

RESOLUTION NO. 6- -19

RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI AUTHORIZING THE ISSUANCE OF ITS TAXABLE INDUSTRIAL REVENUE BONDS (HYATT HOUSE HOTEL PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$38,000,000, TO PROVIDE FUNDS TO FINANCE CERTAIN PROJECT COSTS; AUTHORIZING ASSIGNMENT OF DEVELOPMENT RIGHTS; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the Land Clearance for Redevelopment Authority of Kansas City, Missouri (“Authority”) is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, RSMo (“LCRA Act”), is transacting business and exercising the powers granted by the LCRA Act by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council (“City Council”) of the City of Kansas City, Missouri (“City”), on November 21, 1952, and is authorized and empowered under the LCRA Act and for the purposes set forth in the LCRA Act to issue revenue bonds for the purpose of providing funds to pay the costs of projects, and to lease or sell such projects to others upon such terms and conditions as the Authority shall deem advisable; and

WHEREAS, on November 26, 1968, the Authority initially approved the Central Business District Urban Renewal Plan, as amended from time to time, (the “Plan”) for the Central Business District Urban Renewal Area, as amended from time to time (the “Plan Area”); and

WHEREAS, by Ordinance No. 36287 passed on January 17, 1969, the City Council initially approved by the Plan for the Plan Area; and

WHEREAS, pursuant to Section 99.450 of the LCRA Act, the Authority issued and published a Request for Redevelopment Contract Proposals for the implementation of a redevelopment project for certain real property within the Plan Area (the “Project Area”); and

WHEREAS, Pedersen Development Redeveloper, L.L.C., a Colorado limited liability Redeveloper (the “Original Redeveloper”) submitted a redevelopment contract proposal (the “Proposal”) to implement a redevelopment project within the Project Area consisting of acquisition and construction of: (1) 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; (2) an automated parking system that will accommodate approximately 100 vehicles on a .17 acre parking lot located on the west side of the adjacent north-south alley; and (3) other related improvements located at 900 Broadway and the west side of the adjacent north-south alley in Kansas City, Missouri (the “Project”), the Proposal is on file at the office of the Authority and, by reference, incorporated herein; and

WHEREAS, the Authority received no other redevelopment contract proposals to implement the Project and the Authority selected the Redeveloper as the redeveloper for the Project by Resolution No. 11-1-19 dated November 28, 2018; and

WHEREAS, the Original Redeveloper, in coordination with its investment partners and lenders, has created an ownership structure involving the following limited liability companies: (A) 900 Broadway

KC LLC, a Missouri limited liability company (the “Land Developer”), as tenant under the Land Lease Agreement for the purpose of leasing from the Authority the real property upon which the Project will be constructed (the “Land”); and (B)(i) 900 Broadway KC Development Company LLC, a Missouri limited liability company (“900 Broadway Dev. Co.”); (ii) Oak Holdings LLC, a Missouri limited liability company (“Oak Holdings”); and (iii) REMSK, LLC, a Missouri limited liability company (“REMSK”), as tenants-in-common with undivided percentage interests listed on the attached Exhibit A (collectively and jointly and severally, the “Redeveloper”) as tenant under the Improvements Lease Agreement for the purpose of leasing from the Authority the Project improvements to be constructed on the Land (the “Project Improvements”). The Redeveloper and the Land Developer, collectively, are referred to as the “Redeveloper Parties”; and

WHEREAS, the Original Redeveloper has requested that the Authority consent to the Original Redeveloper’s assignment of its development rights in the Project to the Redeveloper Parties to allow the Redeveloper to undertake the Project and construct the Project Improvements on the Land on behalf of the Authority and to lease the Project Improvements from the Authority and for the Land Developer to lease the Land from the Authority; and

WHEREAS, as part of the changes to the ownership structure, the Project was modified to exclude the parking improvements. As modified, the “Project” is now defined to include: (1) 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; and (2) other related improvements to be accomplished on the Land in accordance with the Redevelopment Contract and the Urban Renewal Plan; and

