



August 31, 2022

Hon. Quinton Lucas
Mayor, Kansas City, Missouri
29th Floor, City Hall
414 E. 12th Street
Kansas City, MO 64106

**RE: Notice of Intent to Lease Property Pursuant to Sale/Leaseback and
Redevelopment Contract in Central Business District Urban Renewal Area**

Dear Mayor Lucas,

Please be advised that the Land Clearance for Redevelopment Authority of Kansas City, Missouri ("LCRA") issued a Request for Redevelopment Contract Proposals ("RFP") for the purpose of selecting a qualified redeveloper for a redevelopment project within the Central Business District Urban Renewal Area. LCRA received one response from 906 Grand Boulevard Hospitality, LLC ("Redeveloper"), for acquisition and redevelopment of a historic building(s) located at 906-910 Grand Boulevard into an approximately 240-room hotel, and related improvements ("Project").

The details of the Project are as follows:

Redeveloper: 906 Grand Boulevard Hospitality, LLC, an Arkansas limited liability company, with offices at 119 S. Ivard Street, Suite 200, Little Rock, Arkansas 72201. The Redeveloper is an affiliate of Beechwood Pinnacle Hotels.

Location: The project area includes the buildings located at 906-910 Grand located at the southwest corner of Grand Boulevard and 9th Street.

Project: The acquisition and redevelopment of a historic building(s) located at 906-910 Grand Boulevard, which is an existing 13-story, 169,000 square foot building dating to circa 1912 and was added to the National Register of Historic Places in 2020, into an approximately 240-room hotel. The Project is intended to be flagged as an AC Hotel by Marriott.

Timeline: Construction is anticipated to begin in late 2022 and be completed in 2023.

Employment: An estimated 331 construction jobs are anticipated for construction of the Project and an estimated 110 full-time employees are anticipated to be hired upon completion.

Financing: Total project costs are estimated to be approximately \$73 million. Sources of funds include historic tax credits, private equity, and conventional construction loan financing.

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LCRA intends to issue bonds to facilitate a sales tax exemption on the purchase of construction materials and supplies for the Project.

Tax Incentive: The Redeveloper is requesting LCRA sale/leaseback exemption on sales tax for construction materials and supplies in connection with the Project. The Redeveloper will transfer title to the property to LCRA and LCRA will lease the property back to the Redeveloper pursuant to a lease agreement during the construction period. The Redeveloper will pay PILOT payments during the construction period in an amount equal to the taxes assessed against the property. Upon lease termination, LCRA will transfer title to the property back to the Redeveloper and issue its tax abatement certificate. LCRA approved 85% tax abatement during years 1-2 of the abatement period and 75% tax abatement during years 3-10 of the 10-year abatement period. Specific details of the LCRA incentives and services will be set out in agreements to be entered into with the Redeveloper.

By copy to Marilyn Sanders, City Clerk, I am requesting that she note receipt of this correspondence for the official City record and that it be placed on the City Council docket as a communication.

If you have any questions regarding this Project, please contact me.

Very truly yours,

Dan Moyer
Executive Director

cc: Marilyn Sanders, City Clerk
Brian Platt, City Manager
City Council

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