Program

All Redevelopment Projects through the LCRA are subject to the provisions and rules of the Workable Program adopted by the LCRA Board of Commissioners on October 4, 2000. **(Exhibit D)**

3. LCRA Acquisition Costs

The Redeveloper shall be fully responsible for paying all acquisition transaction costs associated with the LCRA's acquisition of the subject property and conveyance of the subject property to the Redeveloper or its designee. These costs will include all costs to acquire the subject property, whether by contract or eminent domain, including, without limitation, contract purchase price or just compensation (including any premium eligible under eminent domain statute), court fees, condemnation commissioner fees, relocation costs, recording any documents to clear title encumbrances, any title commitment or policy of owner's title insurance that the LCRA or Redeveloper may obtain (and endorsements), reasonable professional costs and expenses for legal, title company, survey, appraisal, environmental, engineering, and other related or customary professional services performed in connection with the acquisition and conveyance of the subject property. The cost obligations of the Redeveloper will be further detailed

in separate funding and redevelopment contracts between the LCRA and the Redeveloper.

SUBMISSION REQUIREMENTS

A. Redevelopment Proposal Submission

Interested Redevelopers should submit sealed proposed redevelopment plans to the attention of: Joseph F. Egan, Executive Director, Land Clearance for Redevelopment Authority, 1100 Walnut Street, Suite 1700, Kansas City, MO 64106. Submissions should be in accordance with the Request for Proposals and should provide all of the information requested in the Redeveloper Application Form.

- **Submission of a Redevelopment Proposal requires a non-refundable fee of \$1,000 due at the time of submission of the Redevelopment Proposal, made payable to the LCRA.**
- Redevelopment proposals should be in conformance with the Arterra21/2100 Wyandotte Urban Renewal Plan.
- **Submissions of Redevelopment Proposals must be received in the offices of the LCRA no later than 3:00 p.m. on Friday, December 9, 2016.**
- Submit **one original and seven (7) copies** of the Redevelopment Proposal. The copies should be a good quality photocopy.
- **The original proposal and the copies must be three-hole punched and in a three-ring binder. Do not submit the application and copies in a hard-bound format.**
- **An electronic (digital) version of the proposal will not be accepted as the original proposal submittal, but must be supplied for staff use.**
- Do not use font size smaller than 10 point.
- Letter(s) of financing commitment must accompany the proposal. If your proposal includes tax credits and/or grants from government programs, you must include a copy of the budget page for those programs.

B. Required Attachments

- **Redevelopment Project Application Form**
- **IRS Exemption Letter (*If applicable*)**
A copy of your organization's tax-exempt ruling under Section 501(c)(3) of the Internal Revenue Code must be submitted. If your organization has a pending 501(c)(3) application, you must provide a letter indicating such.

- **Articles of Incorporation or Partnership Agreement**
A copy of your organization's articles of incorporation and a current certificate of incorporation must be submitted. You must also provide a Certificate of Good Standing from the state of incorporation. If your organization is a partnership, a copy of your partnership agreement must be submitted.
- **Bylaws (if applicable)**
A copy of your organization's bylaws must be submitted.
- **Current Members of the Board or Partners**
This list must include all individuals who are currently serving as members of your Board of Directors or as Partners. The following information must be shown for each individual: name, home address, day phone, occupation, position on the Board or Partnership, and whether or not the individual is a resident of the project area.
- **Letters of Support**
Evidence of support must include a Local Government Endorsement from the 4th District Councilperson(s), mayor, county official, state representative, or state senator. You must submit at least one letter of support from one of the individuals listed above. **This letter MUST be included with the proposal when submitted to this office.**

Your proposal must provide written evidence of support from any other agencies, organizations, institutions, and community people whose cooperation is desirable or required to carry out the project.

You must also submit letters of support from other organizations, agencies, or institutions who are providing funding or in-kind contributions to ensure the success of your project.
- **Certified Financial Statement**

A copy of a certified financial statement showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.

Name and address of auditor or public accountant who performed the audit on which said financial statement is based must be included.
- **Relocation Strategy (if applicable)**
A clearly outlined relocation strategy for relocating affected residents.
- **Affirmative Action Plan**

An Affirmative Action Plan in full compliance with the Authority's policy must be included as part of the project proposal. Please contact Sandra Rayford, the Affirmative Action Compliance Officer, at (816) 691-2110 or srayford@edckc.com to develop an Affirmative Action Plan for your project.

PROPOSAL SELECTION PROCESS AND EVALUATION CRITERIA

A. Process of Redeveloper Selection

Upon receipt of the redevelopment proposal, a review of the redevelopment proposals will occur and, if necessary, a short list of proposals will be selected for interviews regarding the proposals with the submitting Redeveloper or Development Team.

The LCRA reserves the right to negotiate with any interested redeveloper on any matters required under the redevelopment plan, including site plans, building designs, land price or lease arrangements, financial structure and guarantees. The LCRA also reserves the right to reject or accept any proposals.

B. Redevelopment Plan Review Criteria

The LCRA shall consider all relevant factors in determining which proposals best serve the purposes of the project, including, but not limited to some or all of the following:

1. The financial ability of the redeveloper to carry out the proposal.
2. The experience and expertise of the redeveloper with respect to the ability to carry out the proposal.
3. The necessity of municipal assistance, which specifically addresses: site preparation and public and private investment/improvement costs.
4. Economic impact to the City and the project area.
5. Redevelopment schedule
6. Dollar investment represented and commitments for the same.
7. Land acquisition assistance required and redevelopment phasing.
8. Quality of design and building materials.
9. Harmony of exterior design with the existing neighborhood.
10. Location of improvements with respect to topography and finished grade elevation.
11. Quality of site treatment and landscape design.

12. The economic feasibility of proposed redevelopment project(s).
13. Marketability of proposed redevelopment project(s).
14. Satisfaction of requirements for payment of project costs (land and site improvements).
15. Ability to commence and complete construction expeditiously and past history of the same.
16. The degree to which the proposal addresses the Plan for the Redevelopment Areas.
17. Appropriateness of the Affirmative Action Plan for the project(s).

Exhibit A – 1
Project Boundary

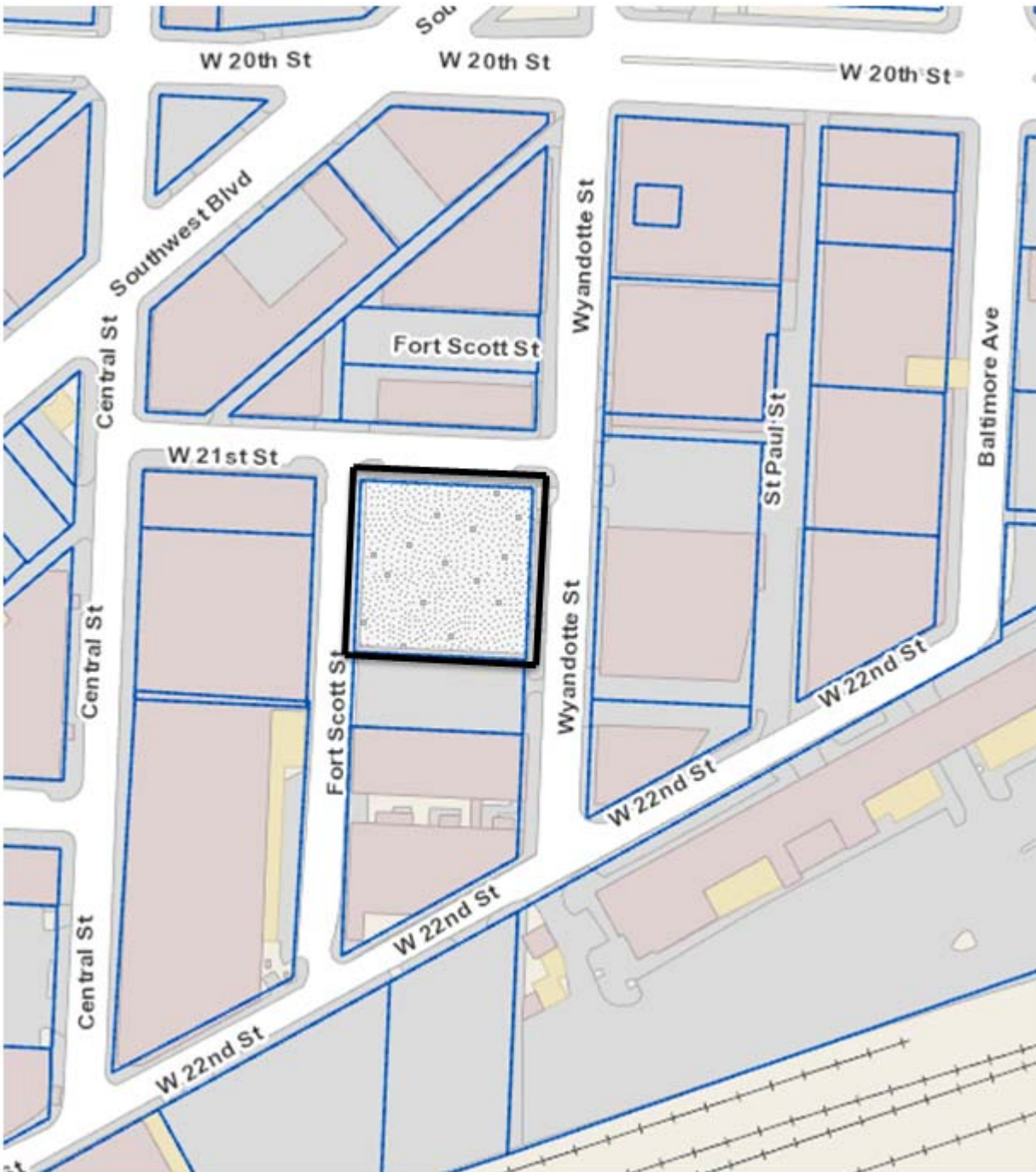


Exhibit A-1 – Map of the Plan Area

Arterra 21/2100 Wyandotte URP

Exhibit A – 2

Legal Description of the Properties to be Redeveloped

2100 Wyandotte Street – Lots 1, 2, 3, 4, 5 and 6, Block 21, Goodrich Addition, City of Kansas City, Jackson County, Missouri.

Exhibit B

Relocation Policy

RESOLUTION NO. 3-02-08

RESOLUTION ADOPTING A STANDARDIZED RELOCATION POLICY

WHEREAS, the Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “Authority”) has the power to prepare plans and provide reasonable assistance for the relocation of families displaced from a land clearance project area or an urban renewal project area, to the extent essential for acquiring possession of and clearing or renewing the area or parts thereof;

WHEREAS, on March 25, 1987, by Resolution 87-25, the Authority adopted a standardized relocation policy to be included henceforth in all urban renewal plans; and

WHEREAS, the Authority desires to update the standardized relocation policy.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Land Clearance for Redevelopment Authority of Kansas City, Missouri, as follows:

1. Henceforth, all urban renewal plans approved by the Authority shall contain the following provisions:

Relocation Plan.

(a) Definitions. The following terms, whenever used or referred to herein, shall have the following meanings:

(i) Business. “Business” shall mean any lawful activity that is conducted:

- a. Primarily for the purchase, sale or use of personal or real property or for the manufacture, processing or marketing of products or commodities;
- b. Primarily for the sale of services to the public; or
- c. On a not-for-profit basis by any organization that has obtained an exemption from the payment of federal income taxes as provided in Section 501(c)(3) of Title 26, U.S.C., as amended, and veterans organizations.

(ii) Decent, safe and sanitary dwelling. “Decent, safe and sanitary dwelling” shall mean a dwelling which meets applicable housing and occupancy codes. The dwelling shall:

- a. Be structurally sound, weather tight and in good repair;

- b. Contain a safe electrical wiring system;
- c. Contain an adequate heating system;
- d. Be adequate in size with respect to the number of rooms needed to accommodate the displaced occupant; and
- e. For a handicapped occupant, be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling;

(iii) Designated Occupants. “Designated occupants” shall mean handicapped displaced occupants and those displaced occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Director of City Development based upon the standards established by the Department of Housing and Community Development.

(iv) Displaced business. “Displaced business” shall mean any business that moves from real property within the development area as a result of the acquisition of such property, as a result of written notice to vacate such property, or in connection with the demolition, alteration or repair of said property, by any person who subsequently seeks tax abatement pursuant to R.S.Mo. § 99.700, et seq., as amended.

(v) Displaced occupant. “Displaced occupant” shall mean any occupant who moves from real property within the development area as a result of the acquisition of such property, as a result of written notice to vacate such property, or in connection with the demolition, alteration or repair of said property, by any person who subsequently seeks tax abatement pursuant to R.S.Mo. § 99.700, et seq., as amended.

(vi) Handicapped occupant. “Handicapped occupant” shall mean any occupant who is deaf, legally blind, or orthopedically disabled to the extent that acquisition of other residence presents a greater burden than other occupants would encounter or that modification to the residence would be necessary.

(vii) Occupant. “Occupant” shall mean a residential occupant of a building having lawful possession thereof, and further shall include any individual in lawful possession, whether related by blood or marriage to any other occupant.

(viii) Person. “Person” shall mean any individual, firm, partnership, joint adventure, association, corporation and any life insurance company, organized under the laws of, or admitted to do business in the State of Missouri, undertaking a redevelopment project in an urban renewal area, whether organized for profit or not, estate, trust, business trust, receiver or trustee appointed by any state or federal court, syndicate, or any other group or combination acting as a unit, and shall include the male as well as the female gender and the plural as well as the singular member.

