

# Performing Arts Campus Tax Increment Financing Plan

Project 1 Hotel Bravo, 16<sup>th</sup> & Wyandotte  
Project 2 Renovation of 16<sup>th</sup> & Broadway as a  
Performing Arts Rehearsal Hall

**Ordinances 190954, 190955, & 190956**  
**NPD Committee | September 29, 2021**

Greenwood Management, LLC  
September 29, 2021



# NEW MODEL FOR INCENTIVES

## Shared Success

- 20-Year TIF Period, not 23 years
- 42% of all new incremental revenue to Taxing Districts
- \$1.0 million/year during TIF
- \$4 million/year after

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# NEW MODEL FOR INCENTIVES

## More Shared Success

Parking Revenues (\$350,000-600,000/year) Avg: \$450,000 per year

- Redirected by Council
- “Love Thy Neighbor” Program (20%)
  - Assisting citizens to remain in their homes
  - Helping homeowners resolve housing code violations
- Shared Success Fund (40%)
  - Funding for qualified projects in economically distressed areas
- Visit KC (40%)
  - Partially replace lodging tax plus developer’s enhanced membership fee (secured by LOC) to make Visit KC whole

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# **NEW MODEL FOR INCENTIVES**

## **Even More Shared Success**

### Jobs / Careers

- 106 Full-Time Union Construction Jobs 16 months and MBE/WBE participation
- 100+ Full-Time Equivalent Hotel Employees

### Public Purpose

- Enhance the Reputation and Mission of the Kauffman Center
- Expand KC's Attraction for Tourists and Conventions

