THE AMERICANA HOTEL

TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

APPROVED BY THE TAX INCREMENT COMMISSION OF KANSAS CITY, MISSOURI SEPTEMBER 24, 1992

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I. SUMMARY

The following is a Tax Increment Financing Plan (the "Plan") for the redevelopment of an area generally bordered by 13th Street on the north, Baltimore Avenue on the east, 14th Street on the south, and Wyandotte Street on the west. This Plan is to be completed as three (3) redevelopment projects, each of which will be separately designated by ordinance in conformance with Missouri's Tax Increment Financing Statute.

The Redevelopment Area lies within the previously designated Central Business District Urban Renewal Area and displays signs of physical and economic obsolescence and deterioration. The Redevelopment Area, including each of the redevelopment project areas contained therein, accordingly qualifies as a "Blighted Area" under Missouri's Tax Increment Financing Statute. Economic data and conditions discussed herein in Exhibit 4, indicate development will not occur within the Redevelopment Area without the adoption of the Tax Increment Financing Plan.

This Plan calls for the rehabilitation of an existing hotel which includes 496 guest rooms and a 330 car parking garage, the potential construction a 300± room expansion to the existing hotel, construction of a 600± car parking garage, renovation of the former Kansas City Power and Light Building located at 1330 Baltimore, construction of an above grade pedestrian bridge between the hotel block and the Municipal Auditorium, streetscape improvements and other public improvements deemed necessary to make the Plan successful (the "Redevelopment Projects"). It is anticipated that these activities will occur as three individual Redevelopment Projects. As referred to herein, Project 1 consists of the rehabilitation of the existing hotel and parking garage, as well as the construction of the above grade pedestrian bridge between the hotel and Municipal Auditorium; Project 2 consists of the potential 300± room hotel expansion; and Project 3 provides for the renovation of the existing Kansas City Power and Light Building.

This Plan will make available a certain amount of payments in lieu of taxes ("PILOTS") and, subject to constitutional and statutory limitations, fifty percent (50%) of the taxes imposed by the municipality or other local taxing districts which are in effect, excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes other than payments in lieu of taxes ("Economic Activity Taxes"). These funds will be used to reimburse approved project costs on a pay-as-you-go basis or to retire bonds which may be issued, the proceeds of which will be used to defray project costs.

The total cost of the Redevelopment Projects is estimated to be \$65,606,950. Payment in Lieu of Taxes generated by the development over the duration of the Plan are estimated to be \$23,518,000. Fifty percent (50%) of the Economic Activity Taxes generated by the development over the duration of the Plan are estimated to be \$8,849,000. Payment in Lieu of Taxes and Economic Activity Taxes available under this Plan for Project 1 total approximately \$32,367,000. This Plan proposes that one hundred percent (100%) of the Payments in Lieu of Taxes and Economic Activity Taxes generated by Project 1 will be used to fund the Redevelopment Project Costs for the first Redevelopment Project (the rehabilitation of the existing hotel, construction of the above grade pedestrian

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bridge, streetscape improvements, and related expenses thereto).

A request for proposals has been issued to developers and to the public at large. The developers proposal is attached to this Plan as Exhibit 10.

II. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 through 99.865 (the "Act"). The Act enables municipalities to finance redevelopment costs with the revenue generated from Payments in Lieu of Taxes resulting from increased assessed valuation on new development and tax revenues from operations and activities within the Redevelopment Project Areas.

The "Total Initial Equalized Assessed Value" of a Redevelopment Project Area will be determined when the individual Redevelopment Project Area is designated and approved by ordinance as a Redevelopment Project Area. The municipality or the Commission may then issue tax increment bonds to finance redevelopment within the Redevelopment Project Areas. PILOTS measured by subsequent increases in property tax revenue which would have resulted from increased valuation had Tax Increment Financing not been adopted, will be segregated from taxes resulting from the Total Initial Equalized Assessed Value as defined herein, and deposited in a special allocation fund earmarked for bond retirement or payment of Redevelopment Project Costs as defined herein. In addition, subject to constitutional and statutory limitations, 50% of the total funds from taxes imposed by the municipality, or other local taxing districts, which are generated by operations and activities within the Redevelopment Project Areas, while Tax Increment Financing remains in effect, excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessment and personal property taxes other than Payments in Lieu of Taxes shall be allocated to and deposited in a special allocation fund for the retirement of obligations of payment of Redevelopment Project Costs as defined herein.

If the Redevelopment Area, or any part thereof, should lie within a portion of a designated enterprise zone, PILOTS shall continue to be collected pursuant to subdivision (2) of section 99.845, RSMo. The enterprise zone designation shall not relieve the assessor or other responsible official from ascertaining the amount of the equalized assessed value of all taxable property annually and shall not have the effect of reducing the PILOTS referred to herein.

III. <u>DEFINITIONS</u>

As used in this Plan, the following terms shall mean:

A. "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

- B. "Conservation area", any improved area within the boundaries of a redevelopment project area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning;
- C. "Economic Activity Taxes, "fifty percent (50%) of the total additional revenue from taxes which are imposed by the municipality or other taxing districts, which are generated by economic activities within the Redevelopment Project Area, while tax increment financing remains in effect, excluding licenses, fees or special assessments, other than payments in lieu of taxes, until the designation is terminated pursuant to subsection 2 of Section 99.850 of the Act;
- D. "Economic Development area", any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions 1 and 2 of this section, and in which the governing body of the municipality finds that redevelopment is in the public interest because it will:
 - Discourage commerce, industry or manufacturing from moving their operations to another state; or
 - 2. Result in increased employment in the municipality; or
 - Result in preservation or enhancement of the tax base of the municipality.
- E. "Municipality", a city, village, or incorporated town or any county of this state;
- F. "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality or the Commission to carry out a redevelopment project or issued by a municipality to fund outstanding obligations;
- G. "Ordinance", an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;
- H. "Payment in lieu of taxes", those estimated revenues resulting from real property in the redevelopment project area acquired by a municipality, which according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the project area exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of Section 99.850. Payments in Lieu of Taxes which are due and owing shall constitute a lien against the real estate of the redevelopment

project which they are derived, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in Section 88.861;

- I. "Redevelopment Area," an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, economic development area, or a combination thereof.
- J. "Redevelopment Plan", the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area;
- K. "Redevelopment Project", any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan;
- L. "Redevelopment Project area", the area selected for a specific redevelopment project;
- M. "Redevelopment Project Costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited to the following:
 - Costs of studies, surveys, plans and specifications;
 - Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial planning or special services;
 - Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
 - Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
 - Cost of construction of public works or improvements;
 - 6. Financing costs, including, but not limited to all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;
 - 7. All or a portion of a taxing district's capital cost resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;
 - 8. Relocation costs to the extent that a municipality determines that

relocation costs shall be paid or are required to be paid by federal or state law:

- 9. Payments in lieu of taxes;
- N. "Taxing districts", any political subdivision of this state having the power to levy taxes;
- O. "Taxing districts' capital costs", those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from the redevelopment project; and
- P. "Vacant land", any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.
- Q. "Special Allocation Fund," a fund created pursuant to statute into which payments in lieu of taxes and economic activity taxes are deposited and out of which Redevelopment Project Costs are reimbursed.

IV. REDEVELOPMENT PLAN AND PLAN AREA

The Tax Increment Financing Commission of Kansas City, Missouri (the "Commission") proposes to undertake the redevelopment of the area described generally in Part I, hereof, and specifically by legal description in Exhibit 1 attached hereto (the "Redevelopment Area").