WHEREAS, the Redeveloper has requested that the Authority (i) issue its taxable industrial revenue bonds in a principal amount not to exceed \$38,000,000 to finance the Project, (ii) acquire the Project and related property upon which the Project is to be built and lease the Land to the Land Developer and the Project Improvements to the Redeveloper, (iii) grant a sales tax exemption incentive on construction materials to facilitate construction of the Project on behalf of the Authority, (iv) grant tax abatement upon completion of the Project for fifteen (15) years as provided in the Redevelopment Contract (defined below), and (v) transfer title to the Land back to the Land Developer and the Project Improvements back to the Redeveloper upon expiration of the applicable lease, all for the purpose of eliminating blighting conditions found to exist in the Project Area and in accordance with and pursuant to the LCRA Act and subject to the terms and conditions of the Authority Documents (defined below); and

WHEREAS, the Authority desires to finance the costs of acquiring and constructing the Project by the issuance of its taxable industrial revenue bonds in one or more series under the LCRA Act in a principal amount not to exceed \$38,000,000 (the “Bonds”), said Bonds to be payable solely out of payments, revenues and receipts derived by the Authority pursuant to a lease agreement for the Project; and

WHEREAS, the Authority desires that the purchase and construction of the Project commence as soon as practicable.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, AS FOLLOWS:

Section 1. Assignment. The assignment of the Original Redeveloper’s development rights in the Project to the Redeveloper Parties and the Redeveloper Parties’ assumption of the Original Redeveloper’s development rights in the Project, subject to the Redeveloper Parties’ agreements to undertake the Project in accordance with the Authority Documents, including, but not limited to, entering into a Funding Agreement in substantially the form as the Funding Agreement dated November 6, 2018, between the Authority and the Original Redeveloper, are approved.

Section 2. Findings and Determinations. The Board of Commissioners of the Authority hereby finds and determines that issuance of the Bonds by the Authority to pay the costs of the Project will be in furtherance of the public purposes set forth in the LCRA Act. The Board authorizes a public sale of the Bonds in accordance with the LCRA Act and authorizes the Executive Director to accept the lowest and best bid for the purchase of the Bonds from the purchaser (the “Purchaser”).

Section 3. Authorization of the Bonds. In order to obtain funds to be used for the purposes aforesaid, the Authority is hereby authorized to issue the Bonds in an aggregate principal amount not to exceed \$38,000,000, which shall be issued under and secured by and shall have the terms and provisions set forth in the hereinafter referred to Indenture. The Bonds shall be sold at public sale in accordance with the LCRA Act. Each of the Chairman, Vice Chairman and Executive Director is authorized to accept the final terms of the Bonds and to award the Bond to the purchasers. The final terms of the Bonds shall be specified in the Indenture (defined herein), upon the execution thereof, and the signatures of the officers of the Authority executing the Indenture and Purchase Contract (defined herein) shall constitute conclusive evidence of their approval and the Authority's approval thereof. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairman, Vice Chairman or Executive Director and attested by the manual or facsimile signature of its Secretary or Assistant Secretary and shall have the corporate seal of the Authority affixed thereto or imprinted thereon.

Section 4. Limited Obligations. The Bonds shall be limited obligations of the Authority payable solely from the sources and in the manner as provided in the Indenture, and shall be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Indenture) to the Bond Trustee (herein defined) and in favor of the holders of the Bonds, as provided in the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Missouri (the “State”), the City or of any political subdivision thereof within the meaning of any State constitutional provision or statutory debt limitation or restriction and shall not constitute a pledge of the full faith and credit of the State, the City or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Improvements Lease and the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the City nor the State shall be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority.

Section 5. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to and reviewed by the Authority at this meeting and attached to this Resolution (copies of which documents shall be filed in the records of the Authority), and the Authority is hereby authorized to execute and deliver each of such documents (the “Authority Documents”) with such changes therein as shall be approved by the officers of the Authority executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the Authority's approval thereof:

(a) Trust Indenture (the “Indenture”) between the Authority and the trustee named therein, as corporate trustee (the “Bond Trustee”), dated the date set forth therein, providing for the issuance thereunder of the Bonds and setting forth the terms and provisions applicable to the Bonds, including a pledge and assignment by the Authority of the Trust Estate to the Bond Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Indenture.