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# SOMETHING FROM NOTHING

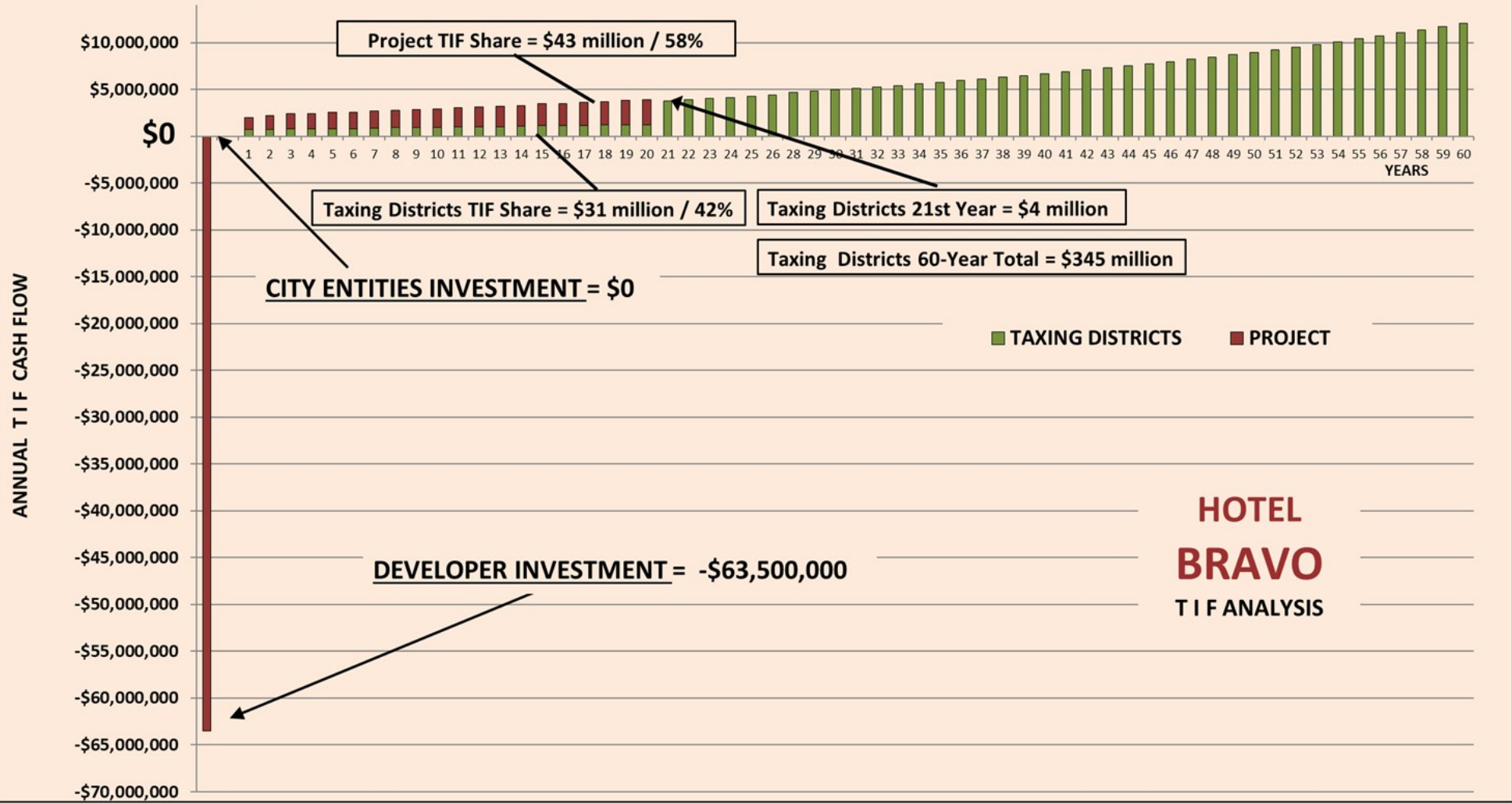
**Current Taxes = \$3,000/year**

**New Tax Base = \$4,000,000/year**

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# Hotel BRAVO Funding Sequence