For the purpose of redeveloping the Redevelopment Area, this Plan has been prepared by the Commission, and may be recommended to the City Council of the City (the "Governing Body"). The Commission shall request proposals from developers for the redevelopment of the Redevelopment Area. The proposal which, in the opinion of the Commission, will best implement the intent of this Plan shall become a part of this plan and shall be recommended along with the Plan to the Governing Body.

This Plan will be implemented by construction of the depicted development described on the site plan map attached as Exhibit 2 and described in the specific objectives of the Plan set forth in Exhibit 3. The Commission may issue bonds or other obligations to finance Redevelopment Project Costs (the "Bonds") or may recommend to the City Council that Bonds be issued in an amount which may be serviced by the PILOTS resulting from the construction of the improvements according to this Plan and subject to annual appropriation, from Economic Activity Taxes. In addition, the Commission may recommend that Redevelopment Project Costs, as defined herein, be reimbursed on a pay-asyou-go basis as collection of PILOTS and Economic Activity Taxes are made, without the issuance of bonds. PILOTS resulting from improvements in any of the Redevelopment Project Areas and, subject to annual appropriation, Economic Activity Taxes may be used to service the Bonds issued to finance improvements in any other Redevelopment Project Area or to pay for Redevelopment Project Costs of any other Redevelopment Project Area on a pay-as-you-go basis.

A. Redevelopment Plan Objectives. The general objectives of the Redevelopment Plan are:

- 1. To enhance the tax base of the City and the other Taxing Districts by developing the Redevelopment Area to its highest and best use and encouraging private investment in the surrounding area.
- 2. To discourage commerce, industry and manufacturing from moving their operations to another state.
 - 3. To increase employment in the City.
- 4. To eliminate adverse conditions in the Redevelopment Project Areas and prevent them from spreading.
- 5. To retain and maximize hotel rooms, revitalize the CBD, preserve historic structures, improve and expand parking supply, and related services which will support the City's CBD and convention and tourism trade.
- B. Specific objectives of this Redevelopment Plan are set forth in Exhibit 3.

V. EXISTING CONDITIONS IN THE PROJECT AREA

A study of the Redevelopment Area has been conducted documenting existing conditions and is attached as Exhibit 4.

VI. REDEVELOPMENT PROJECT

A. Redevelopment Activities

1. Acquisition and Clearance

To achieve the redevelopment objectives of this Plan, property or interests therein, including easements and rights-of-way, identified on Exhibit 1 and identified on Exhibit 5, "Land Acquisition Map", attached hereto, and made a part of this Plan, may be acquired by the Municipality or the Commission, cleared, and either (1) sold or leased for private redevelopment or (2) sold, leased, or dedicated for construction of public improvements or facilities. The Municipality or the Commission may determine that to meet the redevelopment objectives of the Redevelopment Plan, other properties listed on said map and not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired.

Individual structures may be exempted from acquisition if they are located so as not to interfere with the implementation of the objectives of this Redevelopment Plan or the projects implemented pursuant to the Redevelopment Plan and their owner(s) agree to rehabilitate or redevelop their property, if necessary, in accordance with the objectives of this Redevelopment Plan.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do

not remain vacant for extended periods of time and so that the adverse affects of clearance activities may be minimized.

The Municipality or the Commission may devote property which it has acquired to temporary uses prior to such time as property is needed for redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the Municipality or the Commission may deem appropriate.

2. Relocation Assistance

In order to achieve the redevelopment objectives of this Redevelopment Plan, demolition may be required, though relocation of existing occupants or businesses is not anticipated.

If relocation of eligible displaced occupants and businesses in the Plan Area were to occur, the developer would be required to adhere to the following Relocation Plan:

- a. <u>Displaced Business</u>: "Displaced business" shall mean any business that moves from real property within the Plan Area as a result of the acquisition of such property by the Developer, its assigns or transferees; as a result of written notice of such entities to vacate such property; or in connection with the demolition, alteration or repair of said property occurring after filing of the Redevelopment Plan.
- b. <u>Displaced Person</u>: "Displaced occupant" shall mean any occupant who moves from real property within the Plan Area as a result of the acquisition of such property by the developer, its assigns or transferees; as a result of written notice of such entities to vacate such property; or in connection with the demolition, alteration or repair of said property occurring after filing of the Redevelopment Plan.
- c. <u>Eligibility</u>: The developer will make payments to all displaced occupants and displaced businesses which are in occupancy at least ninety (90) days prior to the date said displaced occupant or said displaced business is required by the developer to vacate the premises.
- d. <u>Special Needs of Displaced</u>: The developer will identify needs of displaced occupants and displaced businesses with special consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities, and vacancy rates of affordable facilities.
- e. Referrals to New Quarters: The developer will provide displaced occupants and displaced businesses with a minimum of three (3) suitable referral sites, a minimum of ninety (90) days notice of referral sites for handicapped displaced occupants and sixty (60) days notice of referral sites for all other displaced occupants and displaced businesses, prior to the date such displaced occupant or displaced business is required to vacate the premises; and will

arrange for transportation to inspect referral sites to be provided to displaced occupants hereinafter identified as "Designated occupants".

- f. Notice to Vacate: Every displaced occupant and every displaced business shall be given a ninety (90) day notice to vacate; provided, however, that the developer may elect to reduce the notice time if the developer extends the relocation payments to any affected displaced occupant or displaced business by said reduction.
- g. "Designated Occupants" shall mean handicapped displaced occupants and those displaced occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Director of City Development based upon the standards established by the Department of Housing and Community Development.
- h. <u>Payments to Occupants</u>: All displaced occupants eligible for payments shall be provided with relocation payments based upon one of the following, at the option of the occupant:
 - (1) A certified lump sum payment of \$500 to be paid at least thirty (30) days prior to the date the occupant is required to vacate the premises; or
 - (2) Actual reasonable costs of relocation including actual moving costs, utility deposits, key deposits, storage of personal property up to one month, transfer fees, and other initial rehousing deposits.
- i. Payments to Handicapped Occupants: In addition to the payments provided herein an additional relocation payment shall be provided to handicapped displaced occupants which shall equal the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and usability of such occupant's prior residence, such amount not to exceed four hundred dollars (\$400.00).
- j. <u>Payments to Business</u>: All displaced businesses eligible for payment hereunder shall be provided with relocation payments based upon the following, at the option of the business:
 - (1) A specified lump sum payment of \$500.00 to be paid at least thirty (30) days prior to the date the business is required to vacate the premises; or
 - (2) Actual costs of moving including costs for packing, crating, disconnecting, dismantling, reassembling and installation of all personal equipment and costs for relettering signs and replacement stationery.

- k. Waiver of Payments: Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for acquisition of the interest held by said occupant or business. Said waiver shall be on a form supplied by the Secretary of the Commission and filed in this office. The developer shall not be required to pay relocation benefits respecting any interests acquired through negotiations.
- Notice of Benefits: All occupants and businesses eligible for relocation benefits under this Plan shall be notified in writing of the availability of such relocation payments and assistance, with such notice to be given concurrent with the notice of referral sites set forth in this Plan.

Assemblage and Disposition of Land

Land assemblage shall be conducted for (1) sale, lease or conveyance to private developers or (2) sale, lease, conveyance or dedication for the construction of public use, improvements or facilities. The terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific planning and design controls than those stated in this Plan.

4. Provision of Public Facilities

Adequate public facilities and utilities will be assured to service the entire Redevelopment Project Area.