(b) Improvements Lease Agreement (the “Improvements Lease”), between the Authority and the Redeveloper, dated as of the date set forth therein, under which the Authority will lease the Project Improvements to the Redeveloper and make the proceeds from the sale of the Bonds available to the Redeveloper for the purposes herein described in consideration of payments which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as set forth in the Improvements Lease.

(c) Land Lease Agreement (the “Land Lease”), between the Authority and the Land Developer, dated as of the date set forth therein, under which the Authority will lease the Land to the Land Developer.

(d) Bond Purchase Agreement (the “Purchase Contract”), among the Authority, the Redeveloper and the Purchaser, under which the Authority agrees to sell the Bonds to the Purchaser upon the terms and conditions as set forth in the Purchase Contract.

(e) Sale/Leaseback and Redevelopment Contract (“Redevelopment Contract”), among the Authority, the Land Developer and the Redeveloper dated as of the date set forth therein under which the Redeveloper will implement the Project and the Authority will provide certain assistance and incentives to facilitate the Project.

Section 6. Execution of Bonds and Authority Documents. Each of the Chairman, the Vice Chairman and the Executive Director of the Authority is hereby authorized and directed to execute the Bonds by manual or facsimile signature and to deliver the Bonds to the Bond Trustee for authentication for and on behalf of and as the act and deed of the Authority in the manner provided in the Indenture. Each of the Chairman, the Vice Chairman and the Executive Director of the Authority is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority. The Secretary, Assistant Secretary, or other officer of the Authority is hereby authorized and directed to attest to the Bonds by manual or facsimile signature, to the Authority Documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 7. Limited Liability. Any provision hereof to the contrary notwithstanding, nothing herein contained shall be construed to impose a charge against the general credit of the Authority or to impose any pecuniary liability upon the Authority except with respect to the proper application of the proceeds to be derived by the Authority from the sale of the Bonds and of the revenues and receipts to be derived by the Authority from any financing, leasing or sale of the Project. Nothing herein shall be deemed to restrict the Authority or the State of Missouri or any agency or any political subdivision thereof in determining the order or priority of the issuance of bonds by the Authority or to require the Authority to give the Bonds priority as to issuance or as to the time of issuance over any other bonds previously or subsequently approved by the Authority for issue.

Section 8. Further Authority. Counsel to the Authority, together with the officers and employees of the Authority, are hereby authorized to work with the purchaser or purchasers of the Bonds, their respective counsel and others, to prepare for submission to and final action by the Authority all documents necessary to effect the authorization, issuance and sale of the Bonds. The officers, agents and employees of the Authority are hereby authorized and directed to take such further actions contemplated hereunder in connection with the financing of the Project, and to execute and deliver such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including, without limitation, documents required by the Redeveloper's lender (such as a deed of trust encumbering the Project and related property and other financing documents), and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents, the signatures of the officers and employees of the Authority executing such documents, upon the advice of legal counsel, shall constitute conclusive evidence of their approval and the Authority's approval thereof. The Executive Director is hereby authorized to publish notice of public sale and any further notices for the Bonds and the Project in accordance with the LCRA Act and any actions previously taken by the Executive Director regarding the same is hereby ratified and approved.

Section 9. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Board of Commissioners of The Land Clearance for Redevelopment Authority of Kansas City, Missouri.

ADOPTED by the Land Clearance for Redevelopment Authority of Kansas City, Missouri this 19th day of June, 2019.

**LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI**

By: _____
Steven D. Hamilton, Chairman

ATTEST:

Greg Flisram, Secretary

EXHIBIT A
UNDIVIDED OWNERSHIP INTERESTS OF THE REDEVELOPER

| | TIC INTEREST IN THE PROPERTY |
|-----------------------|---------------------------------|
| 900 Broadway Dev. Co. | 77.73% |
| Oak Holdings | 12.172% |
| REMSK | 10.90% |
| TOTAL | 100% |