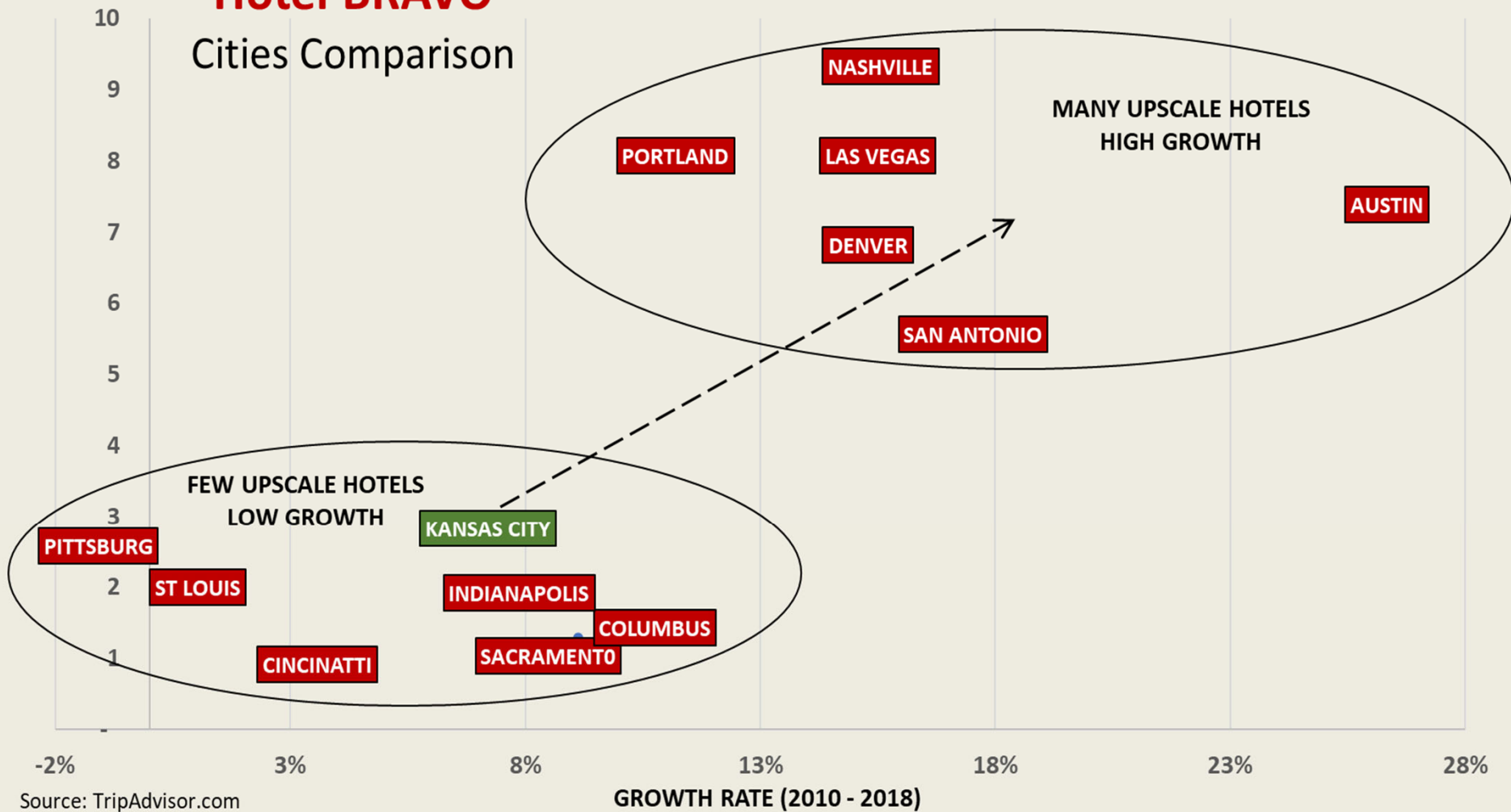
**NO CITY INVESTMENT!**



# Hotel BRAVO

## Cities Comparison

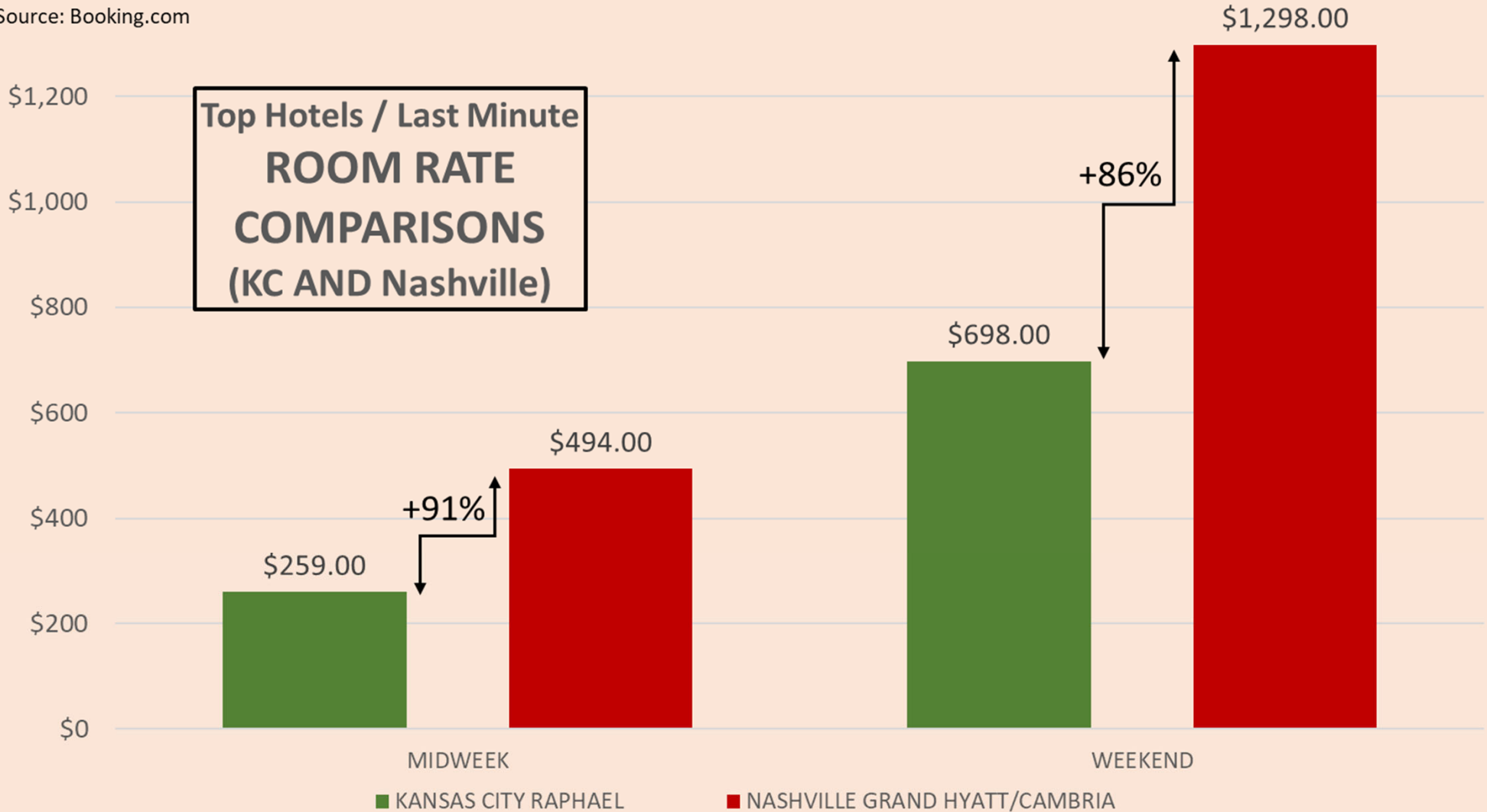
UPSCALE HOTELS PER 1,000,000 POPULATION



Source: TripAdvisor.com

Source: Booking.com

**Top Hotels / Last Minute  
ROOM RATE  
COMPARISONS  
(KC AND Nashville)**





# **WORLD-CLASS DESIGN**

- Compatible with Kauffman Center
- Enhance Kauffman reputation/market
- Compete with other cities
- Leads all hotels to higher rates



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Interior Concepts

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Interior Concepts

diff-studio.com

# DEMAND GENERATOR

- Enhance Kauffman Center outreach
- 5-star hotel segment unserved now
- Upscale hotels = higher population growth
- Synergy with Loews Hotel

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# COMMUNITY SUPPORT

June 2019 - "Voters Favored Incentives"

- 2-to-1 in Favor

4 Kansas City Mayors Support Hotel Project

- Wheeler, Barnes, Berkley, and Cleaver



Press

THE KANSAS CITY STAR.

Is Kansas City world-class or second-class?  
Decision on this project will be telltale  
BY MICHAEL RYAN  
AUGUST 31, 2021 05:00 AM

THE CALL



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# MORE COMMUNITY SUPPORT

## Labor Support

- St. Louis-Kansas City Carpenters Regional Council
- Building and Construction Trades Council, AFL-CIO
- Iron Workers Local No. 10

## Professional Trade Association Support

- Western Missouri/Kansas Chapter of the Society of Industrial and Office Realtors

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# MORE SUPPORT

## TIF Commission's "But-For" Consultant

- SB Friedman Development Advisors
  - "Sales tax exemption on construction materials (STECM); Chapter 100
  - Reimbursement of 75% of property taxes (above current predevelopment taxes) generated by the Project for 23 years and structured through Tax Increment Financing (TIF);
  - Abatement of 50% of personal property taxes generated by the Project for 23 years; Chapter 100
  - Full "Super-TIF" reimbursement of hotel, food and beverage, individual income, utility taxes for 23 years; and
  - Full reimbursement of 1% Community Improvement District (CID) sales tax for 23 years."
  - "Incentives provide unleveraged IRR of 9.0%."

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# MORE SUPPORT

## TIF Commission Staff

- “The cost benefit analysis demonstrated positive benefits for each affected taxing jurisdiction.
- The redevelopment area qualifies as a conservation area.
- The proposed plan meets all requirements of the TIF statute.”

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# TIFC Recommendation

## TIF Commission

- October 24, 2019 TIF Commission voted 8 to 3 to recommend the Plan be rejected.