(b) Plan Requirement. Every person approved by the Authority as a developer of property in furtherance of an urban renewal plan shall submit to the Authority a relocation plan as part of the developer's redevelopment plan.

(c) Contents of Plan. The relocation plan shall provide for the following:

(i) Payments to all displaced occupants and displaced businesses who occupied the property to be acquired for not less than ninety (90) days prior to the initiation of negotiations who are required to vacate the premises by the developer, its assigns or any person seeking tax abatement pursuant to R.S.Mo. § 99.700, et seq, as amended; and

(ii) A program for identifying needs of displaced occupants and displaced businesses with special consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities, and vacancy rates of affordable facilities; and

(iii) A program for referrals of displaced occupants and displaced businesses with provisions for a minimum of three (3) decent, safe and sanitary dwelling referrals for residential occupants or suitable referral sites for displaced businesses, a minimum of ninety (90) days notice of referral sites for all displaced occupants and displaced businesses prior to the date such displaced occupant or displaced business is required to vacate the premises; and arrangements for transportation to inspect referral sites to be provided to displaced businesses and displaced occupants, including designated occupants.

(iv) A program for providing proper and timely notice to all displaced occupants and displaced businesses, including a general description of their potential rights and benefits if they are displaced, their eligibility for relocation assistance, and the nature of that assistance. The notices required for compliance with this section are as follows:

- a. A general information notice that shall be issued at the approval and selection of a designated redeveloper and shall inform residential and nonresidential owners and occupants of a potential project, including the potential acquisition of the property;
- b. A notice of relocation eligibility that shall be issued as soon as feasible after the execution of the redevelopment agreement and shall inform residential and nonresidential occupants within the project area who will be displaced of their relocation assistance and nature of that assistance, including ninety (90) days advance notice of the date the occupants must vacate..

(d) Payments to Occupants. All displaced occupants eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon one of the following, at the option of the occupant:

(i) A \$1,000.00 fixed moving expense payment to be paid at least thirty (30) days prior to the date the occupant is required to vacate the premises; or

(ii) Actual reasonable costs of relocation including, but not limited to, actual moving costs, utility deposits, key deposits, storage of personal property up to one month, utility transfer and connection fees, and other initial rehousing deposits including first and last month's rent and security deposit. Such costs of relocation shall not include the cost of a replacement property or any capital improvements thereto.

(e) Displaced Handicapped Occupant Allowance. In addition to the payments provided in subsection (d) hereof, an additional relocation payment shall be provided to displaced handicapped occupants which shall equal the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and use-ability of such occupant's prior residence, such amount not to exceed Four Hundred Dollars (\$400.00).

(f) Payment to Businesses. All displaced businesses eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon the following, at the option of the business:

(i) A \$3,000.00 fixed moving expense payment to be paid at least thirty (30) days prior to the date the business is required to vacate the premises, and up to an additional \$10,000.00 for reestablishment expenses. Reestablishment expenses are limited to actual costs incurred for physical improvements to the replacement property to accommodate the particular business at issue; or

(ii) Actual costs of moving, including costs for packing, crating, disconnection, dismantling, reassembling and installing all personal equipment and costs for relettering similar signs and similar replacement stationery, and up to an additional \$10,000.00 for reestablishment expenses. Reestablishment expenses are limited to actual costs incurred for physical improvements to the replacement property to accommodate the particular business at issue.

(g) Advance Relocation Payment. If a displaced occupant or displaced business demonstrates the need for an advance relocation payment, in order to avoid or reduce a hardship, the developer or Authority shall issue the payment subject to such safeguards as are appropriate to ensure that the objective of the payment is accomplished. Payment for a satisfactory claim shall be made within thirty (30) days following receipt of sufficient documentation to support the claim. All claims for relocation payment shall be filed with the displacing agency within six months after:

(i) For tenants, the date of displacement;

(ii) For owners, the date of displacement or the final payment for the acquisition of the real property, whichever is later.

(h) Waiver of Payments. Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for acquisition of the interest held by said occupant or business. Said waiver shall be in writing and filed with the Authority. Any waiver of relocation payments shall not include a waiver of any notice provisions of this relocation policy or of Section 523.205, RSMo, and a displaced occupant or displaced business shall remain entitled to all of the provisions regarding programs which are contained in subsections (ii) and (iv) of section (c) of this relocation policy.

(i) Notice of Relocation Benefits. All occupants and businesses eligible for relocation benefits hereunder shall be notified in writing of the availability of such relocation payments and assistance, such notice to be given concurrent with the notice of referral sites required by subsection (c)iii hereof.

(j) Persons Bound by the Plan. Any developer, its assigns or transferees, is required to comply with the provisions hereof and shall certify such compliance to the Executive Director of the Authority. Such certification shall include, among other things, the addresses of all occupied residential buildings and structures within the redevelopment plan area and the names and addresses of occupants and businesses displaced by the developer and specific relocation benefits provided to each occupant and business, as well as a sample notice provided each occupant and business. No person shall be entitled to the tax abatement provisions of R.S.Mo. § 99.700, et seq., as amended, if said person has failed to comply with the relocation benefits provided herein.

(k) Minimum requirements. The requirements set out herein shall be considered minimum standards. In reviewing any proposed redevelopment plan, the Authority shall determine the adequacy of the proposal and may require additional elements to be provided therein.

(l) Assistance Prohibited. Relocation assistance shall not be provided to any occupant who purposely resides or any business that is purposely located in a redevelopment area solely for the purpose of obtaining relocation benefits.

2. Prior resolutions of the Authority adopting the provisions of the Uniform Relocation Assistance and Real Properties Acquisition Policy Act of 1970, 42 U.S.C. § 4621, et seq., as amended, and its implementing regulations, shall henceforth be applicable only to federally-assisted projects in which the Authority acquires real property by exercising its power of eminent domain or to projects acquired for the same public use through the same procedures and which are being purchased solely through expenditure of state or local funds.

3. This Resolution shall take effect immediately.

ADOPTED this 26th day of March, 2008.

/s/ Michael Duffy
R. Michael Duffy, Chairman

ATTEST:

/s/ Joseph F. Egan

Joseph F. Egan, Secretary

Exhibit C

Affirmative Action Policy

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY **of KANSAS CITY, MISSOURI**

1. AFFIRMATIVE ACTION POLICY

The procedures outlined below are designed to provide maximum opportunities for Minority Business Enterprises (“MBE”) and Women Business Enterprises (“WBE”) to bid and participate on projects carried out by redevelopers approved by the Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “LCRA”).

These procedures have been prepared in an effort to encourage redevelopers and general contractors to use MBE/WBE businesses. The LCRA will bring its goals for MBE/WBE business participation to the attention of redevelopers and contractors early on in the development and construction process so that MBE/WBE businesses will have an opportunity to submit bids.

The LCRA has the following goals* for MBE and WBE participation when the professional services budget and construction services budget exceed the amounts set forth in the definition of a contract as defined in Kansas City, Missouri Code of Ordinances, Chapter 38, Article II, Sections 38-84.

Minority Classification	Construction	Professional Service	Other Services	Materials and Supplies
Black American	9%	8%	13%	9%
Hispanic American	5%	3%	3%	3%
Native American/Asian American	1%	2%	2%	%
White Women	7%	8%	10%	9%

* NOTE: These are default goals; alternative utilization goals may be set for individual projects.

2. Step 1 – Preliminary Conference

Within a reasonable time after the LCRA has identified a potential redeveloper, the LCRA will schedule a preliminary conference, which will be an overall informational review of the proposed project and the LCRA’s policies and procedures, including the LCRA’s Affirmative Action Policy.

The LCRA will provide to the redeveloper a packet of information and forms to acquaint the redeveloper with the LCRA's Affirmative Action Policy. The LCRA's failure to provide the LCRA's Affirmative Action Policy, however, shall not affect the redeveloper's obligation to submit and follow an Affirmative Action Plan (as defined below).

3. Equal Opportunity Requirements

1. Before the LCRA Board of Commissioners (the "LCRA Board") selects a redeveloper for the proposed project, each redeveloper is required to complete an Affirmative Action Plan (the "Affirmative Action Plan") and a Letter of Intent (the "Letter of Intent") and submit them to the LCRA for review. The Affirmative Action Plan is to be completed based upon the information available to the redeveloper at the time of its completion.
2. Pre-Award Commitments. It is the responsibility of the redeveloper to inform the LCRA, in writing, of any pre-award commitments to professional service providers, contractors or suppliers.
 - (a) In all projects where more than two thirds (2/3) of commitments to either professional services providers or construction services providers, including the value of self-performed work have been established and the MBE/WBE goals have not been met, the Redeveloper shall:
 - (i) issue a written, verified commitment to the LCRA that states Redeveloper will use best faith efforts to meet the MBE/WBE goals (see LCRA Board Resolution No. 4-01-08 contained in this packet);
 - (ii) issue a written, verified commitment to the LCRA that states Redeveloper will use best faith efforts to meet the Construction Employment Program goals (see LCRA Board Resolution No. 5-01-09 contained in this packet); and
 - (iii) submit a completed Redeveloper Affirmative Action Plan for approval by the LCRA staff.
 - (b) In all projects where prior to the approval of the LCRA application, the Redeveloper has committed to either professional services providers or construction services providers, including the value of self-performed work, that results in a mathematical impossibility for the Redeveloper to achieve the MBE/WBE goals, the Redeveloper's application shall be administratively denied by the LCRA staff. The redeveloper may appeal the decision with a letter to the LCRA Board of Commissioners outlining specific reasons why the MBE/WBE participation levels should be waived.
3. The redeveloper is required to disclose to the LCRA, in writing, any pre-award commitments to contractors or suppliers. No more than one-third (1/3) of total subcontract dollars shall be pre-awarded. In the event the redeveloper has pre-awarded more than one-third (1/3) of total subcontract dollars, the LCRA Board shall recommend appropriate action by the redeveloper to ensure compliance with the Affirmative Action Plan.
4. The redeveloper's Affirmative Action Information Packet ([Exhibit A](#)) will include the following materials and forms:

- (a) Letter from the LCRA Executive Director ([Exhibit A-1](#))
- (b) Redeveloper's Affirmative Action Plan ([Exhibit A-2](#))
- (c) Letter of Intent Form ([Exhibit A-3](#))
- (d) Pre-Award Commitments ([Exhibit A-4](#))
- (e) Professional Services Utilization Plan ([Exhibit A-5](#))
- (f) LCRA Board Resolution No. 4-01-08 ([Exhibit A-6](#))
- (g) Good Faith Effort Statement ([Exhibit A-7](#))
- (h) General Contractor's Affirmative Action Information Packet ([Exhibit B](#))

4. Step II – Developer Submission for Board Approval of Redevelopment Plan

Prior to LCRA approval of contract with the selected redeveloper for the proposed project, the redeveloper shall submit all affirmative action documents for staff review and for the Director of Human Relations to establish MBE/WBE Utilization Goals or apply the Default Goals for the Redevelopment Project or Public Improvement.

The LCRA staff will report on the redeveloper's Affirmative Action Plan and Letter of Intent at or before the time the LCRA Board considers and approves a Redevelopment Contract with the redeveloper for the proposed project. The Letter of Intent will explain the steps the redeveloper intends to achieve the LCRA's goals for MBE/WBE and minority/women construction workforce participation. The redeveloper's Affirmative Action Plan shall identify MBE/WBE participants in the pre-construction phase of the project and the areas of MBE/WBE participation.

5. Step III – General Contractor Selection

When advised by the redeveloper that a general contractor has been selected, the LCRA staff will meet with the redeveloper and general contractor to explain the LCRA's Affirmative Action requirements. This meeting should occur as early as possible in the LCRA approval process.

At the meeting with the redeveloper and the general contractor, the general contractor will be given a packet of information and forms to be filled out. The LCRA staff will acquaint the general contractor with the information contained in the packet, which includes the following:

- (i) General Contractor's Affirmative Action Plan ([Exhibit B-1](#))
- (j) Bid Procedure ([Exhibit B-2](#))
- (k) LCRA Board Resolution No. 5-01-09 ([Exhibit B-3](#))
- (l) MBE/WBE Resource Agencies ([Exhibit B-4](#))

5. The Developer/General contractors must submit a Construction Services Utilization Plan ([Exhibit B-5](#)) listing the proposed MBE/WBEs to work on the project to the LCRA.

6. Step IV – Redevelopment Project Approvals and
7. Implementation of Affirmative Action Plan

Prior to LCRA Board approval of awarding development rights within a LCRA redevelopment area, the LCRA Board will receive a written statement detailing the current status of the redeveloper's and general contractor's Affirmative Action Plans, the level of participation to be accomplished in the project, and what steps are envisioned or will be required to make a good faith effort to accomplish the project's Affirmative Action Plans.

8. Step V – Pre-Construction Conference

Within a reasonable time before construction begins, the redeveloper and contractor will meet with LCRA staff to finalize their Affirmative Action Plans.

9. Step VI – Monitoring

During the construction of the project, the LCRA staff, or its contracted designee as set forth below, and the redeveloper will monitor the project to ensure the Affirmative Action Plan goals are being attained or, in the absence of achieving the goals, a Good Faith Effort is made to achieve the goals. The LCRA shall receive monthly reports from the redeveloper on the progress of the project's affirmative action goals and be advised in this matter as the LCRA deems appropriate. By submitting such reports to the LCRA, the redeveloper represents that the information contained therein is accurate and fully describes the redeveloper's progress toward fulfilling the LCRA's affirmative action goals under the Affirmative Action Plan. The LCRA shall rely on the redeveloper's monthly report in determining whether the Affirmative Action Plan is being properly implemented. The LCRA may at any reasonable time review and inspect the redeveloper's records to verify information contained in the redeveloper's annual report.