B. General Land Use

Exhibit 2, the Site Plan, attached hereto and made part of this Redevelopment Plan, designates the intended predominant land use categories for which tracts in the area will be sold, leased, or otherwise conveyed. The Project shall be subject to the applicable provisions of the Municipality's Zoning Ordinance as well as other codes and ordinances as may be amended from time to time.

C. Additional Controls and Design Criteria

The following design controls shall apply to the Plan:

- 1. General: New development shall create an integrated, unified design.
- 2. <u>Pedestrian Walkways, Streets and Open Walk Spaces</u>: Streets, pedestrian paths or open walk spaces shall be designed as an integral part of the overall site design, properly related to existing and proposed buildings and City streetscape elements.
- 3. <u>Parking</u>: Parking areas shall be designed with careful regard given to orderly arrangement, landscaping, ease of access, and as an integral part of the total site design. Vehicular access to the parking areas shall minimize conflicts with other vehicular and pedestrian movements. Ingress and egress points shall be well distanced from intersections in

order to avoid congestion and interference with traffic.

- 4. <u>Landscape Design</u>: A coordinated landscape program shall be developed in the Project Areas to incorporate the landscape treatment sought for open spaces, roads, sidewalks, and parking areas into a coherent and integrated arrangement.
- 5. <u>Design Review Process</u>: The Commission has adopted a design review process which shall be carried out to review all proposed improvements in the Plan Area.

D. Schedule of Projects

The development schedule is set forth in Exhibit 6.

VII. FINANCING PLAN

A. Estimated Project Costs

Redevelopment Project Costs mean and include the sum total of all reasonable or necessary costs incurred in implementing the Redevelopment Plan and Redevelopment Projects and any incidental costs relating thereto. Included as a part of the Redevelopment Project Costs are those costs of phased construction of public and private improvements necessitated by the Redevelopment Projects. The estimated costs of the Redevelopment Projects are set forth in Exhibit 7 and shall be reimbursed from the PILOTS and Economic Activity Taxes resulting from this Plan.

Adjustments to costs approved in this Plan as deemed appropriate by the TIF Commission shall be considered minor plan changes and may be approved by the TIF Commission without convening public hearings.

B. Source of Funds

Anticipated sources and amounts of funds to pay Redevelopment Project Costs and amounts to be available from those sources are shown on Exhibit 8.

The expected source of funds to be used to reimburse eligible expenses include PILOTS and Economic Activity Tax proceeds. Calculations of expected proceeds of PILOTS are based on current real property assessment formulas and current property tax rates, both of which are subject to change due to many factors, including statewide reassessment, the effects of real property classification for real property tax purposes, and the roll back in tax levies resulting from reassessment or classification. Furthermore calculations are based on increases in assessments of 4% every other year that can be expected to result from inflation with no levy increases, which would also increase PILOT. Anticipated Economic Activity Taxes are based upon projected Net Earnings Taxes paid by businesses and employees, as well as sales and utility taxes. It is assumed that net earnings, sales and utilities will increase from inflation at a rate of 3% a year in addition to the assumed increases

due to job creation and business expansion. The estimated PILOTS and Economic Activity Tax revenues are set forth in Exhibit 9 attached hereto.

If bonds are issued, bond proceeds will be deposited in a special construction fund for use in payment of allowable Redevelopment Project Costs. If property is sold or leased to a selected Developer, land disposition or lease proceeds may be utilized by the Commission for payment of allowable Redevelopment Project Costs.

1. Payment in Lieu of Taxes

a. Most Recent Assessed Valuation

The total initial equalized assessed value of the Redevelopment Area according to the Kansas City Assessor's records is \$4,621,700. The current combined tax levy is projected to be \$9.952 (including 1987 M & M replacement and desegregation surcharge taxes) per \$100 assessed valuation on land and \$9.202 (including 1987 M & M replacement and desegregation surcharge taxes) per \$100 assessed value on improvements. The current annual tax revenue, without any property tax exemptions, is approximately \$436,865.

b. Anticipated Assessed Valuation and Payments in Lieu of Taxes

Upon completion of the Redevelopment Projects, the assessed valuation of the Redevelopment Area is anticipated to be approximately \$20,061,000. The increase in assessed valuation is anticipated to be \$15,439,290. The increase by year is shown separately for each Redevelopment Project in Exhibit 9, as are the estimated Payments in Lieu of Taxes available to pay project costs. When complete the Redevelopment Area will initially yield an estimated \$2,152,000 in additional real property taxes annually.

The amount of PILOTS in excess of the funds deemed necessary by Ordinance for the retirement of Bonds, reserves, sinking funds, and Redevelopment Project Costs, may be declared as surplus by the Commission and if so declared would be made available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

2. Economic Activity Taxes

Fifty percent (50%) of the total additional revenue from taxes imposed by the municipality, or other taxing districts, and which are generated by increases in economic activities within the area of the redevelopment as a result of the project, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property tax, other than payments in lieu of taxes, will be made available upon annual appropriation to pay eligible Project Costs.

Over the life of the Plan, the available Economic Activity Tax revenues are estimated to be approximately \$8,849,000. The increase in Economic Activity Taxes are shown in Exhibit 9 by year for each Redevelopment Project Area, as are the resulting share of revenues available to pay project costs.

The amount of Economic Activity Taxes in excess of the funds deemed necessary by ordinance for the retirement of bonds, reserves, sinking funds, and Redevelopment Project Costs, if any, will be declared as surplus and will be available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

C. Nature and Term of Obligations

Without excluding other methods of financing, Bonds may be issued pursuant to this Plan for a term not to exceed 23 years at an interest rate determined by the Governing Body or the Commission. In order to market such Bonds, it is estimated that available Project revenues must equal 125% - 175% of the annual debt service payments required for the retirement of the Bonds. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the Bonds or for reserves, sinking funds, or allowable project costs may be used to call Bonds in advance of their maturities or may become available for distribution annually to the Taxing Districts. Bonds may be sold in one or more series in order to implement this Plan. The latest date of retirement of the Bonds, if issued in 1993, will be 2016. The latest date of retirement of bonds, if issued in subsequent years, will be not more than 23 years from the adoption ordinance approving and designating subsequent of an Redevelopment Project Areas.

D. Evidence of Commitments to Finance

Any proposal submitted by a developer to implement this Plan shall include evidence of commitments to finance the Redevelopment Project Costs in addition to those allowable project costs to be paid by Payment in Lieu of Tax proceeds under this Plan. Such proposal shall be a part of this Plan and be attached hereto as Exhibit 10.

VIII. PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN

This Redevelopment Plan and Redevelopment Projects may be amended pursuant to the provisions or the Missouri Real Property Tax Increment Allocation Redevelopment Act.

LEGAL DESCRIPTION

REDEVELOPMENT AREA

Beginning at the northwest corner of Lot 36, Block 7, Reid's Addition; thence east along the north lot line of Lot 36, Block 7, Reid's Additionto the northeast corner of said Lot 36; thence south along the east lot lines of Lots 33 through 36, inclusive, to the southeast corner of Lot 33, Block 7, Reid's Addition; thence east along the projection of the south lot line of Lot 33, Block 7, Reid's Addition and the south lot line of Lot 4, Block 7, Reid's Addition to the southeast corner of Lot 4, Block 7, Reid's Addition; thence south along the east lot lines of Lots 5 through 12, Block 7, Reid's Addition, and the east lot line of Lot 1, Block F, 2nd Resurvey of Reid's Addition, to the southeast corner of Lot 1, Block F, 2nd Resurvey of Reid's Addition; thence west along the south lot lines of Lots 1 through 12, inclusive, Block F, 2nd Resurvey of Reid's Addition; thence north along the west lot line of Lot 12, Block F, 2nd Resurvey of Reid's Addition, and the west lot line of Lots 25 through 36, Block 7, Reid's Addition, inclusive, to the point of beginning all included in and a part of the City of Kansas City, Jackson County, Missouri.

