

COUNCIL ACTION FORM

Meeting Date: December 12, 2024

Staff Contact: Ryan Denk

Agenda Item: Consider various agreements relating to redevelopment at and around 50th & Rainbow Blvd.

Background/Description of Item

On March 9, 2023, the City and Karbank Real Estate entered into a Funding and Exclusivity Agreement to explore Karbank's proposal to the Westwood City Council for redevelopment of the Rainbow Blvd. frontage between 50th and 51st Street, which property is owned by the City of Westwood. Following that initial presentation and Agreement execution, on June 8, 2023, the Shawnee Mission School District and the City of Westwood entered into a Purchase Agreement to leverage its option to purchase the former Westwood View Elementary School located at 2511 W. 50th St. and, that same night, the City of Westwood and Karbank entered into a Purchase Agreement for Karbank to acquire the City's Rainbow Blvd. frontage property parcels, subject to the terms of those agreements.

Thereafter, Karbank submitted an application for and received conditional approval in October 2023 from the Governing Body of the necessary associated rezoning, development plan, and platting to construct the mixed-use redevelopment project. Commensurate with the Governing Body's approval of these land entitlements, the City Council approved several documents setting out terms and conditions for the agreement between the City of Westwood and Karbank. These agreements included:

- a. Development Agreement;
- b. Donation Agreement (Covenants & Restrictions are set out in an exhibit to this document); and
- c. First Rights Agreement.

In December 2023, upon authority granted by the City Council at the November 9, 2023 regular City Council meeting, Mayor Waters executed amendments to such agreements to extend the contractual deadlines. On June 13, 2024, the City Council extended the agreements by way of a second amendment. Now again, extensions to such agreements are sought to lengthen the due diligence period prescribed for the City to convey to Karbank fee simple title to City-owned property located at 5000 Rainbow Blvd.

Staff Comments/Recommendation

Staff recommends that the City Council consider [re]approving the following slate of documents:

1. Third Amendment to Real Estate Purchase Agreement with Shawnee Mission School District for real property at 2511 W. 50th St.
2. Third Amendment to Real Estate Contract Modification Agreement with Karbank Holdings, LLC for real property at 5000 Rainbow Blvd. and 5050 Rainbow Blvd.
3. Second Amendment to Development Agreement with Karbank Holdings, LLC
4. Third Amendment to Funding and Exclusive Rights Agreement with Karbank Holdings, LLC

Budget Impact

All expenses incurred relating to these documents since the Governing Body's October 12, 2023 initial approvals have been borne by the City and funded from the General Overhead Department of the General Fund. These expenses are unbudgeted.

Suggested Motions

I move to authorize the Mayor to execute the Third Amendment to Real Estate Purchase Agreement with Shawnee Mission School District for real property at 2511 W 50th Street.

I move to authorize the Mayor to execute:

- *the Third Amendment to the Real Estate Contract Modification Agreement with Karbank Holdings LLC for real property at 5000 Rainbow Boulevard;*
- *the Second Amendment to Development Agreement with Karbank Holdings LLC; and*
- *the Third Amendment to Funding and Exclusive Rights Agreement with Karbank Holdings LLC.*