Upon the LCRA's issuance of a Certificate of Completion, the LCRA or its contracted designee shall no longer monitor the project.

10. Step VII - Damages Clause

Because the amount of harm caused to MBE's and WBE's by the Redeveloper not exerting good faith efforts to meet the Utilization Goals set forth herein is uncertain, if not impossible, to determine, the Redeveloper agrees to pay to the LCRA liquidated damages, and not as a penalty, an amount equal to the total amount of dollars for Professional and/or Construction services that MBE's or WBE's would have otherwise received had the Redeveloper attained the respective Utilization Goals ("Liquidated Damages"). In the event that the Redeveloper fails to exert good faith efforts to meet the Utilization Goals for minority/women construction workforce in the determination and sole discretion of the LCRA, the LCRA may refuse to grant incentives for the project.

In addition to any Liquidated Damages, Redeveloper shall be liable to the LCRA for any and all actual fees and expenses, including reasonable attorney's fees, incurred by LCRA in investigating and finding whether the Redeveloper has exerted good faith efforts to meet the Utilization Goals. Recovery of such administrative expenses may be invoked at the sole discretion of the LCRA Board of Commissioners ("Administrative Damages").

To illustrate the application of this damages provision, please refer to the example below:

Example

Pursuant to the implementation of Redevelopment Project A ("Project A"), a Redeveloper spends a total of \$100,000 for construction services. Such amount is paid exclusively to contractors, subcontractors and assignees, located within the Kansas City Metropolitan Area.

6. A Redeveloper utilized MBEs at a rate of 2% and WBEs at a rate of 1% for construction services in the development of Project A. Thus, the Redeveloper paid \$2,000 to MBEs and \$1,000 to WBEs for such construction services.
7. The Utilization Goals established for Project A for the utilization of MBEs and WBEs in construction services is 9% and 7%, respectively and such Utilization Goals were set forth in a Utilization Plan approved by the Human Relations Department.
8. The LCRA finds that the Redeveloper did not exercise good faith efforts to meet the Utilization Goals for the utilization of MBEs and WBEs in construction services for the development of Project A. The Administrative Damages associated with such finding is, for example, \$5,000.
9. The additional amount that MBEs would have otherwise received had the Utilization Goals been met would be an amount equal to: the Utilization Goal of 9% minus the 2% actually attained of the total amount of \$100,000 spent. Thus, the Redeveloper would have spent an additional \$7,000 with MBEs. The additional amount WBEs would have otherwise received had the Utilization Goals been met would be an amount equal to: the Utilization Goal of 7% minus the 1% actually attained of the total amount of \$100,000 spent. Thus, the Redeveloper would have spent an additional \$6,000 with WBEs.

10. Pursuant to the damages provision of this Policy, the Redeveloper may be obligated to pay to the LCRA Administrative Damages in an amount of \$5,000 (the cost associated with the LCRA finding); plus Liquidated Damages in the amount of \$13,000 (\$7,000 (the amount MBEs would have otherwise received had the Utilization Goals been met) plus \$6,000 (the amount WBEs would have otherwise received had the Utilization Goals been met) for an aggregate amount of \$18,000 in Administrative Damages and Liquidated Damages.

EXHIBIT A

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

REDEVELOPER'S AFFIRMATIVE ACTION
INFORMATION PACKET

EXHIBIT A-1

TO: All LCRA Applicants/Redevelopers

FROM: Joseph F. Egan, Executive Director

RE: Affirmative Action Process

Enclosed in this packet you will find information and materials needed to satisfy the affirmative action policy of the Land Clearance for Redevelopment Authority of Kansas City, Missouri (the "LCRA"). The LCRA has established the following goals* for Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE) participation on approved redevelopment projects:

Minority Classification	Construction	Professional Service	Other Services	Materials and Supplies
Black American	9%	8%	13%	9%
Hispanic American	5%	3%	3%	3%
Native American/Asian American	1%	2%	2%	%
White Women	7%	8%	10%	9%

* NOTE: These are default goals; alternative utilization goals may be set for individual projects.

The LCRA's goals for MBE/WBE business participation apply to professional services and consultants, as well as construction contractors and suppliers. In order for a business to be considered MBE or WBE, it must: (a) be at least 51% owned and independently controlled by one or more minorities or women; (b) either have its principal place of business in the Kansas City metropolitan area or have made substantial efforts to become a market participant in the Kansas City metropolitan area; and (c) meet the size standards imposed by federal regulations (13 CFR 121.201). Minorities are generally defined as persons who are: Native American, Black, Hispanic, and Asian. It is sufficient if the overall goal for minorities has been met without regard to the specific "mix" of minorities.

All MBE/WBE businesses must be certified by the City of Kansas City Human Relations Department.

The LCRA's goals for minority and women construction trade participation are 15% minority participation and 7% women participation based on the percentages of construction labor hours on each construction project with a budget greater than the current dollar threshold per City Ordinance, adjusted annually in accordance with the Consumer Price Index.

All redevelopers, general contractors and subcontractors shall be required to take affirmative actions to accomplish these minimum goals and shall be required to cooperate with the LCRA in preparing their affirmative action plans and certifying the levels of employment accomplished under that plan.

All redevelopers, prior to approval of their redevelopment contract by the LCRA, are required to complete and submit to this agency an Affirmative Action Plan (form enclosed), as well as a Letter of Intent (form enclosed). Also, redevelopers must inform this agency, in writing, of any pre-award commitments or suppliers.

Based on this information and a proposed timetable of actions to accomplish the intent of the LCRA's affirmative action policy, the LCRA and the redeveloper will develop a preliminary schedule for affirmative action performance and reviews.

Before LCRA approval of any redevelopment contract, the redeveloper and general contractor will meet with the LCRA staff to discuss their affirmative action plan and monitoring of the project. During the planning, design and construction of the project, the LCRA, or its agents, will monitor the project to ensure that affirmative action goals are being attained, or that a good faith effort is made to achieve the goals. It is the responsibility of the selected redeveloper to implement the LCRA's affirmative action policy goals for professional services and consultants, to provide this information to the general contractors, and to assist the general contractor in maintaining MBE/WBE participation and minority and women construction employment participation during the construction process.

The information requested in the enclosed materials is required for all projects assisted by the LCRA. Please do not hesitate to contact this office if you have any questions or need assistance in any way. We are looking forward to working with you on this project.

Nothing in this Affirmative Action Information Packet, or in the Affirmative Action Policy of the LCRA relieves redevelopers and/or other parties participating in LCRA projects from any other local, state or federal laws or regulations. It is the obligation of all redevelopers and/or other parties participating in LCRA projects to comply with all such laws and regulations; and, failure to do so may be deemed by the LCRA Board of Commissioners to be a default of the parties' contractual obligation to the LCRA.

Enclosures

EXHIBIT A-2

REDEVELOPER'S AFFIRMATIVE ACTION PLAN FOR:

PROJECT _____

LOCATION _____

TYPE OF DEVELOPMENT _____

1. GENERAL INFORMATION

A. COMPANY

Name _____

Address _____

Phone _____

B. Estimated Cost of Development \$ _____

C. The owner(s) and/or principal(s) of our company are:

Name _____

Address _____

Phone _____

Name _____

Address _____

Phone _____

Name _____

Address _____

Phone _____

D. The Equal Employment Opportunity Officer for our company is:

Name _____

Phone _____

E. The following MBE and WBE firms are anticipated to participate as members of the development team:

	<u>Name</u>	<u>Team Member Service Provided</u>	<u>MBE or WBE</u>	<u>Amount to be paid for Services Provided</u>
1.	_____	_____	_____	\$ _____
2.	_____	_____	_____	\$ _____
3.	_____	_____	_____	\$ _____
4.	_____	_____	_____	\$ _____

- F. We agree to provide a Professional Services Utilization Plan identifying MBEs and WBEs evidencing the subcontracted work to be performed.
- G. If the project is a multi-phased project, it may be unrealistic to attempt to outline MBE and WBE participants for future phases at this time. If so, the Redeveloper agrees to maximize MBE and WBE participation for the development team for those future project phases.
- H. In conjunction with this project, we propose to contract with the following types of suppliers of goods and services after construction:

-
- I. We agree to contact the agencies provided on the Resource List for technical assistance in obtaining qualified MBE and WBE firms.
 - J. MBE and WBE Participation Requirements: On this project we will ensure that our contractor will comply with the LCRA's Affirmative Action guidelines which require participation by MBE and WBE subcontractors.
 - K. Minority and Women Workforce Requirements: On this project we will insure that our contractor will comply with the LCRA's Affirmative Action guidelines which require participation by minorities and women in the construction labor force.

2. POLICY

- A. We, the undersigned, are committed to non-discrimination in employment. Any person that applies for employment with this project or our company will not be discriminated against because of race, color, creed, sex or national origin.
- B. The policies and practices of the undersigned are to recruit and to hire employees and/or contractors, subcontractors and suppliers without discrimination and to treat them equally with respect to compensation and opportunities for advancement, including upgrading, promotion, transfer and bidding and contracting negotiations. We realize the inequities associated with employment, upgrading, contracting and subcontracting for minorities and women, and will direct our efforts to correcting any deficiencies to the maximum extent possible. The same will be required of our contractors, subcontractors and/or suppliers.

3. AFFIRMATIVE ACTION

- A. We will undertake a program of affirmative action to make known that equal employment and contract bidding opportunities are available on the basis of individual merit and to actively encourage minority and women participation.
- B. We will seek qualified minority and women applicants/contractors/subcontractors for all job categories and will make particular efforts to increase minority and women group representation in occupations at the higher levels of skill and responsibility. All sources of employment shall be used and made aware that we are equal employment opportunity employers. All MBE and WBE Resource Agencies and companies certified¹ by Kansas City, Missouri Human Relations Department (816/513-1836) will be notified by registered mail, fax logs or verified e-mail, with a follow-up contact. Documentation of this contact will be maintained as a permanent record throughout this project, and copies will be sent to the LCRA office.

¹ Certified companies' contact information may be accessed via the Kansas City, Missouri website (kcmo.gov) or by contacting the Human Relations Department at (816) 513-1836.

Respectfully submitted,

By:

Company Executive

Date

By:

Company E.O. Officer (if applicable)

Date

EXHIBIT A-3

TO: All Redevelopers

FROM: Joseph F. Egan, Executive Director

RE: "Letter of Intent"

Attached is the generic Letter of Intent format that should be used in submitting your letter of to the LCRA Board.

The Letter of Intent should outline the following requirement, as well as any other efforts you intend to set forth to meet these requirements:

- (1) The steps the redeveloper will take to maximize MBE/WBE participation in all areas of the project, including professional services, and consulting as well as construction contracting.
- (2) The steps the redeveloper will take to maximize minority and women construction workforce participation on the project.
- (3) It is the redeveloper's responsibility to make sure that the General Contractor sends notice to MBE/WBE resource agencies by registered mail (return receipt requested) inviting bids from their membership. Notice must go out at least two weeks before bids are due.
- (4) Documentation will be submitted to this agency of follow-up telephone calls to the resource agencies or individual contractors.

This letter should be on your letterhead and submitted with the redeveloper's Affirmative Action Plan.

Attachment

EXHIBIT A-4

PRE-AWARD COMMITMENTS

It is the responsibility of the redeveloper to inform the LCRA, in writing, of any pre-award commitments to professional service providers, contractors or suppliers.

- (a) In all projects where more than two thirds (2/3) of commitments to either professional services providers or construction services providers, including the value of self-performed work have been established and the MBE/WBE goals have not been met, the Redeveloper shall:
 - (i) issue a written, verified commitment to the LCRA that states Redeveloper will use best faith efforts to meet the MBE/WBE goals (see LCRA Board Resolution No. 4-01-08 contained in this packet); and
 - (ii) submit a completed Redeveloper Affirmative Action Plan for approval by the LCRA staff.
- (b) In all projects where prior to the approval of the LCRA application, the Redeveloper has committed to either professional services providers or construction services providers, including the value of self-performed work, that results in a mathematical impossibility for the Redeveloper to achieve the MBE/WBE goals, the Redeveloper's application shall be administratively denied by the LCRA staff.

EXHIBIT A-5

Utilization Plan for Professional Services

(Land Clearance for Redevelopment Authority)

(Redeveloper)

State of _____)
County of _____)

Comes now _____, of lawful age and being duly sworn upon his/her oath, states as follows:

I am the _____ (position) of Redeveloper and am authorized to make this statement on its behalf. This affidavit is for the purpose of complying with the LCRA's Affirmative Action Policy requirements for utilization of Minority/Women Business Enterprises (MBE/WBE), as MBE's and WBE's are defined by the LCRA's Affirmative Action Policy, for professional services.

The Redeveloper acknowledges and agrees that the aggregate amount it intends to spend on professional services in connection with the implementation of the above-mentioned project is \$_____.

The Human Relations Department has established and the Redeveloper that agrees there should be a minimum of _____ percent (____%) Minority Business Enterprise (MBE) and _____ percent (____%) Women's Business Enterprise (WBE) professional services participation in the above-named project.