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Hon. Quinton Lucas, Mayor  
Heather Hall, Councilwoman  
Kevin O'Neill, Councilman  
Dan Fowler, Councilman  
Teresa Loar, Councilwoman  
Melissa Robinson, Councilwoman  
Brandon Ellington, Councilman  
Eric Bunch, Councilman  
Katheryn Shields, Councilwoman  
Ryana Parks-Shaw, Councilwoman  
Lee Barnes, Jr., Councilman  
Kevin McManus, Councilman  
Andrea Bough, Councilwoman

Re: Performing Arts Center Hotel

Mayor Lucas and Councilmembers:


We urge approval of the Performing Arts Center Hotel for the following reasons:

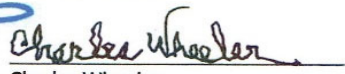
- The hotel will complement Kauffman Center for the Performing Arts and enhance Kansas City's ability to attract conventions.
- The Performing Arts Center Hotel site currently produces no tax revenue because title is held by a nonprofit entity and the property is vacant. The site will remain vacant unless this iconic project is approved. Approval of this project will immediately generate revenue for the taxing jurisdictions where otherwise there is none.
- Unlike other projects, there is no request that KCMO taxpayers build a garage, guarantee debt or pay anything in connection with the Performing Arts Center Hotel.
- The project will finally make use of the 1100 parking spaces in the adjacent garage which will generate revenue that can be devoted to issues like affordable housing.

This project will keep the momentum in downtown Kansas City going. For those reasons, we recommend approval.

  
Kay Barnes

  
Emanuel Cleaver

  
Richard Berkley

  
Charles Wheeler

## Project 1 HOTEL BRAVO



## Endorse Project

“The Western Missouri/Kansas Chapter of the Society of Industrial and Office Realtors met on September 23, 2021, and approved a resolution, urging the Mayor and City Council to approve the Performing Arts Campus Tax Increment Financing Plan...”



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St. Louis - Kansas City Carpenters Regional Council



1401 Hampton Avenue, Saint Louis, MO 63139-3159

(314) 644-4800 (800) 332-7188

May 22<sup>nd</sup>, 2020

Dear Commissioners:

We are always concerned about where the next project will come from to employ our members. Especially in these uncertain times. We support the performing arts center hotel because this project:

Has committed to using union labor.

Requires no infusion of city cash.

Requires no construction of a parking garage, and requires no credit enhancement of any bond issue by the city. In other words, no risk to the city.

In addition, the project will comply with the 75% cap adopted by the council while continuing to add construction dollars and providing jobs to working families across the metro.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe L. Hudson".

Joe L. Hudson

Political Director / Contractor Relations

St. Louis - Kansas City Carpenters' Regional Council 8955 E. 38th Terr.

Kansas City, MO. 64129



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Greater Kansas City Building and Construction Trades Council, AFL-CIO  
Affiliated With The Building and Construction Trades Department  
400 SOUTH MAIN  
INDEPENDENCE, MISSOURI 64050

Dave Coleman ~~Alise Martiny~~  
President Business Manager/  
Kevin King Secretary  
Vice President  
Greg Chastain  
Treasurer  
Richard Sargent II Sergeant-At-Arms



Financial

August 31, 2021

Mayor Lucas, Council Members and City Manager:  
414 E. 12<sup>th</sup> Street  
Kansas City, MO 64106

Mayor Lucas, Council Members and City Manager:

The Greater Kansas City Building and Construction Trades Council strongly support the Development of the Bravo Hotel formally known as the Performing Arts Hotel. We believe a new luxury hotel would continue to showcase our downtown area and be a catalyst for continued growth.

The K.C. Building Trades support the hotel for several reasons.

1. The developer and contractor have committed to using union labor on the project.
2. The project requires no infusion of city cash.
3. The project requires no credit enhancement of a bond issued by the city so there is no risk to the city.
4. The project will add construction dollars and jobs to working families in our community.

We ask that you support the Bravo Hotel and thank you for your hard work especially in the most difficult times for our city.

