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**File #: 230494**

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ORDINANCE NO. 230494

Approving a modification of the incentivized project construction timeline for the Hyatt House Hotel Project, located at 900 Broadway Boulevard.

WHEREAS, the City Council initially approved the Central Business District Urban Renewal Plan (“The Plan”) by Ordinance No. 36287 on January 17, 1969, to eliminate and prevent the spread, development and recurrence of the blighted conditions within the Central Business District Urban Renewal Area (“Plan Area”); and

WHEREAS, the Plan has been modified at least 14 times, most recently on February 26, 2015, with Committee Substitute for Ordinance No. 150116; and

WHEREAS, pursuant to Land Clearance Redevelopment Authority (“LCRA”) Resolution No. 11-1-18 dated November 28, 2018, the LCRA selected Pedersen Development Redeveloper, L.L.C., (the “Original Redeveloper”) for a project located at 900 Broadway (“Project Area”) and approved a tax incentive package to include sales tax exemption on construction materials and a fifteen year abatement of the increase in property taxes at 100% abatement in years 1-10 and 37.5% abatement in years 11-15; and

WHEREAS, pursuant to LCRA Resolution No. 6-1-19, on October 9, 2019, the LCRA issued its Land Clearance for Redevelopment Authority of Kansas City, Missouri Taxable Industrial Revenue Bond (Hyatt House Hotel Project), Series 2019, in the original principal amount of \$38,000,000.00 (the “Bond”) to fund a redevelopment project at the Project Area consisting of acquisition and construction of a multi-story, extended-stay hotel with approximately 154 guest rooms, approximately 2,500 square feet of meeting space, and approximately 6,000 square feet of common area that will be available to hotel guests and the public, along with other related improvements in the Plan Area (the “Project”); and

WHEREAS, on June 2, 2020, the Original Redeveloper notified the LCRA of the lender’s failure to fund the construction loan, which caused a halt in the construction of the Project; and

WHEREAS, the Original Redeveloper has remained unable to complete construction for the Project; and

WHEREAS, on December 12, 2022, with LCRA Resolution No. 12-2-22, as modified by LCRA Resolution No. 5-5-23 dated May 23, 2023, the LCRA approved assignment of the tax incentives for the Project to HH KC Partners, LLC, a Missouri limited liability company (the

“New Redeveloper”), which is a joint venture of O’Reilly Hospitality Management, LLC and Lotus Holdings, LLC, subject to certain conditions; and

WHEREAS, on April 13, 2023, Council approved Ordinance No. 230316, enacting Code § 74-12, which provides default construction timelines for incentivized projects; and

WHEREAS, Code § 74-12, provides that construction at the Project must be substantially complete by June 1, 2024; and

WHEREAS, the construction delay for the Project is due to no fault of the New Redeveloper, and the New Redeveloper has represented that they cannot complete construction of the Project by June 1, 2024; and

WHEREAS, the Council believes that the public purpose supporting the Project remains unchanged and the incentives remain appropriate; and

WHEREAS, Code § 74-12 provides that Council may modify the construction timelines for projects; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That pursuant to Code § 74-12, the timeline for the substantial completion of the Hyatt House Hotel Project, located at 900 Broadway, is hereby modified to require substantial completion by June 30, 2026.

Approved as to form:



Authenticated as Passed

  
Quinton Lucas, Mayor

  
Marilyn Sanders, City Clerk

**JUN 15 2023**

Date Passed



Emalea Black  
Associate City Attorney