In order to meet the Utilization Goals for professional services, the following is a true and accurate list of the professional services providers, regardless of tier, with whom Redeveloper intends to contract:

Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Contact Person: _____

Race, ethnic origin, or gender: _____

Area/Scope of Work: _____

Dollar Amount: _____

Date _____

Initials _____

Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Contact Person: _____

Race, ethnic origin, or gender: _____

Area/Scope of Work: _____

Dollar Amount: _____

Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Contact Person: _____

Race, ethnic origin, or gender: _____

Area/Scope of Work: _____

Dollar Amount: _____

Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Contact Person: _____

Race, ethnic origin, or gender: _____

Area/Scope of Work: _____

Dollar Amount: _____

Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Contact Person: _____

Race, ethnic origin, or gender: _____

Area/Scope of Work: _____

Dollar Amount: _____

Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Contact Person: _____

Race, ethnic origin, or gender: _____

Area/Scope of Work: _____

Dollar Amount: _____

Date _____

Initials _____

Name of M/WBE Company: _____

Address: _____
Phone Number: _____
Contact Person: _____
Race, ethnic origin, or gender: _____
Area/Scope of Work: _____
Dollar Amount _____

Estimated Budget: \$ _____

Proposed MBE/WBE Utilization:

MBE: \$ _____ %

WBE: \$ _____ %

DEVELOPER

By: _____

Name: _____

Subscribed and sworn to before me, a Notary Public, this ____ day of _____, 20____.

Notary Public

My Commission expires:

Date _____

Initials _____

EXHIBIT A-6
RESOLUTION NO. 4-01-08

RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI APPROVING UPDATE TO AFFIRMATIVE
ACTION POLICY.

WHEREAS, the Board of Commissioners of the Land Clearance for Redevelopment Authority of Kansas City, Missouri (“Authority”) adopted its Affirmative Action Policy on August 30, 1978, as amended from time to time (the “Affirmative Action Policy”);

WHEREAS, Affirmative Action Policy advises redevelopers and their general contractors that they are strongly encouraged to avoid situations where a substantial portion of the subcontracted and self-performed work is awarded before the redeveloper and/or general contractor has made a serious attempt to secure interest and prices from Minority Business Enterprises and Women Business Enterprises (“MBE/WBE”) in the area;

WHEREAS, the Authority desires to update its goals for MBE/WBE business participation in order to assure MBE/WBE businesses receive a more equitable involvement and share of construction, as well as professional and consultant services contract and subcontract work resulting from Authority projects; and

WHEREAS, it is the policy of the Authority for all of its projects to require redevelopers and their contractors to make a good faith effort to accomplish the affirmative action goals of the Authority. It is the obligation and responsibility of the selected redeveloper to perform in a good faith effort throughout the redevelopment process. A good faith effort is deemed to be those actions, including: advertising in periodicals, making contacts with minority and women’s trade associations and business development organizations, and other outreach activities, which may be necessary in order to accomplish, at a minimum, the Authority’s goals, as shown in the attached Exhibit A, for the participation, directly or by joint venture arrangements, of minority and women business enterprises in the professional and consultant services, as well as in the construction activities resulting from Authority projects.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Land Clearance for Redevelopment Authority of Kansas City, Missouri, as follows:

1. The Authority shall advise potential redevelopers that as a condition to entering into a contract for Authority redevelopment plans or projects, the redeveloper will be required to submit and follow an Affirmative Action Plan.
2. Potential redevelopers shall be advised of this Policy by the Authority staff at the earliest possible time and no later than the Authority’s selection of the redeveloper; the failure to communicate the Affirmative Action Policy, however, shall not affect the redeveloper’s obligation to submit and follow an Affirmative Action Plan.

3. The Authority reserves the right to examine the potential redeveloper's pre-award commitments in terms of Affirmative Action objectives and goals.
4. In all projects where prior to the approval of the Authority application, the Redeveloper has committed to either professional services providers or construction services providers, including the value of self-performed work, that results in a mathematical impossibility for the Redeveloper to achieve the MBE/WBE goals, the Redeveloper's application shall be administratively denied by the Authority staff. The redeveloper may appeal the decision with a letter to the Authority Board of Commissioners outlining specific reasons why the MBE/WBE participation levels should be waived.
5. All general contractors shall request that their potential subcontractors submit a "Subcontractor's Affirmative Action Plan." These plans shall be reviewed by the Authority staff before a contractual agreement is signed between the general contractor and his subcontractor.
6. The Authority approves and establishes the goals attached as Exhibit A for: (1) MBE and WBE participation in professional and consultant services; and (2) MBE and WBE participation in project construction activity for all redevelopment projects.
7. The Authority approves and establishes construction workforce goals for all construction projects greater than \$324,000, adjusted annually in accordance with the CPI at 15% minority construction labor hours and 7% women construction labor hours based on the total number of construction labor hours per project.
8. The obligation to accomplish the Authority's goals is that of the redeveloper. The redeveloper shall report to the Authority the affirmative action accomplishments on a monthly basis from the date the Authority approves a contract with the redeveloper until Authority approval of a Certificate of Completion for each redevelopment project.
9. The Authority will work with the City of Kansas City to certify compliance of all affirmative action plans and to assist the Authority in implementing its affirmative action policy. The cost related to this process shall be the obligation of the selected redeveloper and shall be recognized as reimbursable costs within each redevelopment project or area.
10. These policies do not relieve the redeveloper or any other party participating in an Authority project of its obligations to comply with any other local, state, or federal law or regulation. If federal funds are involved and/or other agencies are monitoring affirmative action goals and compliance, the Authority reserves the right to delegate to others, or suspend its affirmative action procedures.

APPROVED this 23rd day of April, 2008.

APPROVED:

/s/

R. Michael Duffy, Chairman

ATTEST

/s/

Joseph F. Egan, Secretary

Exhibit A
(to Resolution 4-01-08)

Minority Classification	Construction	Professional Service	Other Services	Materials and Supplies
Black American	9%	8%	13%	9%
Hispanic American	5%	3%	3%	3%
Native American/Asian American	1%	2%	2%	%
White Women	7%	8%	10%	9%

NOTE: These are default goals; alternative utilization goals may be set for individual projects.

EXHIBIT A-7

GOOD FAITH EFFORT STATEMENT

It is the policy of the LCRA for all of its projects to require redevelopers and their contractors to make a good faith effort to accomplish the affirmative action goals of the Commission. It is the obligation and responsibility of the selected redeveloper to perform in a good faith effort throughout the development process. A good faith effort is deemed to be those actions, including advertising in periodicals, making contacts with minority and women's trade associations and business development organizations, and other outreach activities, which may be necessary in order to accomplish, at a minimum, the LCRA's following goals* for the participation, directly or by joint venture arrangements, of minority and women business enterprises in the professional and consultant services, as well as in the construction activities resulting from LCRA projects:

Minority Classification	Construction	Professional Service	Other Services	Materials and Supplies
Black American	9%	8%	13%	9%
Hispanic American	5%	3%	3%	3%
Native American/Asian American	1%	2%	2%	%
White Women	7%	8%	10%	9%

* NOTE: These are default goals; alternative utilization goals may be set for individual projects.

Statement of Agreement

I, _____ and the firm of _____, do hereby agree to make a "good faith effort" to implement the LCRA Affirmative Action policy for the _____ project.

EXHIBIT B

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
OF KANSAS CITY, MISSOURI**

**GENERAL CONTRACTOR'S AFFIRMATIVE ACTION
INFORMATION PACKET**

EXHIBIT B-1

GENERAL CONTRACTOR'S AFFIRMATIVE ACTION PLAN FOR

PROJECT _____

LOCATION _____

TYPE OF DEVELOPMENT _____

1. GENERAL CONTRACTOR

A. Name _____

Address _____

Phone _____

E.O. Officer/Contract Person _____

2. DEVELOPER

A. Name _____

Address _____

Phone _____

3. GENERAL INFORMATION

A. Name of Company _____

Address _____

Phone _____

B. The owner(s) and/or principal(s) of our company are:

Name _____

Address _____

City, State, Zip _____

Position _____

Ethnic Origin _____

Ownership _____ %

Name _____

Address _____

City, State, Zip _____

Position _____

Ethnic Origin _____

Ownership _____ %

C. Estimated Construction Dates:

Start _____

Completion _____

D. Total number of persons employed by this company: _____

E. Manpower utilized on this project will be in the following areas:

TRADES & SKILLS	TOTAL		MINORITIES	
% OF TOTAL	Male	Female	Male	Female

F. In conjunction with this project, we propose to subcontract the following types of work:

G. We agree to contact the agencies provided on the Resource List for technical assistance in obtaining qualified MBE and WBE contractors and expect _____% of the subcontract amount to go to MBE contracts, and _____% of the subcontract amount to go to WBE contractors.

H. On this project, we will comply with the LCRA's Affirmative Action guidelines that require participation by MBE and WBE subcontractors.

I. We will take the following affirmative actions to ensure that MBE/WBE subcontractors and/or suppliers are provided opportunities to negotiate and/or bid the project:

4. EMPLOYMENT GOALS

- A. We will seek qualified minority subcontractors for all job categories and will make particular efforts to increase minority group representation in occupations at the higher levels of skill and responsibility. All sources of employment shall be used and made aware that we are equal employment opportunity employers. All Minority Resource Agencies will be notified by registered mail, with a follow-up contact. Documentation of this contact will be maintained as a permanent record throughout this project, and copies will be sent to the LCRA office.
- B. We agree that placements, promotions and transfer activities at all levels will be made to insure that full consideration has been given to qualified minority and women employees. Our present minority employees are identified on Appendix A.
- C. We will require timely and approvable submittals of Letters of Certification from the City of Kansas City, Missouri regarding Affirmative Action Plans from all subcontractors who propose to work on this project.

5. FAILURE TO FOLLOW GOALS

- A. The undersigned understands that the failure or refusal to follow through with implementation of these Affirmative Action goals that are herein stated may be deemed by the LCRA as a total breach of our contractual obligations with the Commission and that this contract, or other contracts, may be terminated, cancelled or suspended in whole or in part.

Respectfully submitted,

By:

Company Executive

Date

EXHIBIT B-2

BID PROCEDURE

The redeveloper will inform the LCRA, in writing, of any pre-award commitments to contractors or suppliers. No more than 1/3 of subcontract work should be pre-awarded (see LCRA Board Resolution No. 94-55).

The General Contractor will send notices to one or more of the MBE/WBE resource agencies (list included in this packet) by registered mail (return receipt requested), fax log, or verified e-mail inviting bids from their membership as well as companies certified by the City of Kansas City, Missouri (kcmo.gov). This agency should be provided copies of the registered mail receipts and notices. Notices must go out at least two weeks before bids are due.

The General Contractor should submit two (2) sets of plans and specifications to the MBE/WBE resource agencies for their membership to review.

This agency should be provided documentation of follow-up telephone calls to the resource agencies or to individual contractors after notices have been sent.

The LCRA reserves the right to review any and all bids before final selection by the General Contractor if the affirmative action goals of the LCRA are not likely to be accomplished.

EXHIBIT B-3

Resolution No. 5-01-09

RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI (“AUTHORITY”) AMENDING THE AUTHORITY’S AFFIRMATIVE ACTION POLICY TO ESTABLISH A CONSTRUCTION EMPLOYMENT PROGRAM THAT SETS GOALS FOR UTILIZATION OF MINORITY, WOMEN AND RESIDENT WORKERS ON CONSTRUCTION PROJECTS, ESTABLISHING AN EFFECTIVE DATE, AND AUTHORIZING ACTIONS RELATED THERETO.

WHEREAS, on August 30, 1978, the Authority’s Board of Commissioners adopted the Authority’s Affirmative Action Policy, as amended from time to time (“Affirmative Action Policy”).

WHEREAS, on April 26, 2007, the City Council of the City of Kansas City, Missouri adopted Committee Substitute for Ordinance No. 070504, As Amended, which established a construction employment program that sets goals for utilization of minority, women and resident workers on construction projects (“City Workforce Ordinance”).

WHEREAS, the City Workforce Ordinance became effective July 1, 2007.

WHEREAS, on April 23, 2008, the Authority’s Board of Commissioners amended the Affirmative Action Policy by its adoption of Resolution 4-01-08 (“Amendment”), which, among other things, updated the Authority’s goals for MBE/WBE business participation and Section 7 of the Amendment approved and established construction workforce goals.

WHEREAS, as requested by the City, the Authority desires to further amend the Affirmative Action Policy by modifying Section 7 of the Amendment to include the terms and conditions of the construction employment program (“Construction Employment Program”) in substantially the same form as the City Workforce Ordinance. The amendment to the Authority’s construction workforce goals shall be referred to as the “LCRA Workforce Policy”.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Land Clearance for Redevelopment Authority of Kansas City, Missouri, as follows:

1. The Authority’s Affirmative Action Policy is amended to include the terms and conditions of the Construction Employment Program in substantially the same form as the City Workforce Ordinance and as more specifically set forth as the LCRA Workforce Policy in this Resolution. The Authority shall adhere to the requirements set forth herein and shall contractually require its Redevelopers to do the following:

- (1) meet or exert good faith efforts to meet the goals established by the Human Relations Department of the City and, if necessary, any adjustments required by the [Construction Workforce Board](#),

- (2) comply or exert good faith efforts to comply with [the Construction Employment Goals](#) approved by the Human Relations Department of the City and the Authority,
- (3) comply with all reporting requirements set forth in this LCRA Workforce Policy, and
- (4) contractually require each Construction Contractor to comply with this LCRA Workforce Policy and to enforce such contractual provisions.

2. Definitions applicable to the LCRA Workforce Policy.

Apprentice means person of legal working age who has entered into a program for training and employment to learn a skilled construction trade.

Apprenticeship Program means a program approved by the Bureau of Apprenticeship Training providing for no less than 2,000 hours of reasonably continuous employment and for participation in an approved schedule of work experience through employment, which shall be supplemented by a minimum of 144 hours per year of related instruction.