PROJECT AREAS

PROJECT 1

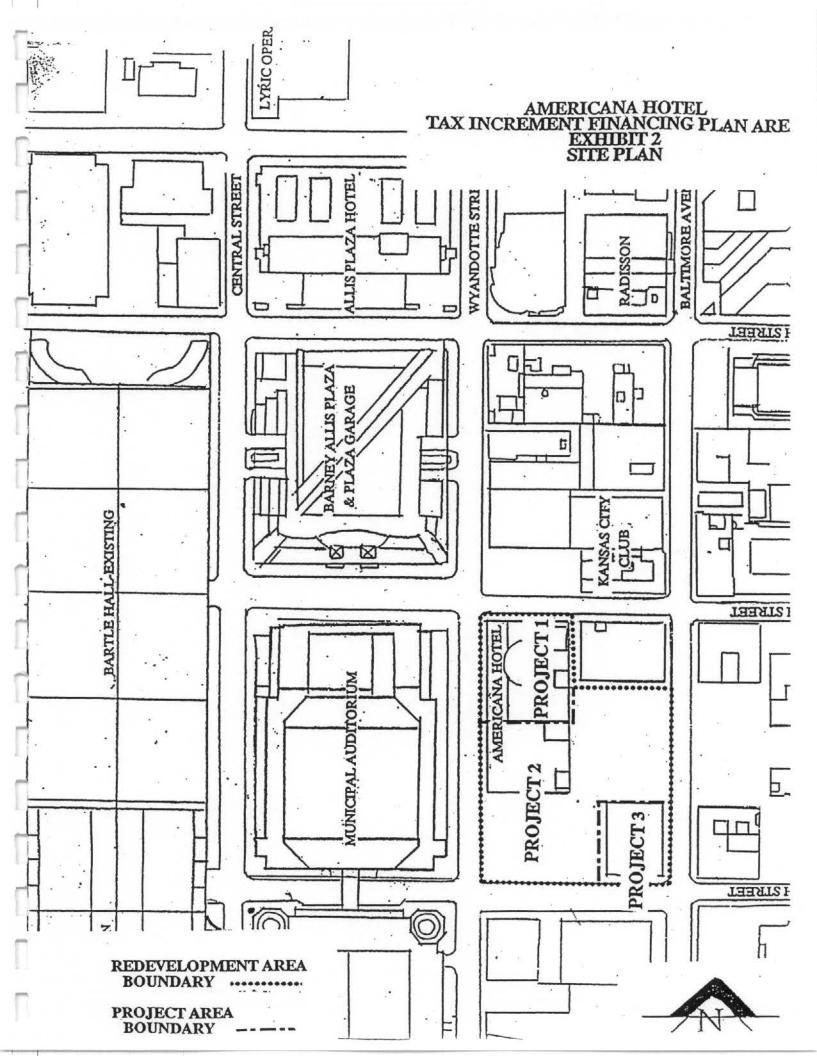
All of Lots 30 through 36, Block 7, Reids Addition, all included in and a part of the City of Kansas City, Jackson County, Missouri.

PROJECT 2

All of Lots 5 through 12 and Lots 25 through 29, Block 7, Reids Addition, and all of Lots 5 through 12, Block F, 2nd Resurvey of Reids Addition, all included in and a part of the City of Kansas City, Jackson County, Missouri.

PROJECT 3

All of Lots 1 through 4, Block F, 2nd Resurvey of Reids Addition, all included in and a part of the City of Kansas City, Jackson County, Missouri.



SPECIFIC OBJECTIVES OF THE REDEVELOPMENT PLAN

- 1. Rehabilitation of the 496 room hotel located on the southeast corner of the intersection of Wyandotte Street and 13th Street.
- 2. Expansion of the existing hotel facilities by 300± new hotel rooms.
- 3. Provision of streetscape improvements and skywalk connection around the entire city block which are in conformance to the area-wide streetscape plan.
- 4. Construction of a well designed parking garage containing approximately 600± parking spaces.
- 5. Provision of other street improvements, utilities and infrastructure as necessary to make the project successful.
- 6. Vacation of portions of the north-south and east-west alleys lying within the block.
- Retention and provision of hotel rooms, exhibition and convention space, and services which will enhance the City's ability to attract tourism, serve the needs of business travelers, and support development of a convention center.
- 8. Stimulation of construction employment opportunities and increased demand for secondary and support services for the surrounding commercial area.
- 9. Provision for redevelopment and business opportunities and expanded employment opportunities in the Redevelopment Area and surrounding areas.
- 10. Promotion of the health, safety, order, convenience, prosperity and general welfare of the City's residents and businesses while pursuing an efficient and economical development process.
- 11. Enhancement of the tax base by inducing development of the Redevelopment Area to its highest and best use, benefit taxing districts and encourage private investment in surrounding areas.
- 12. Elimination of blight which endangers life and property and constitutes an economic liability in its present condition or use.

EXISTING CONDITIONS SURVEY

DATA PERTAINING TO THE ADOPTION OF A FINDING OF BLIGHT FOR THE AMERICANA HOTEL PROJECT

PREPARED BY THE TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI

MAY 1991

A. INTRODUCTION:

1) Purpose of This Report

The purpose of this report is to determined whether the Americana Hotel Project Area qualifies as a Real Property Tax Increment Allocation Redevelopment Project Area.

2) General Location

The Americana Hotel Project Area is located in the southwest quadrant of the Central Business District in Kansas City, Missouri. The project area is located on that city block bound by 13th Street on the north, Baltimore Avenue on the east, 14th Street on the south, and Wyandotte Street on the west. Within three blocks to the east and to the north of the project area are Bartle Hall, the Municipal Auditorium, the Lyric Opera Barney Allis Plaza, the Allis Plaza Hotel, the Radisson Hotel and the Embassy on the Park Hotel.

Exhibit A shows the location of the Project Area.

3) Statement of Eligibility

The Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 et seq., 1986, as amended (the "Act"), provides that a Real Property Tax Increment Allocation Redevelopment Plan can be implemented by the Tax Increment Financing Commission if the governing body of a community determines by ordinance, that an area qualifies under the Act as:

- a) an area which is blighted or insanitary
- b) an conservation area; or
- c) an economic development area;

and that the area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

B. AREA DESCRIPTION:

The Plan Area consists of most of a city block and covers approximately 2.7 acres. The land is divided up into five separate ownership parcels controlled by three separate owners. Three of the parcels are owned by Kansas City Power & Light. Two of these parcels are surface parking lots providing a total of 156 spaces. The third parcel contains a 144 car parking garage built circa 1927. A fourth parcel, 1330 Baltimore, is located on the southeast corner of the block, is the former Kansas City Power and Light Building (KCP&L Building) which was built in 1930 and houses office commercial uses. The parcel on the northwest corner is the site of the 496 room hotel and its 330 space parking garage which were constructed in 1970. The entire block is currently zoned as "Central Business District" (C-4).

C. BLIGHTING CONDITIONS:

1) Location within an Area Designated as Blighted

The Project Area is located within the Central Business District Urban Renewal Plan Area. The Land Clearance for Redevelopment Authority originally adopted a General Urban Renewal Plan for the Central Business District Area on November 25, 1968. In accordance with Sections 99.300 to 99.715 of the Redevelopment Authority Law of the State of Missouri and prior to approval of the Urban Renewal Plan, the governing body found that the Central Business District Area was blighted. The Plan exhibit entitled "Condition of Building", shows that two of the structures within the Project Area (i.e., the KCP&L Building and the 144 car parking garage) were considered to be "Fair (in need of rehabilitation)" and that the hotel structure was considered to be "Good to Excellent (standard). This condition survey was last amended in August 1971 and does not reflect the ongoing aging and deterioration that has occurred since then.