Sincerely,

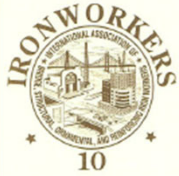
~~Alise Martiny~~

Business Manager/Financial Secretary  
Greater Kansas City Building Trades Council

Office (816) 836-8485 • Fax (816) 836-8486 • E-mail: [info@buildkc.org](mailto:info@buildkc.org) • [www.buildkc.org](http://www.buildkc.org)

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International Association of  
**Bridge, Structural, Ornamental & Reinforcing Iron Workers Local No. 10**  
Affiliated With AFL-CIO  
1000 East 10th Street • Kansas City, Missouri 64106 • (816) 842-8917 • Fax (816) 842-8969

Topeka  
2730 SW 57th St #9  
Topeka, KS 68609  
(785) 233-4027  
(785) 267-1514 Fax

Springfield  
1949-C South Glenstone  
Springfield, MO 65804  
(417) 883-3098  
(417) 883-9851 Fax

Dear Mayor Lucas and members of the City Council:

On behalf of Ironworkers Local 10 I wanted to express our support for the Hotel Bravo. Only a first-class hotel on this site will complement the world-renowned Kauffman Performing Arts Center which our members were proud to have been part of the team that built such an impressive project. Additionally, I believe the Hotel Bravo is a great deal for Kansas City for the following reasons:

1. The Hotel does not impact the cities debt or bond rating as the entire risk is on the developers!
2. The developers have agreed to build this hotel with a 100% union workforce!
3. No new parking garage is needed as the owners intend to use the rarely used Performing Arts Center garage and contribute 100% of their parking revenues to the city!
4. Taxing jurisdictions including the KCPD as well as the city will get revenues from the day Hotel Bravo opens!

For these reasons we are proud to support the Hotel Bravo and ask that you approve the project in the coming weeks.

Respectfully, 

David E Coleman  
Business Manager  
Iron Workers Local 10



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# THE KANSAS CITY STAR.

## Is Kansas City world-class or second-class? Decision on this project will be telltale

BY MICHAEL RYAN

AUGUST 31, 2021 05:00 AM

“What’s the difference between a world-class and a second-class?”

It might very well be decisions such as this.”

“Kansas City now has an opportunity see Hotel Bravo built adjacent to the Kauffman Center for the Performing Arts – which developers intend to become the city’s only five-star hotel.

And without spending or risking a dime of taxpayer money.

Let me repeat that for my incentives-weary friends: without spending or risking a dime of taxpayer money.”

“The council and mayor have a chance to get it over the finish line ... .”



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# Hotel Super-TIF

## Incentives Comparison

<b>HOTEL</b>	<b>Super TIF</b>	<b>CID</b>	<b>PILOTs</b>	<b>Term</b>	<b>Bonds or Pay-Go</b>	<b>City Guarantee</b>	<b>Garage Provided</b>	<b>Free Land</b>
Loews	Yes	Yes	100%	23 Years	Bonds	Yes	Yes	Yes
President	Yes	No	100%	23 Years	Bonds	Yes	Yes	No
Phillips	Yes	No	100%	23 Years	Pay-Go	N/A	No	No
Briarcliff	Yes	No	100%	23 Years	Bonds	No	Yes	No
Union Hill	Yes	No	90%	23 Years	Pay-Go	N/A	No	No
21c Museum	Yes	Yes	100%*	23 Years	Pay-Go	N/A	No	No
<b>BRAVO</b>	<b>Yes</b>	<b>Yes</b>	<b>75%</b>	<b>20 years</b>	<b>Bonds</b>	<b>No</b>	<b>No</b>	<b>No</b>

# OPTIONS

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“YES”

“NO”

- World Class Attraction
  - Support Kauffman Center, Loews Hotel, Convention Center, New KCI, Light Rail, Chiefs, Royals, P&L, etc.
- 100+ Jobs/Careers and Training
- \$1.0 M/year to Taxing Districts during TIF
- \$4 M/year Tax Base
- Tax on Out-of-Towners
- Shared Success Fund/ “Love Thy Neighbor” Program
  - TIF period = \$5,400,000 total
  - Post-TIF = \$ 600,000+/year



# REQUEST

- NPD Committee recommendation that Ordinance No. 190954 be advanced and passed.
- Ordinance Nos. 190955 and 190956 to be held in Committee until Project construction is substantially complete.