Authority means the Land Clearance for Redevelopment Authority of Kansas City, Missouri.

City means the City of Kansas City, Missouri.

City Council means the governing body of the City.

Compliance Officer means the Authority's staff member assigned to monitor a Construction Contractor's compliance with this LCRA Workforce Policy.

Construction Contract means a contract between a Redeveloper and a Construction Contractor for construction of a Construction Project estimated by the Authority prior to solicitation of construction bids as requiring more than 800 construction labor hours and with an estimated cost that exceeds \$324,000.00 (as may be adjusted annually by the City) for the construction, reconstruction, improvement, enlargement or alteration of any fixed work for which the Authority has granted tax abatement, or in which any portion of the Construction Contract is paid for out of City funds, tax increment financing, or funds administered by the City or the Authority pursuant to a federal or state grant, including, but not limited to any building, road, street, public utility or other public facility, regardless of the Construction Contract's dollar amount, and regardless further of whether the Authority is a signatory to the Construction Contract. For instances where the Authority is acting as a developer, a Construction Contract shall also mean a contract between the Authority and a Construction Contractor for construction of a Construction Project.

Construction Contractor means any individual, partnership, corporation, association or other entity, or any combination of such entities, who or which, regardless of the number of employees, enters into a Construction Contract with a Redeveloper for construction of a Construction Project as part of a Redevelopment Project.

Construction Employment Goals means the percentages of construction labor hours to be performed by minority and women workers for a Construction Contractor on all construction projects of that Construction Contractor throughout the Kansas City Metropolitan Statistical Area, on a particular Construction Contract, during the construction time period of that Construction Contract unless otherwise waived by the Authority.

Construction Employment Program means the program established by the City by the Workforce Ordinance regarding the recruitment, training, mentoring and retention of employees, including apprentices and journeymen, on Construction Projects.

Construction Hours Affidavit means a statement by a Construction Contractor, verified under oath, setting forth the Construction Contractors intent to meet or exceed the Construction Employment Goals while performing a Construction Contract.

Construction Labor Hour means a sixty minute period of time devoted by a worker, employed by a contractor or subcontractor, performing labor on a Construction Project job site; or, preparing, fabricating or painting materials or equipment to be used or incorporated on a Construction Project job site.

Construction Project means any project performed by a Construction Contractor in the Kansas City Metropolitan Statistical Area.

Construction Workforce Board means a board created by the City in accordance with the City Workforce Ordinance.

Director means the Director of the Human Relations Department of the City of Kansas City, Missouri or his/her designee, or the person within the City Manager's Office that is assigned to perform the tasks delegated to the Director of the Human Relations Department.

Equal Opportunity Clause means a statement prohibiting discrimination on construction projects based on race, color, sexual orientation, age, gender, national origin, religion, mental or physical disability as proscribed in the Kansas City Code of Ordinances, Chapter 38, Article III, Section 38-132.

Fixed Work means any permanent building or structure to be reconstructed, improved, enlarged or altered under a Construction Contract.

Good Faith Waiver means a waiver that is granted by the Authority based upon a showing by a Construction Contractor that despite undertaking in good faith the actions outlined in this Construction Employment Program, the Construction Contractor was unable to achieve the Minimum Employment Goals.

Incentive Construction Employment Goal means an aspirational goal for company-wide employment of minorities and women intended to encourage Construction Contractors to invest additional money and resources to hire and retain minorities and women on their workforce in order to achieve participation percentages well in excess of the Minimum Employment goals and the percentage of minorities and women generally available in the workforce by providing public

recognition upon the completion of a Construction Contract, to the Construction Contractor who achieves such goal.

Journeyperson means one who has completed an apprenticeship in a trade or craft and is recognized in the particular trade or craft as a journeyperson.

Labor Union means any organization which exists, in whole or in part, for the purpose, of collective bargaining; for dealing with employers concerning grievances, terms or conditions of employment; or, for other mutual aid or protection of workers in relation to employment.

LCRA Workforce Policy means the requirements for construction employment under applicable Construction Contracts adopted by the Authority that are consistent with and are in substantially the form of the City's Construction Employment Program.

Metropolitan Statistical Area (MSA) means the seven-county Kansas City metropolitan statistical area as defined by the United States Department of Labor. A map of the MSA is attached to this resolution as Exhibit A.

Minimum Construction Employment Goal means a minimum goal for company-wide employment of minorities and women that a Construction Contractor is expected to endeavor to meet by undertaking in good faith the actions outlined in this Construction Employment Program.

Minority means a person who is a citizen or lawful permanent resident of the United States and who is:

- (1) African American, a person whose origins are in any of the Black racial groups of Africa, and who has historically and consistently identified himself or herself as being such a person; or
- (2) Hispanic American and/or Latino American, a person whose origins are in Mexico, Central or South America, or any of the Spanish speaking islands of the Caribbean, (for example Cuba and Puerto Rico) regardless of race, and who has historically and consistently identified himself or herself as being such a person; or
- (3) Asian and/or Pacific Islander American, a person whose origins are in any of the original peoples of the Far East, Southeast Asia, the islands of the Pacific or the Northern Marianas, or the Indian Subcontinent, and who has historically and consistently identified himself or herself as being such a person; or
- (4) Native American, a person having origins in any of the original peoples of North America, and who maintain tribal affiliation or demonstrate at least one-quarter descent from such groups, and who has historically and consistently identified himself or herself as being such a person.

Redeveloper means any individual, firm, partnership, corporation, company, association, joint stock association, public or private agency, limited liability company, or other entity that has entered into a Redevelopment Contract for the purpose of undertaking a Redevelopment Project that requires Redeveloper to enter into a Construction Contract with a Construction Contractor as part of such Redevelopment Project.

Redevelopment Contract means a contract between the Authority and Redeveloper pursuant to which a Redeveloper undertakes a Redevelopment Project and a Redeveloper enters into a Construction Contract for construction of a Construction Project as part of a Redevelopment Project.

Redevelopment Project means a project as described in a Redevelopment Contract to be undertaken by a Redeveloper and that requires a Redeveloper to enter into a Construction Contract.

Resident means an individual residing or domiciled within the City.

Woman means a person who is a citizen or lawful permanent resident of the United States and who is a female.

Workforce Preparedness Program means a program approved or certified by the City that actively seeks the participation of minorities and women and provides them with the skills and resources necessary to enter a program for training and employment to learn a skilled construction trade.

3. Purpose of the LCRA Workforce Policy.

(a) The City established the Construction Employment Program for the following purposes:

- (1) Increase recruitment, training, and retention of residents, minorities and women on Construction Contracts and throughout the Kansas City MSA; and
- (2) Prescribe policies and procedures to implement the City's objective in accordance with the Workforce Ordinance; and
- (3) Promote Workforce Preparedness Programs and Apprenticeship Programs to increase the number of skilled minority and women employees in the construction trades with the goal of increasing minority participation in Apprenticeship Programs to 30% by 2011 and female participation in Apprenticeship Programs to 5% by 2011.
- (4) Further the retention of minorities and women in the current workforce by promoting mentoring programs to assist such workers and establishing goals to encourage City Contractors to retain such workers.

(b) The LCRA Workforce Policy shall not be construed as requiring or encouraging a Construction Contractor, or any subcontractor or supplier working in conjunction with the Construction Contractor, to make employment decisions or otherwise alter the terms and conditions of employment based upon race or gender.

(c) The Director may adopt rules and regulations to implement the Construction Employment Program and the Authority is authorized to adopt such rules and regulations as needed.

4. Application of Resolution.

(a) The provisions of this resolution shall apply to all Construction Contracts as defined in this resolution.

(b) The Authority shall adopt any adjustments to the Workforce Ordinance approved by the City Council but only to the extent that any such adjustments are applicable to the Authority.

(c) All Redevelopment Contracts shall require that a Redeveloper include the requirements of the LCRA Workforce Policy in a Construction Contract and that a Redeveloper use good faith efforts to ensure that a Construction Contractor complies with the LCRA Workforce Policy; provided, however, that a Redevelopment Contract that provides exclusively acquisition assistance but that does not provide public financial assistance to a Construction Project shall not be subject to the requirements of the LCRA Workforce Policy.

5. Construction Employment Goals.

(a) Construction Employment Goals, expressed as a percentage of total construction labor hours of a Construction Contractor on all Construction Projects within the Kansas City MSA shall be established by the LCRA Workforce Policy for an initial five-year period, subject to adjustment and renewal by the City Council and the Authority as provided herein. Such goals shall be reviewed annually by the Director in consultation with the Construction Workforce Board and the Director and the Construction Workforce Board shall have the right to recommend to the City Council adjustments as it deems to be in the best interests of the City and its citizenry. The Authority is authorized to adopt any adjusted Construction Employment Goals approved by the City Council as needed.

(b) In establishing the Construction Employment Goals, the City has considered:

- (1) The general population in the City and in the Kansas City Metropolitan Statistical Area (MSA); and
- (2) The general workforce in the City and in the Kansas City Metropolitan Statistical Area (MSA); and
- (3) The availability of minority and women in the workforce in the City and in the Kansas City Metropolitan Statistical Area (MSA); and

- (4) The utilization of minorities and women in the workforce in the City and in the Kansas City Metropolitan Statistical Area (MSA); and
- (5) The projected growth of the Kansas City construction industry; and
- (6) Information from contracting associations, labor organizations, workforce preparedness programs and community groups concerning workforce availability in the commercial marketplace; and
- (7) Any other requirements imposed by federal, state or local laws.

(c) In recommending any adjustments to the Construction Employment Goals, the Director in consultation with the Construction Workforce Board shall consider all of the information described in subsection (b) and any statistical data subsequently gathered regarding the Construction Employment Program.

(d) Construction Employment Goals are established as follows:

- (1) For minorities, an Incentive Construction Employment Goal of 20% and a Minimum Construction Employment Goal of 10%.
- (2) For women, an Incentive Construction Employment Goal of 4% and a Minimum Construction Employment Goal of 2%.

(e) The Construction Employment Goals are not the goals for individual Construction Contracts; they are company-wide goals within the Kansas City MSA for any Construction Contractor performing work on a Construction Contract. Company-wide goals are intended to further the City's and the Authority's interest in promoting greater long term retention of minorities and women. Both goals shall be based upon minorities and women working sufficient hours to qualify for benefits.

(f) The Construction Employment Goals shall be reviewed on an annual basis by the Director in consultation with the Construction Workforce Board. The Director and the Construction Workforce Board shall present an evaluation to the City Council of the Construction Employment Program every year. Annually, the City Council shall review the Director's and Construction Workforce Board's evaluation of the Construction Employment Program and evaluate whether the Program should be amended. Every five years, the City Council shall evaluate whether the Program should be extended or terminated, but failure to do so shall not invalidate the Workforce Ordinance or any contract or solicitation.

(g) A Redeveloper shall be presumed conclusively to be in compliance with this LCRA Workforce Policy if a Redeveloper makes a good-faith effort to meet the Minimum Employment Goals. In the event that Minimum Construction Employment Goals have not been met, the Redeveloper may request a Good Faith Waiver from the Authority. The Authority shall grant a Good Faith Waiver if the Redeveloper can demonstrate that good-faith efforts have been made to achieve the goals. In determining whether a Redeveloper made a good-faith effort to

meet the Minimum Employment Goals, the Director shall consider whether the Redeveloper undertook the following actions during the period beginning with the date the Redeveloper received construction bids and ending on the date that the Redeveloper completed the Redevelopment Project:

- (1) For those Redevelopers that have entered into Construction Contracts with Construction Contractors that are not signatories to a collective bargaining agreement with organized labor:
 - a. Requested in writing the assistance of the Compliance Officer and/or the Director with respect to efforts to promote the utilization of, minorities and women in the workforce and acted upon any such recommendations; and
 - b. If a Construction Contractor hires workers in the ordinary course of business, the Compliance Officer, in consultation and cooperation with the Director, shall determine whether the Construction Contractor advertised in minority or women trade association newsletters and/or minority or women owned media at least 15 calendar days prior to the utilization of any construction services on the Construction Contract, and used terminology that sufficiently describes the work available, the pay scale, the application process, and anything else that one might reasonably be expected to be informed of relevant to the position being advertised; and
 - c. If a Construction Contractor hires workers in the ordinary course of business, the Compliance Officer, in consultation and cooperation with the Director, shall determine whether the Construction Contractor maintained copies of each advertisement and a log identifying the publication and date of publication; and
 - d. If a Construction Contractor hires workers in the ordinary course of business, the Compliance Officer, in consultation and cooperation with the Director, shall determine whether the Construction Contractor conducted real and substantial recruitment efforts, both oral and written, targeting resident, minority and women community-based organizations, schools with a significant minority student population, and training organizations serving the recruitment area; and
 - e. If a Construction Contractor hires workers in the ordinary course of business, the Compliance Officer, in consultation and cooperation with the Director, shall determine whether the Construction Contractor established and maintained and/or obtained from the City or the Authority a current list of resident,

minority and women recruitment sources, providing written notifications to the recruitment sources of available employment opportunities, and maintained records of the notices submitted to the organizations and any responses thereto; and

- f. If a Construction Contractor hires workers in the ordinary course of business, the Compliance Officer, in consultation and cooperation with the Director, shall determine whether the Construction Contractor maintained a current file for the time period of the Construction Contract with the name, address, and telephone number of each resident, minority and woman job applicant, the source of the referral, whether or not the person was hired, and in the event that the applicant was not hired, the reason therefore; and
- g. Required by written contract all subcontractors to comply with this provision.
- h. Promoted the retention of minorities and women in its workforce with the goals of achieving sufficient annual hours for minorities and women to qualify for applicable benefits.