2) Current Building Conditions

One of the two primary structures within the Project Area is the 29 floor hotel. The structure was built in 1970 as a Holiday Inn and has since changed affiliation. Over the last two decades physical deterioration and obsolescence has occurred. Signs of aging and deterioration are visible on the hotel facade where concrete is crumbling and discolored, and paint is peeling. There are reports of concrete crumbling and falling in the hotel parking garage, posing a threat to cars and pedestrians. Water leakage is evident in the parking garage and has destroyed many of the existing florescent light fixtures. The hotel is not sprinklered, lacks a fire safety communication system and is below present code requirements. The interior reflects outdated decorations and fittings. The hotel room size is only 56% to 68% of other downtown hotels.

The other significant building in the Project Area is the Kansas City Power & Light Building constructed in 1930. The building is considered a landmark by many of the areas residents and is eligible for National Historic Register nomination, though such nomination has not occurred. Until recently, 61% of the space in the building was leased by the Kansas City Power & Light Company. Now only about 40% of the building remains occupied by smaller office users. Because of its age and design, this structure does not provide many of the services and the space required modern businesses. Small floor plates and placement of structural elements make it difficult to make major alterations. The building also shows some signs of exterior deterioration in the form of small cracks and weathering.

The third structure in the Project Area is the Kansas City Power & Light parking garage built circa 1927. The garage received a facelift and some renovation within the past 10 years.

Attachment B is a series of photographs of the Project Area.

D. REPORT OF FINDINGS:

Finding Number 1: The Americana Hotel Project Area is a Blighted Area.

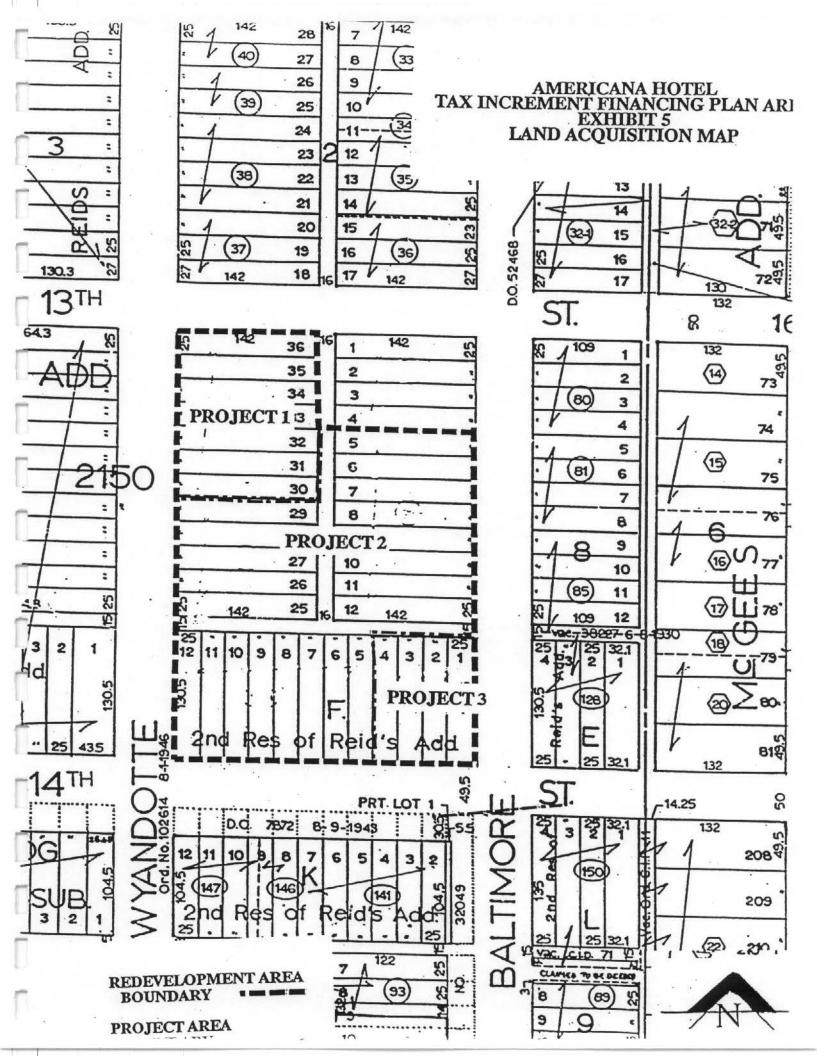
The Project Area is in a larger area which has previously been found blighted by the City Council. The hotel is not sprinklered and lacks a fire safety communication system, endangering life. The area constitutes an economic liability due to deterioration of site improvements, obsolescence and conditions which could endanger life in the event of fire.

Finding Number 2: The redevelopment project area has not been subject to growth and redevelopment by private enterprise.

No new construction has occurred in the Redevelopment Area in the past 20 years. Approximately one-third of the site is used solely for surface parking.

Finding Number 3: The Redevelopment Area would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

The current economic climate is not conducive to the financing of hotels. Financiers and experts in the hotel industry have clearly stated that downtown hotels are currently the least financable form of real estate in a depressed real estate market.



DEVELOPMENT SCHEDULE

Commission authorization of Public Hearing, approval of Plan and Redeveloper Selection

April 17, 1991

Commission holds Public Hearing

September 23, 1992

Ordinance approving Plan and First Redevelopment Project introduced

December 1992

City Council adopts Ordinance approving Plan and First Redevelopment Project

January 1993

Completion of Land Acquisition for First Redevelopment Project (Title Work/Purchasing)

January 1993

Relocation Process for First Redevelopment Project. (No residences or businesses will have to be relocated.)

Not applicable

Construction of First Redevelopment Project Commences

January 1993

Construction of First Redevelopment Project Completed

June 1993

Second and Third Redevelopment Projects Commence

No later than 2002

ESTIMATED REDEVELOPMENT PROJECT COSTS

	PROJECT	REIMBURSABLE
PROJECT 1:	COSTS	AMOUNT
TIF COMMISSION EXPENSES Estimated reimbursable costs for Plan implementation, including administrative expenses, legal and consulting expenses and related development fees over the 26 year life of the Redevelopment Plan.	\$ 260,000	\$ 260,000
STREETSCAPE IMPROVEMENTS	\$ 561,950	\$ 561,950
HOTEL RENOVATION COSTS FF&E and Construction of Rooms (500 rooms @ \$4,346/room) Renovation of Public Spaces Associated Project Costs HOTEL RENOVATION COSTS SUBTOTAL SKYWALK BRIDGE BETWEEN HOTEL AND MUNICIPAL AUDITORIUM	2,172,984 2,487,016 3,240,000 \$ 7,900,000	\$ 7,900,000 \$ 300,000
SUBTOTAL REDEVELOPMENT PROJECT COSTS FOR PROJECT 1	\$9,021,950	\$9,021,950
PROJECT 2:		
HOTEL EXPANSION	\$37,125,000	
PARKING GARAGE	\$ 3,960,000	
PROJECT 3:		9
KANSAS CITY POWER & LIGHT BUILDING RENOVATION SUBTOTAL (\$50/s.f.)	\$15,500,000	
TOTAL REDEVELOPMENT PROJECT OF FOR PROJECTS 1, 2 & 3	OSTS \$65,606,950	\$ 9,021,950
* Based upon 1991 cost estimates. Actua	al costs may vary.	

