

The Aladdin Hotel Parking Agreement

1215 Wyandotte St Kansas City, MO

Transportation, Infrastructure and Operations Committee
City Council of Kansas City, Missouri
February 25, 2025



Property Overview

The Aladdin Hotel was built in 1925 and was briefly the tallest building in Kansas City. This sixteen-story historic building, brought innovation to the downtown lodging market in the early twentieth century. While downtown Kansas City has evolved with several new highrise developments, the Aladdin still commands an unmatched location and is one of only three hotels physically connected to the Convention Center via an underground walkway.



Currently 193 rooms spread across a 16 story building.



In the heart of downtown Kansas City



~March 2025 Development Closing Date







Aladdin Redevelopment

Why this Parking Agreement?

- **Parking Ratio:** While almost ALL multifamily developments happening throughout Downtown Kansas City are breaking ground and operating on a 1:1 per unit parking ratio, The Aladdin has approval via our lenders and internally to only require a 0.65:1 unit ratio; one of the lowest in ALL of downtown. We believe in a urban, dense downtown that utilizes walking, the streetcar, biking, and other forms of public transportation. Please note the residents will pay the \$125 per month parking directly to the city, meaning The Aladdin makes NO ADDITIONAL REVENUE from this Agreement.
- **Affordability:** Even though historic tax credit projects are exempt from the city affordability ordinance, the Aladdin will still be setting aside 10% of the units (14 units) to renters making up to 60% AMI. Additionally, the projected rental rates still have EVERY UNIT under ~85% AMI. The Aladdin will also be making a \$150,000 contribution to the affordable housing trust fund over the next 3 years.
- **HUD Financing:** Following the completion of construction, we anticipate utilizing HUD financing for our long-term debt. This allows the debt to maintain a fixed rate & indicates our intention to hold the property for the long-term. This is also a reason this parking agreement is important, because HUD financing requires parking for the properties they finance.

Aladdin Redevelopment

Why this Parking Agreement? (con't)

- **No new parking garage needed:** Unlike many current development projects, The Aladdin can utilize the pre-existing Barney Allis Plaza parking garage leaving other sites open for real mixed use development instead of more multimillion dollar concrete boxes. This aligns with KCMO's priorities to make downtown more walkable and transit-oriented without requiring additional parking construction. The Aladdin will also feature a craft cocktail bar on the 16th floor, open to the public, generating revenue for the city as they will park at Barney Allis.
- **Historic Barney Allis Tunnel:** In maintaining the principles of adaptive reuse and in keeping with historical consistency, the funding for the redevelopment of the Barney Allis Plaza Development includes the revitalization of the tunnel connecting Barney Allis to the Aladdin. This tunnel was frequently referenced in marketing materials of The Aladdin going back many decades. This parking agreement will ensure historic continuity.



Architectural Renderings



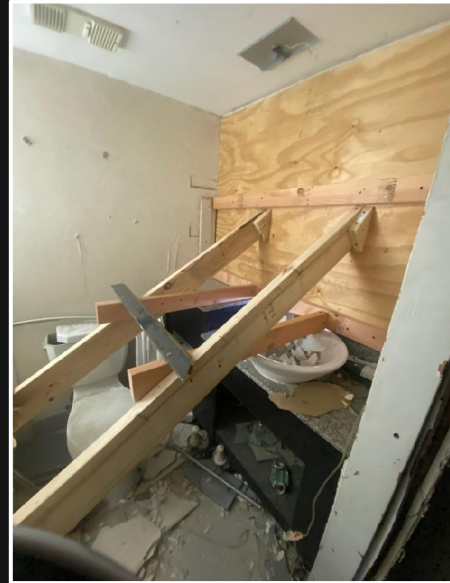
Aladdin Redevelopment

Why this project?

- **Revitalization of Downtown Area:** Redeveloping the Aladdin Hotel into apartments would contribute to the ongoing revitalization of downtown by transforming an underutilized, deteriorating property into a dynamic residential space. The presence of residents will create a sense of community, attract businesses, and stimulate economic activity in the area directly connected to the Barney Allis Plaza redevelopment.
- **Meeting Workforce Housing Demand:** While most new developments that are breaking ground in Downtown are luxury apartments with steep rents, The Aladdin will fill the missing middle targeted to those making \$45,000-\$65,000/ year. The average rents at the Aladdin will be ~\$1450/ mo, always being attainable compared to the luxury towers, while having the same quality of unit finishes & amenities for 122 new residents. The Aladdin will contribute to affordability downtown KC by setting aside 10% of units at 60% of the AMI, even though not required.
- **Promotion of Adaptive Reuse and Sustainable Practices:** Redeveloping historic buildings like the Aladdin Hotel instead of demolishing them promotes environmentally sustainable adaptive reuses which respects the embodied energy and materials invested in the building's construction by reducing waste, conserving resources, and contributing to the city's collective sustainability goals.
- **Preservation of Historical and Architectural Heritage:** The Aladdin has sat vacant for 4 years and in that time has deteriorated due to break-ins and vandalism. The Aladdin Hotel stands as a landmark of historical and architectural significance in downtown Kansas City and we will protect its architectural heritage while breathing new life into its storied past.

Aladdin Redevelopment

Deterioration/Vandalism



Why this project? (con't)

- **Young Development Team:** We are excited to bring our youthful innovation and passion for growing Kansas City. Between Molzer Development, Free Heel Capital and Cardinal Crest, the average age of our development team is 31 years old (6 individuals). We plan to build in Kansas City for a long time & can't think of a better first project.
- **Local Team:** Zach Molzer is a local and was born right here in Kansas City, Missouri at St. Luke's on the Plaza. Growing up in Lenexa, attending Olathe Northwest High School before attending UNL for his undergraduate, Zach now resides in Waldo but soon to be living downtown. Joe Christensen moved to KC from Las Vegas over a decade ago and has since built over 100 custom homes and developed/GC a 200+ unit multifamily development in Gladstone.
- **Local Investment:** Over 90% of the limited partners on this project are Kansas City area residents and invested specifically to see our city continue to grow. The project returns for this deal aren't as high as other returns in the downtown market, but the primary goals of our investors is to invest in the next generation of developers and to see this project through so the Aladdin is still around another 100 years from now - and so they are not focused on simply the bottom line.