(2) For those Redevelopers that have entered into Construction Contracts with Construction Contractors that are signatories to collective bargaining agreements with organized labor:

- a. Supported the efforts of the Joint Apprenticeship Training Committee (JATC), a joint effort of Labor Unions and Contractors, or some other Apprenticeship Program, whose purpose is to recruit, train and employ new workers for a full time career in the construction industry. For purposes of this LCRA Workforce Policy, a Construction Contractor's support may include, but is not limited to, financial contributions, providing volunteers, or in-kind services or goods; and
- b. Requested in writing from each Labor Union representing crafts to be employed by the Construction Contractor that:
 - i. The Labor Union make efforts to promote the utilization of residents of the City, minorities and women in the workforce; and
 - ii. The Labor Union identify any residents of the City, minorities and women in its membership eligible for employment by the Construction Contractor; and

- iii. the JATC take substantial and real steps to increase the participation of minorities in the union Apprenticeship Programs in the aggregate to 30% by 2011 and encourage other Labor Unions to do the same; and
 - iv. the JATC take substantial and real steps to increase the participation of women in the union Apprenticeship Programs in the aggregate to 5% by 2011 and encourage other Labor Unions to do the same; and
 - v. the JATC partner with workforce preparedness programs, community based organizations, employment referral programs and school-sponsored programs to accomplish these goals; and
 - c. Collaborated with Labor Unions in promoting mentoring programs intended to assist minorities and women in increasing retention with the goals of achieving sufficient annual hours to qualify for applicable benefits; and
 - d. If a Construction Contractor hires workers in the ordinary course of business, the Compliance Officer, in consultation and cooperation with the Director, shall determine whether the Construction Contractor maintained a current file with the name, address, and telephone number of each resident, minority and woman worker identified by the Labor Union, whether or not the person was hired, and in the event the person was not hired, the reason therefore; and
 - e. To the extent that the good-faith effort requirements set forth in this section are in conflict with the procedures implemented by the Construction Contractor in order to comply with a competitive bargaining agreement, the Construction Contractor shall substitute other procedures, as may be approved by the Compliance Officer, in consultation and cooperation with the Director, in writing, in order to accomplish the purpose and intent of this section.
- (h) Required by written contract all subcontractors to comply with this provision; and
- (i) Notwithstanding anything contained in this section, if a Good Faith Waiver is required by federal or state or local law, the Compliance Officer, in consultation and cooperation with the Director, shall grant a Good Faith Waiver to a Redeveloper that nonetheless fails to meet: (a) the minority and women employment goals; and (b) the standards set forth in Section 5 of this resolution.

(j) When a Redeveloper files a request for a Good Faith Waiver, the Compliance Officer, in consultation and cooperation with the Director, shall make a recommendation to the Authority as to whether the request should be approved or denied.

6. Incentive Construction Employment Goals.

The Authority is authorized to provide public recognition to a Redeveloper on a Construction Contract that achieve the minority and female Incentive Construction Employment Goals of the Construction Employment Program.

7. Monitoring and Compliance with Construction Employment Program.

(a) At the time a bid is submitted, the Construction Contractor shall submit a Construction Hours Affidavit in a format determined by the Compliance Officer and the Director stating the Construction Contractor's intent to meet or exceed the Minimum Construction Employment Goals while performing the Construction Contract or request a waiver.

(b) After the Construction Contract has been executed, but before construction begins, the Director may require the selected Construction Contractor to meet with the Compliance Officer for the purpose of discussing providing first opportunity to residents of the City, the Construction Employment Goals for minority and women workers, how the Construction Contractor will endeavor in good faith to meet the Minimum Construction Employment Goals, and any problems that may affect the Construction Contractors ability to employ residents of the City or achieve the Construction Employment Goals.

(c) After completion of work on the Construction Contract but before release of retainage, final acceptance and closeout, the Construction Contractor shall provide to the Compliance Officer and the Director, in a format approved by the Director, the payroll records of the Construction Company and its subcontractors on the Construction Contract, for the economic quarter years spanning the duration of the Construction Contract: (i) the total number of hours of work performed by minorities and women on the Construction Contract and company-wide on all projects in the Kansas City MSA as compared to the total number of hours of work performed by all workers on the Construction Contract and company-wide on all projects in the Kansas City MSA; and (ii) the hours worked per capita by minorities and women as compared to the hours worked per capita by all other workers in the workforce.

(d) All Construction Contractors are expected to comply with all federal laws, including those of the Immigration and Naturalization Service and the Department of Homeland Security. Only those hours performed by workers in compliance with federal law may be counted towards the Construction Employment Goals.

(e) On all Construction Contracts, the Authority and the Director shall have access, at all reasonable times, to all books, papers, records, reports or accounts in possession of or under the control of all Construction Contractors and subcontractors as may be reasonably necessary to ascertain compliance with this LCRA Workforce Policy, and all Construction Contractors and their respective subcontractors shall furnish such further information as may be required of such

person within ten working days of the date it is so requested in writing. The Construction Contractor shall require all its subcontractors to comply with the requirements of this subsection.

(f) The Authority, the Compliance Officer, and/or the Director shall be authorized to conduct on-site audits and records inspections of any Construction Contractor and subcontractor without prior notice as may be necessary to ascertain compliance with this Ordinance. The Construction Contractor shall require all its subcontractors to comply with the requirements of this subsection.

(g) The Construction Contractor is required to obtain and retain documentation establishing the residence of record for any person working on a Construction Project. The documentation must show an address within the City and may be one of the following:

- (1) driver's license or identification card issued by a government or governmental agency with a photograph of the holder; or
- (2) voter registration card; or
- (3) utility bill showing the account holders name and address; or
- (4) valid United States Passport; or
- (5) document falling within any other category that the Compliance Officer and the Director determines sufficiently establishes residency.

(h) Monthly Reporting: The Construction Contractor performing work on a Construction Contract shall submit a Contractor Affirmative Action Monthly Report (CAAMR) to the Authority and the Director by the 15th day of each month through the duration of the Construction Contract. The Contractor Affirmative Action Monthly Report shall state the number of resident, minority and women construction labor hours performed on site per trade, and shall be submitted in a format determined by the Compliance Officer.

8. Equal Employment Standards.

(a) The Redeveloper shall contractually require that all Construction Contracts contain language requiring as a condition thereof that all Construction Contractors will adhere to the Equal Opportunity Clause set forth in the Kansas City Code of City Ordinances, Chapter 38, Article III, Section 38-132. The Equal Opportunity Clause shall include, at a minimum, the following provisions:

- (1) The Construction Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, disability or sexual orientation.
- (2) The Construction Contractor will take affirmative action to ensure that employees are treated fairly during employment without regard to their race, color, religion, sex, national origin, disability or sexual orientation.

Such action shall include, but not be limited to the following: Employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

- (3) The Construction Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of the nondiscrimination clause.

(b) The Redeveloper shall contractually require that the Construction Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Construction Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, disability or sexual orientation.

(c) The Redeveloper shall contractually require that in the event of the Construction Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the Construction Contractor may be declared ineligible for further contracts in connection with a Redevelopment Project. A Construction Contractor may appeal any such determination to the Authority.

9. Remedies.

(a) In addition to the remedies set forth in the Redevelopment Contract, if the Compliance Officer, in consultation and cooperation with the Director, shall find after investigation that a Redeveloper has not met the Construction Employment Goals and the Redeveloper has not made a good-faith effort to meet the goals, the Compliance Officer, in consultation and cooperation with the Director, may:

- (1) recommend to the Authority that the Authority not issue a certificate of tax abatement for the Redevelopment Project under the Redevelopment Contract or that the Authority issue a certificate of tax abatement but require the Redeveloper under the Redevelopment Contract to pay payments in lieu of taxes for some period during the ten-year tax abatement period as determined by the Authority in its sole and absolute discretion; and/or
- (2) recommend to the Authority that the Redeveloper be declared ineligible to receive any Construction Contract in connection with a Redevelopment Project for a period of time up to one year.

(b) After due notice given to the Redeveloper, the Authority shall hold a hearing and determine whether the Redeveloper made a good-faith effort to meet the Minimum Employment Construction Goals and to determine the appropriate remedy if the Authority determines that the Redeveloper failed to make a good-faith effort to meet the Minimum Employment Construction Goals. If the Authority determines that the Redeveloper made a good-faith effort to meet the

Minimum Employment Construction Goals, then the Authority shall grant a Good Faith Waiver to the Redeveloper.

10. Appeals; Construction Workforce Board.

(a) The City Workforce Ordinance established a Construction Workforce Board to hear appeals. Following a decision by the Authority that a Redeveloper failed to make a good-faith effort to meet the Construction Employment Goals, a Redeveloper may appeal the Authority's decision to the Construction Workforce Board.

(b) Appeals shall be made to the Construction Workforce Board by filing with the Compliance Officer within ten (10) working days after notice of the Authority's determination, a written request for review by the Construction Workforce Board, stating the grounds of such appeal with specificity. The Compliance Officer shall promptly forward to the Director and to the chairperson and members of the Construction Workforce Board a copy of any appeal.

(c) Failure to file a timely appeal to the Construction Workforce Board shall constitute a waiver of the right of a Redeveloper to appeal the Authority's determination and such person shall be estopped to deny the validity of any order, recommendation, determination or action taken by the Authority which could have been timely appealed and shall have been deemed to have exhausted all administrative remedies under this LCRA Workforce Policy.

(d) The Construction Workforce Board shall have authority to require that a party first make a written submission of its appeal prior to permitting a hearing and may summarily dispose of those appeals that it determines to be frivolous and without merit.

(e) After receiving an appeal from the Redeveloper, the Construction Workforce Board, shall set a date upon which a hearing shall be held by the Construction Workforce Board and shall notify all parties of the date thereof. The notice of hearing shall be served upon the parties at least ten (10) calendar days prior to the date of the hearing. A copy of the Authority's determination shall be attached to each such notice. A hearing shall be set no later than twenty-one (21) calendar days after receipt of the request for appeal to the Construction Workforce Board.

(f) The hearing shall be conducted under rules adopted by the Construction Workforce Board. The Construction Workforce Board may subpoena witnesses, compel their attendance, administer oaths, take the testimony of persons under oath, and require the production for examination any books, papers or other materials relating to any matter under investigation or in question before the Construction Workforce Board.

(g) The Construction Workforce Board shall cause all proceedings before it to be either audio recorded or held before a certified court reporter.

(h) The Construction Workforce Board shall have authority to affirm, modify or reverse the determination of the Authority with respect to whether good-faith efforts were made to meet the Minimum Construction Employment Goals.

(i) The determination of the Construction Workforce Board with respect to good-faith efforts, shall be a final determination and the Authority and the Redeveloper shall agree, pursuant to the Redevelopment Contract, that the decision of the Construction Workforce Board shall be binding upon the Authority and the Redeveloper; provided, however, that the Authority shall make the final determination as to the appropriate remedy under the Redevelopment Contract.

11. Severability.

If any section, subsection, clause, or provision of this resolution is deemed to be invalid or unenforceable in whole or in part, this resolution shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable subsection(s), clause(s), provision(s) or portion(s) thereof, and alter the balance of those same sections in order to render the same valid and enforceable.

12. The Chairman, Vice-Chairman and Secretary are authorized and directed to undertake any activities, including signing any documents, certificates or other instruments, necessary to carry out and implement the LCRA Workforce Policy.

13. The effectiveness of this resolution is subject to adoption of an ordinance or agreement by the City Council of the City to take all reasonable and necessary action to diligently defend the Authority, at the City's sole cost, in the event that any claim or action is filed against the Authority challenging the LCRA Workforce Policy or the Authority's implementation of the LCRA Workforce Policy.

ADOPTED this 27th day of May, 2009.