A. SOURCE OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

 Amount of Reimbursable Costs from PiLOTS and Operation and Activity Taxes

\$ 9,021,950

2. Private Investment

\$ 56,585,000

Total

\$65,606,950

B. BONDS

The total estimated amount of PILOTS and Economic Activity Taxes over twenty-three years to reimburse project costs in this Plan is \$32,367,000. The Commission may dedicate part or all of this amount to help defray the cost of the projects.

EXHIBIT 9 — ALL PROJECTS

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAXES AND

	100%	50% OF ECONOMIC	ANNUAL	CUMULATIVE
YEAR	PILOT	ACTIVITY TAXES	TOTAL .	TOTAL
1993	\$0	\$6,000	\$6,000	\$6,000
1994	130,000	67,000	197,000	203,000
1995	130,000	74,000	204,000	407,000
1996	144,000	83,000	227,000	634,000
1997	144,000	92,000	236,000	870,000
1998	157,000	134,000	291,000	1,161,000
1999	162,000	143,000	305,000	1,466,000
2000	179,000	149,000	328,000	1,794,000
2001	918,000	233,000	1,151,000	2,945,000
2002	964,000	307,000	1,271,000	4,216,000
2003	970,000	345,000	1,315,000	5,531,000
2004	1,017,000	361,000	1,378,000	6,909,000
2005	1,022,000	382,000	1,404,000	8,313,000
2006	1,073,000	402,000	1,475,000	9,788,000
2007	1,079,000	424,000	1,503,000	11,291,000
2008	1,131,000	443,000	1,574,000	12,865,000
2009	1,137,000	461,000	1,598,000	14,463,000
2010	1,191,000	481,000	1,672,000	16,135,000
2011	1,197,000	498,000	1,695,000	17,830,000
2012	1,253,000	520,000	1,773,000	19,603,000
2013	1,260,000	541,000	1,801,000	21,404,000
2014	1,318,000	561,000	1,879,000	23,283,000
2015	1,324,000	587,000	1,911,000	25,194,000
2016	1,080,000	293,000	1,373,000	26,567,000
2017	1,087,000	301,000	1,388,000	27,955,000
2018	1,130,000	310,000	1,440,000	29,395,000
2019	1,138,000	320,000	1,458,000	30,853,000
2020	1,183,000	331,000	1,514,000	32,367,000
TOTAL	23,518,000	8,849,000	32,367,000	32,367,000

EXHIBIT 9 — PROJECT 1

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAXES AND

	100%	50% OF ECONOMIC	ANNUAL	CUMULATIVE
YEAR	PILOT	ACTIVITY TAXES	TOTAL	TOTAL
1993	\$0	66.000	* C 000	*****
		\$6,000	\$6,000	\$6,000
1994	130,000	67,000	197,000	203,000
1995	130,000	74,000	204,000	407,000
1996	144,000	83,000	227,000	634,000
1997	144,000	92,000	236,000	870,000
1998	157,000	97,000	254,000	1,124,000
1999	157,000	105,000	262,000	1,386,000
2000	171,000	111,000	282,000	1,668,000
2001	171,000	121,000	292,000	1,960,000
2002	185,000	151,000	336,000	2,296,000
2003	185,000	161,000	346,000	2,642,000
2004	201,000	169,000	370,000	3,012,000
2005	201,000	179,000	380,000	3,392,000
2006	217,000	189,000	406,000	3,798,000
2007	217,000	200,000	417,000	4,215,000
2008	233,000	210,000	443,000	4,658,000
2009	233,000	222,000	455,000	5,113,000
2010	250,000	234,000	484,000	5,597,000
2011	250,000	246,000	496,000	6,093,000
2012	268,000	259,000	527,000	6,620,000
2013	268,000	272,000	540,000	7,160,000
2014	286,000	285,000	571,000	7,731,000
2015	286,000	301,000	587,000	8,318,000
TOTAL	4,484,000	3,834,000	8,318,000	8,318,000
		7.	250 6	

EXHIBIT 9 — PROJECT 2

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAXES AND

	100%	50% OF ECONOMIC	ANNUAL	CUMULATIVE
YEAR	PILOT	ACTIVITY TAXES	TOTAL	TOTAL
1998	\$0	\$23,000	\$23,000	\$23,000
1999	0	\$23,000	23,000	46,000
2000	2,000	\$23,000	25,000	71,000
· 2001	736,000	\$68,000	804,000	875,000
2002	767,000	\$73,000	840,000	1,715,000
2003	767,000	\$78,000	845,000	2,560,000
2004	798,000	\$83,000	881,000	3,441,000
2005	798,000	\$91,000	889,000	4,330,000
2006	832,000	\$98,000	930,000	5,260,000
2007	832,000	\$105,000	937,000	6,197,000
2008	867,000	\$110,000	977,000	7,174,000
200 9	867,000	\$112,000	979,000	8,153,000
2010	904,000	\$116,000	1,020,000	9,173,000
2011	904,000	\$118,000	1,022,000	10,195,000
2012	941,000	\$123,000	1,064,000	11,259,000
2013	941,000	\$126,000	1,067,000	12,326,000
2014	980,000	\$129,000	1,109,000	13,435,000
2015	980,000	\$135,000	1,115,000	14,550,000
2016	1,021,000	\$137,000	1,158,000	15,708,000
2017	1,021,000	\$141,000	1,162,000	16,870,000
2018	1,064,000	\$145,000	1,209,000	18,079,000
2019	1,064,000	\$150,000	1,214,000	19,293,000
2020	1,108,000	<u>\$156,000</u>	1,264,000	20,557,000
TOTAL	18,194,000	2,363,000	20,557,000	20,557,000

EXHIBIT 9 — PROJECT 3

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAXES AND

	100%	50% OF ECONOMIC	ANNUAL	CUMULATIVE
YEAR	PILOT	ACTIVITY TAXES	TOTAL	TOTAL
1998	\$0	\$14,000	\$14,000	\$14,000
1999	5,000	\$15,000	20,000	34,000
2000	6,000	\$15,000	21,000	55,000
2001	11,000	\$44,000	55,000	110,000
2002	12,000	\$83,000	95,000	205,000
2003	18,000	\$106,000	124,000	329,000
2004	18,000	\$109,000	127,000	456,000
2005	23,000	\$112,000	135,000	591,000
2006	24,000	\$115,000	139,000	730,000
2007	30,000	\$119,000	149,000	879,000
2008	31,000	\$123,000	154,000	1,033,000
2009	37,000	\$127,000	164,000	1,197,000
2010	37,000	\$131,000	168,000	1,365,000
2011	43,000	\$134,000	177,000	1,542,000
2012	44,000	\$138,000	182,000	1,724,000
2013	51,000	\$143,000	194,000	1,918,000
2014	52,000	\$147,000	199,000	2,117,000
2015	58,000	\$151,000	209,000	2,326,000
2016	59,000	\$156,000	215,000	2,541,000
2017	66,000	\$160,000	226,000	2,767,000
2018	66,000	\$165,000	231,000	2,998,000
2019	74,000	\$170,000	244,000	3,242,000
2020	75,000	\$175,000	250,000	3,492,000 .
TOTAL	840,000	2,652,000	3,492,000	3,492,000

EXHIBIT 10 DEVELOPER'S PROPOSAL

TO BE INSERTED.