General Partners



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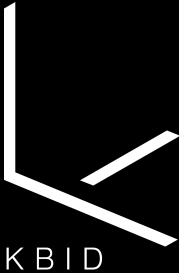


Benjamin Gordon

Partner

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Project Team (cont'd)



Capital Improvement Plans

Scope of Work

- Provide and install a temporary man/material lift and trash chute on the interior of the Building.
- Demolition of the interior finishes for the basement and 1st floors.
- Demolition of the demising walls and interior finishes for all hotel rooms to make apartments.
- Removal and replacement of all exterior windows.
- Upgrade of interior finishes at basement/first floor. Floor layout/configuration to remain as is.
- Removal of Freight Elevator and shaft which will become a chase for all mechanical systems
- Removal of the (2) smaller Elevators, installing (1) larger unit, and updating interior finishes/controls to the standard-sized unit on the west.
- New Unit casework/tops, trim, shelving, door units, Insulation, drywall/finish, Flooring, Restroom specialties, Painting, Kitchen Appliances, Washer/ventless dryer combo in unit, Blinds, Fire Suppression, Plumbing Fixtures, HVAC grills/vents and misc. ductwork, Electrical wiring, and fixtures & data within the unit (data/phone service provider to bring to units)
- Floors 2-15 Common areas included new Metal stud framing, Drywall & finish, flooring, painting, life safety and unit signage, HVAC, Electrical wiring and fixtures, Wireless locksets for units, and card readers on common doors, fire alarm devices, fire suppression to accommodate the new build-out.
- Stairways to receive new paint, doors & hardware.
 - Exterior Glass and Glazing consist of removal & replacement of all exterior glass windows, and doors and replaced with aluminum energy-efficient systems.



Conceptual Floor Plans

Basement:

The basement will consist of the tunnel connecting to Barney Allis Parking Garage, wide range of amenities & mechanical room

Floor 1:

The lobby will retain historic nature, with added parcel lockers, fitness center & lounge area for residents

Floor 2:

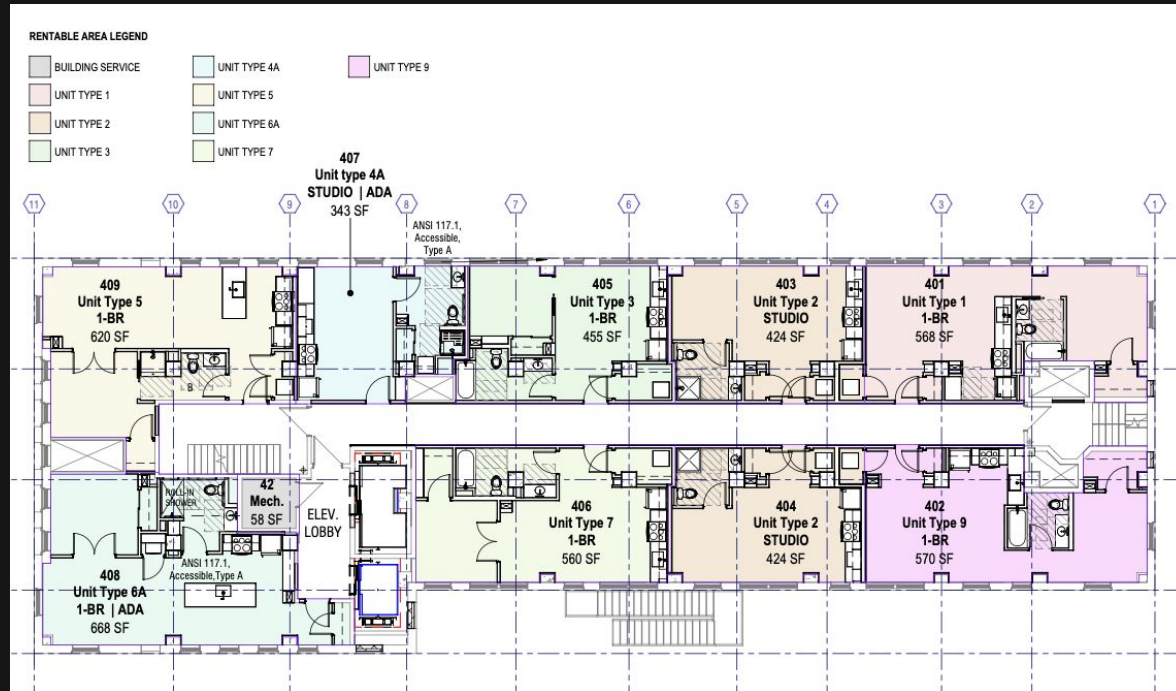
Reconfigure the 2nd floor which is currently used as offices. This will get reconfigured to 6 units as well as a large, open concept co-working space.

Floor 3-15:

Completely remove walls, bathrooms, existing plumbing, etc and rebuild ~9 units per floor with all new plumbing, HVAC (4-pipe system), electrical, kitchens & bathrooms, with top of the line finishes

Floor 16:

A craft cocktail venue on the West side operated by Exit Strategy. The East side will be an open concept amenity space with lounging areas, game tables, and TV's. The East corners will consist of two small office suites for resident and co-working use.



Yours Truly



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www.molzerdevelopment.com



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