/s/
R. Michael Duffy, Chairman

ATTEST:

/s/
Joseph F. Egan, Secretary

Exhibit A
(to Resolution 5-01-09)

Map of Kansas City Metropolitan Statistical Area

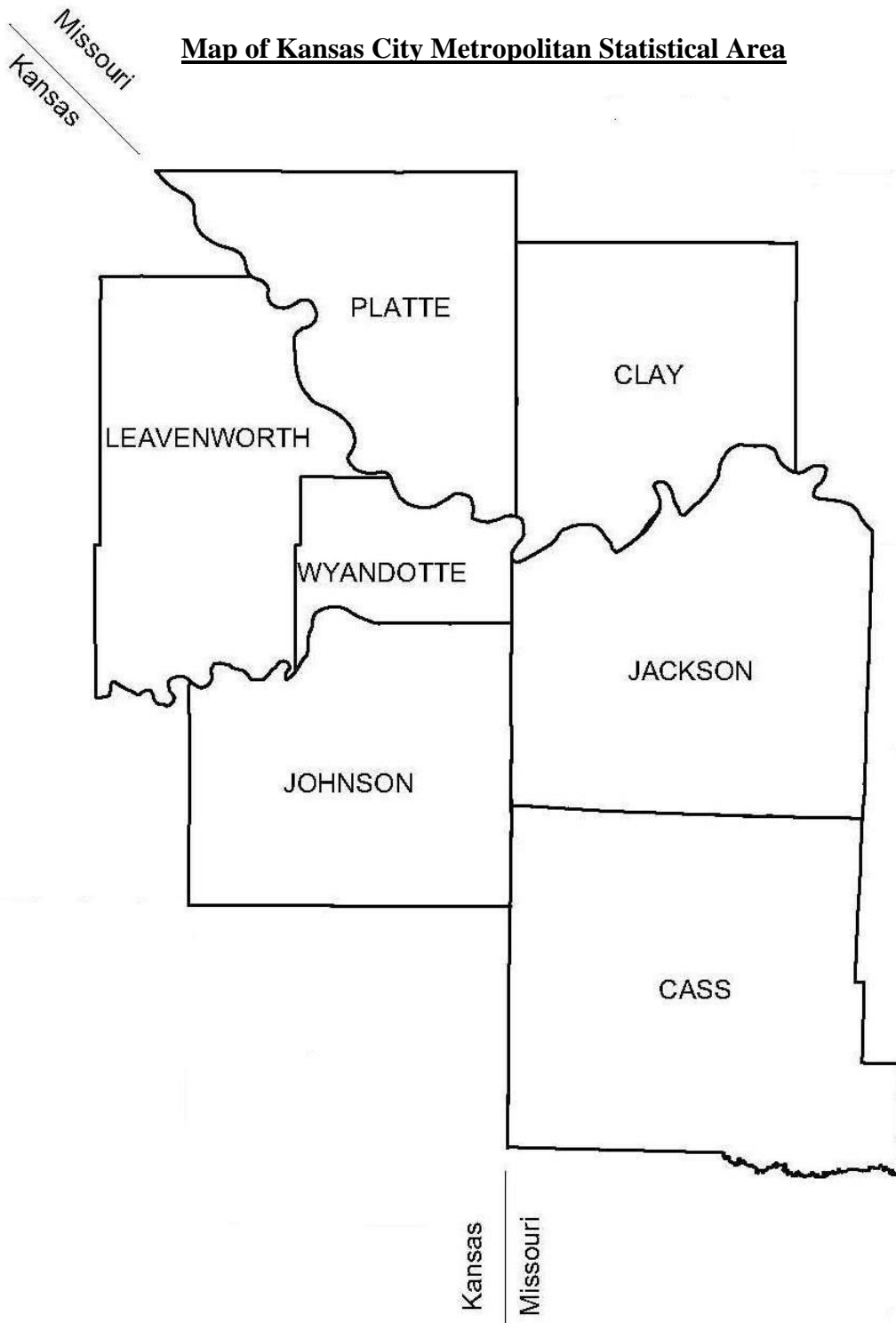


EXHIBIT B-4

MBE/WBE RESOURCE AGENCIES

The following list is designed to assist you in your efforts to contact minority and women business organizations and publications. However, this list may not include all minority and women business organizations and publications available. For further information please contact the Human Relations Department at (816) 513-1836 or this [LINK](#).

CHAMBERS OF COMMERCE

African Chamber of Commerce

Contact: Rev. John Akin
P.O. Box 412632
Kansas City, MO 64141
Phone: 816-753-3219
Fax: 816-531-2271
Email: africanchambergreaterkc@yahoo.com

American Indian Council

Contact: Christine Molle
Executive Director
310 Armour Road, Suite 205
North Kansas City, MO 64116
Phone: 816-471-4898
Fax: 816-471-8543
Email: aicmolle@kc.rr.com

American Indian Enterprise & Business Council

Contact: John O'Brien
P.O. Box 901382
Kansas City, MO 64190-1382
Phone: 816-392-7611
Email: johnjhobrien@aiebc.org

Asian Chamber of Commerce

Contact: Sook Park
8645 College Boulevard, Suite 110,
Overland Park, KS 66210
Email: sook_park@asianchamberkc.com

Black Chamber of Commerce

Contact: Chuck Byrd
Email: info@bcckc.org

Hispanic Chamber of Commerce

Contact: Carlos Gomez
2001 Grand Blvd., Suite 700
Kansas City, MO 64108
Email: cgomez@hccgkc.com

Hispanic Contractors Association of Greater Kansas City, Inc.

Contact: Jerry B. Adriano
541 S. 11th Street
Kansas City, KS 66105
Phone: 816-309-2705
Fax 913-621-4354
Email: adriano_associates@yahoo.com

National Native American Chamber of Commerce

Contact: Larry Reynolds, chairman
Phone: 913-647-7575
Email: lreynolds@nnacc.org

Women's Chamber of Commerce

Contact: Cindy Cash
Email: chamber@kckchamber.com

CONTRACTOR ASSOCIATIONS

Kansas City Hispanic Association of
Contractors Enterprise, Inc. (KCHACE)
2130 Jefferson Street
Kansas City, MO 64108
Phone: 816-842-7101
Fax: 816-221-6458
Email: info@kchace.org
Website: www.kchace.org

Minority Contractors Association of
Greater Kansas City
Contact: Joe Mabin or McKay Anderson
3200 Wayne Avenue Suite 202
Kansas City, MO 64109
Phone: 816-924-4441
Fax: 816-924-1803
Website: mca.gkc@gmail.com

Women Construction Owners and Executives
Email: info@wcoeusa.org

National Association of Women in
Construction (NAWIC)
Contact: Candice Anderson
Email: Candice.Anderson@jedunn.com

Mid-America Minority Business Council
(MSC)
Contact: Lonnie C. Scott
Email: Lonnie.scott@mambdc.org

ASSISTANCE CENTERS

Missouri Women's Center at UMKC

Contact: Jean Zimmerman

4747 Troost Avenue

Kansas City, MO 64110

Phone: 816-235-1000

Fax: 816-235-6586

Website: www.umkc.edu/womenc

Email: umkc-womens-center@umkc.edu

Kansas Women's Business Center

Contact: Sherry Turner

Email: sturner@kansaswbc.com

Women's Business Center

Contact: Linda Eakes

Email: lindaeakes@sbcglobal.net

Institute for Entrepreneurship and

Innovation Business Acceleration

Missouri PTAC (Missouri companies only)

Contact: Donna Leonard

Email: leonardd@umkc.edu

Email: entrepreneurship@umkc.edu

Kansas City Society of Black Architects
and Engineers

Contact: Leonard Graham

Email: lgraham@tb-engr.com

Kansas City Council of Women Business
Owners (KC-CWBO)

Contact: Nancy Zurbuchen

Email: nancyz@motional.com

National Association of Women Business
Owners (NAWBO)

Contact: Kristy Williams

Email: nawbokc@yahoo.com

Urban League of Kansas City

Contact: Melva Brownlee

NEWS AND PRINT PUBLICATIONS

Barrio Bulletin (monthly) c/o Guadalupe Center Editor: Tania Casas Email: tcasas@guadalupecenters.org	Dos Mundos (weekly) Editor: Clara Reyes Email: creyes@dosmundos.com
Kansas City Call (weekly) Editor: Donna Stewart Email: kccallnews@hotmail.com	Kansas City Globe Newspaper (weekly) Editor: Marion Jordan Jr. Email: kcglobe@swbell.net
Kansas City Hispanic News Contact: Richard Ware and/or Joe Arce (publisher) Email: kchnews@swbell.net	Dos Mundos Bilingual Newspaper Editor: Clara Reyes Email: mreyes@dosmundos.com

EXHIBIT B-5

Utilization Plan for Construction Services

(Land Clearance for Redevelopment Authority)

(Redeveloper)

State of _____)

County of _____)

Comes now _____, of lawful age and being duly sworn upon his/her oath, states as follows:

I am the _____ (position) of Redeveloper and am authorized to make this statement on its behalf. This affidavit is for the purpose of complying with the LCRA's Affirmative Action Policy requirements for utilization of Minority/Women Business Enterprises (MBE/WBE), as MBE's and WBE's are defined by the LCRA's Affirmative Action Policy, for construction services.

11. The Redeveloper acknowledges and agrees that the aggregate amount it intends to spend on construction services in connection with the implementation of the above-mentioned project is \$_____.
12. The Human Relations Department has established and the Redeveloper that agrees there should be a minimum of _____ percent (____%) Minority Business Enterprise (MBE) and _____ percent (____%) Women's Business Enterprise (WBE) professional services participation in the above-named project.
13. In order to meet the Utilization Goals for construction services, the following is a true and accurate list of the construction services providers, regardless of tier, with whom Redeveloper intends to contract:

(a) Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Date _____

Initials _____

Contact Person: _____
Race, ethnic origin, or gender: _____
Area/Scope of Work: _____
Dollar Amount: _____

(b) Name of M/WBE Company: _____

Address: _____
Phone Number: _____
Contact Person: _____
Race, ethnic origin, or gender: _____
Area/Scope of Work: _____
Dollar Amount: _____

(c) Name of M/WBE Company: _____

Address: _____
Phone Number: _____
Contact Person: _____
Race, ethnic origin, or gender: _____
Area/Scope of Work: _____
Dollar Amount: _____

(d) Name of M/WBE Company: _____

Address: _____
Phone Number: _____
Contact Person: _____
Race, ethnic origin, or gender: _____
Area/Scope of Work: _____
Dollar Amount: _____

(e) Name of M/WBE Company: _____

Address: _____
Phone Number: _____
Contact Person: _____
Race, ethnic origin, or gender: _____
Area/Scope of Work: _____
Dollar Amount: _____

Date _____
Initials _____

(f) Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Contact Person: _____

Race, ethnic origin, or gender: _____

Area/Scope of Work: _____

Dollar Amount: _____

(g) Name of M/WBE Company: _____

Address: _____

Phone Number: _____

Contact Person: _____

Race, ethnic origin, or gender: _____

Area/Scope of Work: _____

Dollar Amount: _____

Date _____

Initials _____

Estimated Budget: \$ _____

Proposed MBE/WBE Utilization:

MBE: \$ _____ %

WBE: \$ _____ %

DEVELOPER

By: _____

Name: _____

Subscribed and sworn to before me, a Notary Public, this ____ day of _____, 20____.

Notary Public

My Commission expires:

Date _____

Initials _____

Exhibit D

Workable Program

THE WORKABLE PROGRAM **OF** **LAND CLEARANCE FOR REDEVELOPMENT** **AUTHORITY OF KANSAS CITY, MISSOURI**

RECITALS

Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “Authority”) is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, RSMo, 99.300, *et seq.* (“LCRA Law”), and is transacting business and exercising the powers granted by the LCRA Law by virtue of Committee Substitute for Ordinance No. 16120, passed by the City Council of Kansas City, Missouri (“City Council”) on November 21, 1952.

The LCRA Law, Section 99.420(5), authorizes the Authority to prepare a Workable Program.

Workable Program is defined in LCRA Law, Section 99.320(23), as:

“‘Workable program’, an official plan of action, as it exists from time to time, for effectively dealing with the problem in insanitary, blighted, deteriorated or deteriorating areas within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life, for utilizing appropriate private and public resources to eliminate and prevent the development or spread of insanitary, blighted, deteriorated or deteriorating areas, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, insanitary, deteriorated and deteriorating areas, or to undertake such of the aforesaid activities or other feasible community activities as may be suitably employed to achieve the objectives of such a program.”

The Authority’s “area of operation” (as defined in the LCRA Law) is the City of Kansas City, Missouri (“City”).

In carrying out its responsibilities under the LCRA Law the Authority has, from time-to-time, recommended that the City Council adopt, and the City Council has adopted, various urban renewal and/or redevelopment plans (together referred to as “Urban Renewal Plans”).

The Authority expects to continue to recommend that the city adopt and/or amend Urban Renewal Plans necessary to the redevelopment of blighted and insanitary areas of the City.

The LCRA Law, Section 99.320(20) and (21), requires Urban Renewal Plans to “...be in compliance with a workable program.”

The Authority has adopted this Workable Program, pursuant to which it intends to judge future Urban Renewal Plans and any proposed amendments to existing Urban Renewal Plans.

The City, by Committee Substitute for Resolution No. 971268, adopted October 30, 1997, approved The Kansas City Missouri FOCUS Plan (“FOCUS”) to guide the development and growth of the City, including but not limited to the economic development of the City.

The Authority has reviewed FOCUS and intends that this Workable Program, to the extent permitted by the LCRA Law, be consistent with FOCUS, and as the Authority implements this Workable Program, it intends to do so in a manner consistent with FOCUS.

Capitalized terms used in this Workable Program shall have the meanings indicated. Other terms used shall have the meanings found in the LCRA Law.

THE WORKABLE PROGRAM

This Workable Program, as initially adopted and as amended from time to time by the Authority, shall include such components as are deemed necessary or desirable to achieve the purposes and goals of the Authority.

1.0 Impact of LCRA Benefits on Development.

- 1.1. All urban renewal and redevelopment plans (together referred to as “Urban Renewal Plans”) shall provide that the Authority shall not grant to any person (“Applicant”) any of the benefits (“LCRA Benefits”) the Authority has the power to grant under the LCRA Law unless the Authority shall have first determined whether the project proposed by the Applicant (“Project”), for which the Applicant has applied to the Authority for LCRA Benefits, would be economically viable without the granting of the LCRA Benefits sought by the Applicant. (*Exhibit 1 – Financial Analysis Procedure, Multi-Family Affordably Priced Housing*)
- 1.2. Before the Authority considers granting LCRA Benefits under an Urban Renewal Plan adopted pursuant to the LCRA Law, the Applicant shall first submit an application (“Application”) that shall include analysis of the Project as required by this Workable Program. The Urban Renewal Plans shall require that each Application include a Project budget and sufficient financial information to enable the Authority to determine whether the Project would not be economically viable without the granting of the LCRA Benefits sought by the Applicant. If the requested LCRA Benefit is tax abatement, the applicant will outline how the abatement will benefit the project and specify the term and level requested.
- 1.3. Applications shall include commitments from the private sector evidencing private financing for the Project, in the form of private lender commitments and/or commitments for private equity participation (“Private Commitments”). The applicant shall specifically describe the project financing gap, with and

without LCRA Benefit. The Private Commitments shall be submitted as part of the Application in a form approved by the Authority and must include a complete development budget, including all funding sources. A development schedule shall be provided prior to approval of tax abatement for incorporation in the Redevelopment Contract.