TAX INCREMENT FINANCE COMMISSION

DEVELOPMENT PROPOSAL FOR THE

AMERICANA HOTEL DEVELOPMENT PROJECT

By:

MARINER HOTEL CORPORATION

July 22, 1992

AMERICANA

HOTEL DEVELOPMENT PROJECT

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Lessor
Lessee
Developer
Franchisor
Architect/Developer
Operator
Bond Counsel
Bond Underwriter

III. FINANCIAL STRUCTURE/CONSIDERATIONS

IV. "BUT FOR TIF"

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- C. Commitment for Lease Agreement

I. PROPOSAL - OVERVIEW

PROJECT UNDERSTANDING

This proposal is submitted in compliance to the Request for Proposal for the Americana hotel redevelopment project. In correlation with the Bartel Hall Convention Center expansion, this plan is designed for the complete renovation of the Americana Hotel, located in downtown Kansas City, situated diagonally across from the entrance of the expanded Bartel Hall, convention facility.

This project is unique in that the proposed plan will include financing through Tax Increment Financing (TIF). This plan was designed to regenerate the Hotels economics through a comprehensive renovation plan. The incremental funds from projected tax levels versus current tax levels are used to support payment for these improvements.

This strategy is a self generating incentive plan, suggesting that the greater the value brought to the Hotel the greater the funding that becomes available for repayment of the improvement financing. Kansas City and the developer will incorporate this tool to ideally bring such enhancements as increased employment opportunities and increased property value (and therefore tax revenues) as well as the introduction of a quality but affordable mid-market hotel to the downtown area. The plan is unique in that it allows for a reduction of TIF assistance once the Hotel operating profit is sufficient to support the repayment of it's debt.

PROPOSED PLAN

Mariner Hotel Corporation (MHC) answers this request for proposal through the ensuing pages. MHC will command a highly qualified team through the complete redevelopment of the Americana Hotel.

MHC will lease the Hotel from Americana Hotels & Realty Corporation, raise \$7,900,000 through the issuance of TIF supported bonds to renovate the Hotel to Holiday Inn standards and re-open the Hotel as the Holiday Inn Downtown Kansas City by June 30, 1993.

This plan entails the rebuilding and operation of the 486 room high-rise convention hotel. Our plan also partners the subject property with the Holiday Inn franchise system, bringing the strongest name-recognized mid-priced hotel franchise to the downtown Kansas City market. Under this flag, this property can provide the area quality hotel accommodations and at very affordable prices, a product-type currently absent in the downtown location. Moreover, the Holiday Inn franchise system requires the most consistent standards in the industry, further ensuring quality product at the affordable price levels inherent with its name.

PROJECT SUMMARY

SITE:

The redevelopment area is defined as in the southwest quarter of the Central Business District of Kansas City, on a city block form 13th Street to 14th Streets north and south and from Baltimore Avenue to Wyandotte Street east and west.

LEASE:

See Section IV

HOTEL:

A mid-priced high-rise hotel with 486 rooms. Refurbishment of all guestrooms, corridors, public areas, restaurants, garage and all items within the confines of the existing property. Refurbishment of the building exterior to include patching, painting and solarex.

PARKING:

330 Spaces existing within the parking garage. 60 current surface parking spaces.

PROJECT TEAM: Lessor:

Americana Hotels & Realty Corporation

Lessee

Developer:

Mariner Hotel Corporation

Franchisor:

Holiday Inn

Architect/Engineer: HNTB

Operator:

Mariner Hotel Corporation

Bond Counsel:

To be determined

Bond Underwriter: Stifel, Nicolaus & Company, Inc.

PROPOSED HOLIDAY INN

CONVERSION:

- Renovate exterior of the existing Americana Hotel
- Redesign entrance canopy and drive Complete renovation of the first floor
 - New restaurant/kitchen areas

New bar/lounge area

- New front desk and reception area

- New gift shop

Complete renovation of all elevator cabs and control systems

Top floor to be studied for highest and best use

Swimming pool area to be upgraded

Complete renovation of guestrooms and corridors

Existing parking garage renovation

New safety and security lighting is to be installed

New fire protection and sprinkler system

FINANCING:

\$7,900,000 First Mortgage TIF Financing \$5,000,000 Subordinate Equity of Lessor

PROJECT DESCRIPTION

LOCATION

The subject property, conveniently located across from Bartel Hall, the largest convention facility in Missouri, surrenders the ultimate location within the downtown area of Kansas City. Occupying almost an entire city block, the property, bound by Baltimore Avenue, Wyandotte Avenue, 13th and 14th streets, provides entrance from Wyandotte Avenue.

THE HOTEL

The location and price/value of the proposed Holiday Inn will become one of the anchors for the downtown convention business. This quality level of hotel product currently remains absent from the downtown area. Thus the mid-market customers will finally have the service levels and prices consistent with the Holiday name.

Having developed two other Holiday Inns in Houston (600 rooms) and Denver (400 rooms), both also servicing major convention centers, Mariner Hotel Corporation will draw from its over 20 years of hotel development experience and configure the property that is most complementary to both convention location and center attractions. Moreover, hotel amenities and activities will closely correlate with those of Bartel Hall. Ample meeting facilities, both large and small, will sister the neighboring center, enabling both small executive meetings and engagements as well as a provision for "spill-over" from Bartel Hall. In conjunction, the hotel will eventually provide over 6500 sq. feet of meeting space. The updated and improved grand ballroom will answer the needs of both business and social patrons.

This plan includes painting the exterior, attracting consumers through a fresh, aesthetically pleasing appearance to consumers' eyes. New floor finishes and carpet affiliated with a new registrations desk and millwork concepts throughout the lobby will create the "welcome back" feeling associated with Holiday Inn's name. New grade furnishings and ceiling designs characteristic of local taste will complete the lobby work.

Complete renovation is also planned for the restaurant/lounge and all banquet facilities. Rid of the worn and dated look, these areas too will benefit from all new furnishings and art concepts. Other areas in line for complete redevelopment include all public restrooms, recreational facilities, elevators, guest rooms and bathrooms, and all corridors.

To guarantee fire safety standards, full fire detection and sprinkler systems will be installed. Also required by our plan is the implementation of all activities and changes necessary to comply with the recent changes regarding the physically disabled. Elevators, registration desks, and all entry ways and corridors will be modified and constructed to satisfy all requirements.

OTHER CRITERIA

Mariner Hotel Corporation:

Having well over 20 years of experience in the development and operations of hotels arms Mariner Hotel Corporation with the turnkey knowledge for the completion of this project. Even more credible, MHC has developed two Holiday Inns in major convention center markets, Houston and Denver, and continue to operate those properties today. Our familiarity with the specific needs at these hotels as well as our strong foundation with the Holiday Inn group are additional components rounding out the development team.

Financial Feasibility:

Attached in Section III is Mariner's projected Development Budget and Operating proforma for the proposed Holiday Inn. These tools conservatively demonstrate the feasibility of this project as drawn from our many other successful projects.

Renovation Program:

The design and concept of the proposed Holiday Inn will closely mirror the Holiday Inn product type while incorporating local atmospherics in art and design. Both the interior and exterior will be devised in a functional but inviting mien, and in close conjunction with Bartel Hall.

Public Financial Assistance:

The amount of assistance required will be the minimum amount required for the complete renovation. It is anticipated that 100% of all incremental incumbered city and county taxes will be included in the public assistance necessary for the successful issuance of the bonds. Once the Hotel achieves net operating income sufficient to provide 2.25:1 coverage for the bond payments, the TIF amounts will be reduced to 50%.

Development Schedule:

Mariner Hotel Corporation projects the entire renovation program will be complete by June 30, 1993.

