

April 7, 2023

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 Eastside 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 adaptive reuse and historic redevelopment of the 13-story, vacant, former AT&T office building located at 500 E. 8th Street and other related improvements (“Project”). LCRA received one response from WELL TBC Kansas City JV, LLC, a Delaware limited liability company (“Redeveloper”), and intends to enter into a Sale/Leaseback and Redevelopment Contract with the Redeveloper.

The details of the Project are as follows:

Redeveloper: WELL TBC Kansas City JV, LLC, an affiliate of The Bernstein Companies, 3299 K Street NW, Suite 700, Washington, D.C., 20007.

Location: The Project site is currently a vacant, 13-story office building located at 500 E. 8th Street.

Project: Adaptive reuse and historic redevelopment of the 13-story, vacant, former AT&T office building, which is anticipated to include (i) approximately 265 apartment units (approximately 100 studio/one-bath units averaging 639 square feet, approximately 60 one-bedroom/one-bath units averaging 707 square feet, approximately 90 two-bedroom/one-bath units averaging 980 square feet, and approximately 15 two-bedroom/two-bedroom units averaging 980 square feet), (ii) fitness center, (iii) remote work center, (iv) lounge, (v) subgrade parking for approximately 575 cars, and (vi) related improvements.

Timeline: Construction is anticipated to begin in spring/summer 2023 and be completed in winter/spring 2024.

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Employment: Estimated 514 construction jobs are anticipated for construction of the Project and estimated 36 new jobs are anticipated upon completion.

Financing: Total project costs are estimated to be approximately \$92 million. Sources of funds include approximately \$21 million in state and federal historic tax credits, an approximately \$51 million construction loan, and approximately \$20 million in Redeveloper equity. LCRA intends issue bonds to facilitate a sales tax exemption on the purchase of construction materials and supplies.

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. LCRA approved tax abatement for the Project at 100% for ten (10) years and at 50% for five (5) years. LCRA will own the property and lease it back to the Redeveloper to effectuate the approved tax abatement incentive. Upon lease termination, LCRA will transfer title to the property back to the Redeveloper. 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,

Daniel Moyer
Executive Director

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

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