- 1.4. Except as otherwise provided in this Workable Program, LCRA Benefits shall be granted to the Applicant for a Project only to the extent the Authority deems the LCRA Benefits necessary in order to fill a Gap in Financing and to make the Project financially feasible. For the purpose of this Workable Program, a “Gap in Financing” shall exist to the extent that there is a difference between the total development cost of the Project and the amount of the Private Commitment secured by the Applicant. The Authority may, in its discretion, grant LCRA Benefits to eliminate all or part of the Gap in Financing.
- 1.5. To ascertain Gap in Financing, the LCRA or qualified third party, will utilize an accepted financial analysis (internal rate of return or other appropriate basis for project viability determination with and without LCRA Benefits). The LCRA will conduct an in-house financial analysis for the following projects:
 - (a) Residential development of less than twenty-five (25) units; and
 - (b) Commercial development costs totaling less than \$1.5 million.

No financial analysis will be conducted for single family rehabilitation and in-fill single family construction.

- 1.6. The Authority will not consider an Application for LCRA Benefits if an Applicant has already commenced construction/rehabilitation of a Project at the time an Applicant submits its Application to the Authority and before obtaining the Authority’s approval, except that: (a) the Authority may consider an Application for LCRA Benefits after an Applicant has commenced mitigation measures (environmental control/structural stabilization or other similar site work) if such measures are necessary to avoid additional expense that would otherwise result from a delay in mitigation while the Authority's decision is pending; or (b) the Authority may consider an Application for LCRA Benefits after an Applicant has commenced construction/rehabilitation of a Project if the Applicant initially chose not to seek LCRA Benefits for the Project but discovered the existence of significant site conditions (environmental or other material defect) during the course of such work that would prevent the Applicant from completing the Project without LCRA Benefits due to increased costs. The Applicant shall provide to the Authority written justification or any such other related information requested by the Authority before the Authority will consider an Application under this Section. Should the Authority decide to consider such an Application, the Authority may reject or approve the Application in accordance with the LCRA Law, this Workable Program and the Workable Program Rules.

- 2.0 **Compliance with FOCUS.** The Authority shall review the Application and compare the proposed Project with FOCUS to determine whether the Project is consistent with the purposes and goals of FOCUS, and LCRA Benefits shall be granted only if the Authority finds the project to be consistent with the purposes and goals of FOCUS.
- 3.0 **Assuring the Realization of Public Benefits.**
- 3.1. Urban Renewal Plans, and redevelopment agreements (“Redevelopment Contracts”) entered into between the Authority and Applicants for Projects to be developed pursuant to an Urban Renewal Plan, shall require that during the life of any LCRA Benefits granted by the Authority to an Applicant, the Authority shall monitor the Project to assure that the City realizes the benefits to its tax and employment bases and physical improvements (“Public Benefits”) of the Project promised by the Applicant when the LCRA Benefits were granted.
- 3.2. Urban Renewal Plans and Redevelopment Contracts shall provide that in the event the city does not, in the opinion of the Authority, realize the Public Benefits, then the Applicant shall be obligated to pay to the authority a sum (“Liquidated Public Benefit”) equal to the value of the LCRA Benefits, which were realized by the recipient of those benefits.
- 3.3. Urban Renewal Plans and Redevelopment Contracts shall also provide that if the Applicant shall demonstrate to the satisfaction of the Authority that the Public Benefits have not been realized due to unforeseen economic events, then the Authority may waive repayment of the Liquidated Public Benefits.
- 3.4. Examples of unrealized Public Benefit may include, but are not limited to, re-blighting of property, reduction of market value initiated by owner developer, and change of use resulting in decreased value.
- 4.0 **Minority Business Enterprises/Women’s Business Enterprises.** Urban Renewal Plans and Redevelopment Contracts shall require Applicants to comply with ordinances of the City that relate to minority business enterprises and women’s business enterprises.
- 5.0 **Equal Employment Opportunity.** Urban Renewal Plan and Redevelopment Contracts shall require Applicants and their subcontractors to provide equal employment opportunity.
- 6.0 **Americans With Disabilities Act.** Urban Renewal Plans and Redevelopment Contracts shall require Applicants and their subcontractors to comply with the Americans with Disabilities Act.
- 7.0 **Rules.** The Board of Commissioners of the Authority may, from time to time, adopt and amend rules (“Workable Program Rules”) governing the implementation of this Workable Program.

RULES FOR THE IMPLEMENTATION
OF
THE WORKABLE PROGRAM
OF
LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

RECITALS

1. The Land Clearance for Redevelopment Authority of Kansas City, Missouri (“Authority”), by Resolution No. 10-10-00 adopted October 4, 2000, adopted a Workable Program as permitted by the Missouri Land Clearance for Redevelopment Law, RSMo, 99.300 through 99.660.
2. Section 8.0 of the Workable Program authorized the Board of Commissioners of the Authority (“Board”) to adopt and promulgate rules to govern implementation of the Workable Program.
3. These Rules have been adopted and promulgated by the Board pursuant to Section 7.0 of the Workable Program by Resolution No. 10-9-00 adopted October 4, 2000.
4. Capitalized terms shall have the same meaning as they have in the Workable Program. Other terms shall have the same meaning as they have in the LCRA Law.

(a) **FOCUS Themes and Principles.**

Each Application for LCRA Benefits that may be granted by the Authority shall be evaluated by the Authority to determine whether the proposed Project is consistent with the fourteen (14) major themes and statements of philosophy set forth in FOCUS, with special attention to whether the Project:

- Reaffirms and revitalizes the Urban Core
- Advances and encourages Suburban Development
- Strengthens neighborhoods
- Ensures environmental stewardship
- Develops jobs for the future
- Targets financial investments strategically

To ensure compliance with FOCUS, a copy of the Project Application will be forwarded to the City Planning and Development Department at least 30 days prior to LCRA hearing.

(b) **Historic Preservation**

- a. Each Project shall be evaluated to determine whether that Project promotes the rehabilitation and preservation of historic residential, commercial and industrial structures.

- b. Each Application shall show whether the Project is to be located within an area with existing public infrastructure or whether significant replacement or new public infrastructure will be required.
- c. Each application shall state whether the success of the proposed Project can be enhanced by combining the LCRA Benefits with other public incentives, and if so, what benefits and from what public source.
- d. Each Application shall state whether the proposed Project will include rehabilitation of Kansas City Registered Historic designated properties.

(c) City Framework Plan

Each Application shall show whether the proposed Project is located within one (or more) of the nine (9) Development Priority Zones identified in FOCUS.

(d) Environmental Stewardship

- a. Each Application shall describe the environmental impacts of the proposed Project, including whether the proposed Project will include:
 - 2. The remediation of brownfields or other environmentally contaminated sites
 - 3. The judicious use and wise management of energy and natural resources

(e) Financial Analysis

- a. Each Application shall be reviewed within an analytical framework approved by the Board that permits the Board and the Authority staff to evaluate the return on the investment of the LCRA Benefits in the proposed Project. This framework may include an internal rate of return (IRR) calculation, or debt coverage ratio (DCR) or City fiscal model or other analysis acceptable to the Authority.
- b. The proposed outlay of the LCRA Benefits shall be evaluated by the same standard that a reasonable person would apply to a personal or business investment, and LCRA Benefits shall be granted only if the Board concludes that such LCRA Benefits are reasonable and appropriate in light of the Public Benefits which the granting of the LCRA Benefits are intended to produce.
- c. The performance of approved Projects shall be monitored by the Authority in accordance with the Workable Program to determine whether the Public Benefits that justified the grant of LCRA Benefits are being realized. The maintenance of tax abatement should be based on the completion of the proposed development and achievement of anticipated increased property

value. Once the abatement term has commenced, any decrease in the market value of the development property as established by the County Assessor as a result of the owner/developer's action maybe considered a factor by LCRA in determining whether the project has failed to achieve the Public Benefits approved by LCRA when the LCRA Benefits were granted.

- d. The Authority may develop or adopt a Community Impact Statement that must be completed by the Applicant as part of the Application, the purpose of which will be to provide useful data to enable the Authority to evaluate the proposed Project, and which shall include an economic impact analysis and a strategic analysis to determine to what extent the requested LCRA Benefits and the proposed Project are consistent with the fourteen (14) principles of FOCUS and the seven (7) FOCUS Strategic and Comprehensive Plans.
- e. Each Applicant shall be required to pay for the preparation of a fiscal impact analysis in accordance with 5(a) above by the staff of the Authority or by another party selected by the Authority. The fiscal impact analysis may include, but need not be limited to, an evaluation of the direct and indirect private and public investment in the proposed Project, the financing methods and structure for the proposed Project (including sources of projected revenue to fund the Public Benefits), the potential for the proposed Project through LCRA Benefits for tax exemption or abatement savings and the generation of additional revenue, an analysis of any lost opportunity costs, and a cost/benefit analysis of the Project as a whole (including the impact on jurisdictions other than the City from the relocation of economic activities).
- f. The Workable Program shall apply also when a single developer proposes a multi-building project that is either contiguous or proximate to another project owned and developed by the same developer or related developer. Proximity shall be defined as being located within the same existing or proposed Urban Renewal Area (URA.) (This policy became effective 1/24/05.) The Applicant must inform LCRA of other projects of that applicant or any affiliate within or proximate to the proposed development site.

(f) Coordination and Cooperation

- a. The staff of the Authority shall coordinate the review and analysis of Applications and the evaluation of proposed and approved Projects with similar efforts undertaken by the staffs of the City and other governmental agencies. The City's Finance Department shall be given the opportunity to review the applicant's request for tax abatement and any financial analysis, including a "but for" analysis, conducted by LCRA or third-party, as part of the City's project plan review. The project application and

financial analysis shall be given to the City Finance Department a minimum of 30 days before a redevelopment project in an existing Urban Renewal Area is submitted for tax abatement consideration by the LCRA Board and, if appropriate, a minimum of 30 days before a new Plan or Plan Amendment is brought before RCC or before the LCRA Board, whichever is first.

- b. In considering whether to grant LCRA Benefits to an Applicant, the Authority will give due consideration to the actions of the City and other governmental agencies in granting or denying requests by the Applicant for other public incentives or benefits. An incentive overlay map of the plan/project area will be included in the Project Plan to determine if there is an overlap in incentives for the area.

(g) Executive Director Grant of Tax Abatement

The Executive Director of LCRA may, pursuant to Resolution No. 2-05-14 adopted February 26, 2014, grant tax abatement for investor-owned single-family homes under the following conditions:

- a. An amount equal to or greater than 50% of the market value of the property or \$10,000.00, whichever is greater, has been spent on property renovations;
- b. All building code violations have been corrected;
- c. The property is registered as a rental property with the City;
- d. The owner has owned property for less than one (1) year;
- e. The owner has acquired the property in an arms-length transaction; and
- f. The amount expended will be primarily used for rehab which could include back taxes and special assessments accrued under previous ownership.

EXHIBIT 1

The Workable Program

Memorandum

To: Board of Commissioners, LCRA

CC: Jeffrey Kaczmarek, President, EDC

From: Joseph F. Egan, Executive Director, LCRA

Date: 11/03/2006

Re: Financial Analysis Procedure, Multi-family Affordably Priced Housing

1. MHDC 2013 forms used for submission of development and operating costs.
2. Staff does cost reasonableness review. (see attached standards)
3. Compare operating proforma with and without tax abatement.
4. Assuming all key cost are within range, tax abatement will be granted if debt coverage ratio is less than 1.15 without tax abatement.
5. If developer includes a deferred developer fee as equity to be paid by cash flow, initial cash on cash return should be no greater than 8%.
6. This policy is applicable to properties in which rents do not exceed MHDC guidelines for LIHTCs (attached)

7. **Residential (Multi-family) Development Cost Standards**

<u>Item</u>	<u>Standard</u>
Development:	
Acquisition (building)	\$22.5K to \$27.5K per unit
Hard (construction) costs – rehab	\$139-\$147 of leasable sq. ft. (assume 75%-80% of gross)
Hard (construction) costs – new	\$122 per leasable sq. ft.
Soft (design, dev fees, legal, etc.)	\$35K to \$50K per unit
Architect Fees (design & supv)	5%-8% of construction cost
Builder's Profit	8% of construction budget
Builder's Overhead	2% of construction budget
General Requirements	6% of construction budget
Developer Fee	8%-15%* of total replacement costs
* Developer fee includes developer overhead and consultant fees	

Operating:

Income increase P/A	3% market rate; 2% affordable
Expense increase P/A	3% all
Vacancy at stabilized rent	5%-7%
Property tax PUPA	\$500
Insurance PUPA	\$200
Replacement reserve PUPA	\$300
Management fee	\$1,500 p/m or 6% of rents collected, whichever is greater
Operations/Maintenance PUPA	\$3,100
Acceptable DCR	1.15 to 1.25

Other – Rental Limits:

MHDC published rents by unit size per 60% median income guidelines

Budget Analysis

Development:

	Actual	Standard	Evaluation
Acquisition.			
Hard costs			
Construction contract			
Soft costs			
Architect fee			
Builder's profit			
Builder's overhead			
General requirements			
Developer fee			
Operating per annum			
Management fee			
Operations & Maintenance.			
RE taxes (abated)			
Insurance			
Replacement reserve			
Other operational costs:			
Audit/Partnership service			
Utilities			
Administration			