

COUNCIL ACTION FORM

Meeting Date: October 12, 2023

Staff Contact: Ryan Denk

Agenda Item: Consider Development Agreement, Donation Agreement, and First Rights Agreement Relating to Redevelopment of 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 8th, 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.

Since that time, Karbank has submitted an application for and received a recommendation of conditional approval from the Planning Commission of the rezoning and preliminary development plan necessary to construct the mixed-use redevelopment project. This development plan was presented and reviewed by the Planning Commission at three separate public meetings (July 10th, August 7th, and September 11th) before the Planning Commission issued its recommendation to the City Council on September 11, 2023. The applications for rezoning and preliminary development plan approval for this project are before the City Council for final action on the October 12, 2023 agenda.

Related to Karbank's proposal are several documents setting out terms and conditions for the agreement between the City of Westwood and Karbank. These agreements include:

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

These documents were all presented to the City Council for review at its September 14th regular meeting.

Staff Comments/Recommendation

Staff recommends that the City Council consider approving these documents and the terms therein following the past month of review and in concert with the rezoning and preliminary development plan consideration set for action on the October 12th City Council meeting agenda. These documents have been negotiated to this point by and between Karbank and a team of City Officials and representatives including:

- Mayor David E. Waters,
- City Administrator Leslie Herring,
- City Attorney Ryan Denk,
- Financial Advisor Jeff White (Columbia Capital Management), and
- Bond Counsel Kevin Wempe (Gilmore & Bell).

This team was available at the September 14th meeting and thereafter to respond to any questions the City Council may have had regarding the documents and to address any items not included or requested for

inclusion by the City Council. Members of this team will be available again on October 12th to respond to any remaining questions members of the City Council may have.

A second Donation Agreement will be set for consideration by the City Council at a later date, most likely the November 9, 2023 regular City Council meeting. This Agreement relates to the City's consideration of acceptance of the privately-negotiated land acquisition between Karbank and The Joanne Maureen Gaar Trust for real property at 2322 W. 51st St. to be used for purposes of future City Park.

Budget Impact

All expenses to date and hereafter relating to these document drafts are reimbursed by Karbank pursuant to the Funding & Exclusivity Agreement.

Suggested Motions

I move to approve the presented Development Agreement with Karbank Holdings, LLC.

I move to approve the presented Real Property Donation Agreement with K-Frans, LLC for the creation of a City Park.

I move to approve the presented First Rights Agreement with Karbank Holdings, LLC.