Existing Hotel:

The Americana Hotel will be completely utilized in its entirety. The redevelopment plan includes complete renovation of the Americana to match Holiday Inn requirements.

Expansion of Hotel and Garage:

It does not appear to be economically feasible to address these areas in the renovation. However, the existing garage area will be renovated.

Skywalk Bridge:

It does not appear to be economically feasible for construction of a Skywalk Bridge.

Additional Employment:

We anticipate not only stimulation of additional employment during the construction period, but also through additional hotel occupancy (staffing) and other additional economies created as a function of hotel renovation. We envision other businesses drawn to the area because of the increased volume and additional traffic through the downtown blocks.

Improved Economic Enhancements:

The renovation of the Americana Hotel into a Holiday Inn will greatly improve the aesthetics of the subject area. Coupled with location and access to Bartel Hall, the improvements could only serve as positive incentive for other economic development.

PROJECT TEAM

PROPOSED HOLIDAY INN DOWNTOWN, KANSAS CITY

Lessor:

Americana Hotels & Realty Corporation 535 Boylston Street Boston, MA 02116

Contact:

Rusty Kellogg .

Lessee:

Mariner Hotel Corporation or Affiliate 14180 Dallas Parkway, 9th Floor Dallas, TX 75240 (214) 980-2700

Contact:

Archie Bennett, Jr. David Kimichik

Developer:

Mariner Hotel Corporation 14180 Dallas Parkway, 9th Floor Dallas, TX 75240 (214) 980-2700

Contact:

Archie Bennett, Jr. David J. Kimichik

Franchisor:

Holiday Inn 3 Ravinia Drive Suite 2000 Atlanta, GA 30346-2149 (404) 973-5915

Contact:

Bill Murrah

Architect/Engineer:

HNTB 1201 Walnut, Suite 700 Kansas City, MO 64106 (816) 472-1201

Contact:

James Galle

Operator:

Mariner Hotel Corporation 14180 Dallas Parkway, 9th Floor Dallas, TX 75240 (214) 980-2700

Contact:

Archie Bennett, Jr. David Kimichik

Bond Counsel:

To be determined

Bond Underwriter:

Stifel Nicolaus & Co., Inc. 3101 Broadway, Suite 500 Kansas City, MO 64111

Contact:

Cynthia L. Penner, PhD.

DEVELOPER/MANAGER BACKGROUND

With well over twenty years of experience in designing and implementing first quality hotel services, Mariner Hotel Corporation is recognized as a proven performer in the hotel industry. Our unique profile of professional skills and resources is the culmination of painstaking development of the finest strategies and programs available in the lodging industry today. We have attained our position through consistent concentrated attention to fashioning and fine tuning our organization from the fundamentals to developing state of the art computerized financial management tools.

Our history began in June 1968 when Mariner entered the hospitality business as developer, owner and operator of the Holiday Inn in Galveston, Texas. This initial step provided the momentum which led to Mariner's subsequent development of over thirty hotels and purchase of twenty more in the succeeding two decades. Fourteen of these properties are Holiday Inns, demonstrating our commitment to the brand and our knowledge and ability when running this well-respected flag. In the course of the years of rapid growth came enhanced familiarity, wisdom and experience in three areas of distinctive competency: 1) Development, 2) Finance, and 3) Operations. We further benefit from being involved as franchiser of the major chains:

- Marriott
- Sheraton
- Rodeway
- Ramada
- Choice Hotels
- Hilton
- Days Inn
- Holiday Inn
- Hampton Inn
- Embassy Suites

Mariner capitalized on these unique opportunities by focusing its goals and objectives toward fulfilling its mission of excellence in all areas of hotel management. Combining tenure in the industry with our commitment to excellence demonstrates the value of our specialized competence and creativity.

Mariner's advantages in competence and creativity were highlighted dramatically when the Texas real estate market began to falter in 1985. Though Mariner was already involved with several development projects as the decline's impact became pervasive, it recognized that hotels would be among the hardest hit areas of real estate. Consequently, Mariner elected to absorb the impact prudently, through phased reorganization in the mid to late 1980s. A program was structured which allowed Mariner to exit its real estate ownership positions well in advance of popular recognition of the dilemma. Mariner Hotel Corporation was then positioned to succeed in its chosen areas of focus, management and consulting. Thus, Mariner was able to proceed in its main line businesses without the distractions of onerous debt and phantom equity still faced today by many hotel companies.

Since Mariner was heavily involved in Texas real estate, it was ahead of the curve in identifying and actively addressing the circumstantial requirements of economic cycles.

Driven by our professional edge in experience in those hostile operating and ownership environments, Mariner is now often called upon to advise regional-presence owners in such areas as New England and the West Coast. Our advice incorporates our perspective of years in business along with our understanding of the immediate and specific exigencies faced by individual properties and their owners.

Mariner's experience in challenging and high-growth operating environments nationwide, as well as our understanding of the subtleties in owner/lender goals, is complemented by our knowledge of the requirements of qualified hotel buyers. Our background of over two decades as hotel owners and operators positions us as the unique hotel development and management company of the 1990s.

III. FINANCIAL STRUCTURE/CONSIDERATIONS

This redevelopment project for downtown Kansas City calls for renovation of the existing 486-room Americana Hotel. We propose that the property be reflagged as a Holiday Inn and the financial projections herein are based upon that premise.

Financing for this project is proposed as follows:

- \$7,900,000 financing in the form of TIF bonds, to be secured by a first lien
 on the hotel.
- \$5,000,000 equity value of Lessor to be subordinated to bonds

The projections which are appended to this report in Exhibit A are further based upon certain other assumptions including

- Availability of 100% TIF assistance on all city and county property and nonproperty tax liabilities
- Achievement of certain revenue and expense thresholds (Years 1-7)
- Availability of tax revenue (Years 1 - 7)
- Achievement of operating goals

MARINER HOTEL CORPORATION brings several unique capabilities to bear on development of a primary convention center and business hotel complex promoting downtown Kansas City, Missouri. Briefly, these capabilities are:

- MARINER currently has an agreement with the owners of the Americana Hotel.
- MARINER has studied and planned the project in great detail, including a development cost analysis.
- MARINER includes and is supported by several large, well known, <u>local</u> firms
 whose understanding of the commitment to downtown Kansas City and the
 convention market are proven. This should not be underestimated with
 respect to support for completion of the proposed complex of facilities.
- The project team includes three major local firms (see Section II).

PROPOSED FINANCING STRUCTURE

Outlined below are items which we propose as necessary in order to achieve the goals of this project:

 Designation for TIF that Mariner Hotel Corporation will be the developer of this project, with TIF's assistance on financing as outlined herein.

The issuance of \$7,900,000 in bonds, that will amortize evenly over a thirty year life and will mature at the end of a seven year period.

- 2. Agreement by the City to TIF 100% of all incremental taxes, both property and non-property related:
 - a. 100% TIF for a minimum of three years then until such time as 2:25:1 coverage exists relative to the operating income vs. the bond and lease payments.
 - b. Upon the occurrence of the ratio outlined in paragraph a., TIF goes to 50% for the remaining years.
- 3. City guarantees 25% of the bond issue secured by a first lien on the hotel property. A partial guarantee by the city of the bonds will greatly assist in the successful issuance of the bonds as well as allow for the bonds to carry the lowest possible interest rate. This is an important factor for the success of the project. The lower the interest rate the quicker the Hotel will achieve adequate coverage for bond payments and the TIF assistance will be reduced to 50%. The city guaranty will ultimately allow the project to be feasible and unsure the city the quickest path to receiving incremental tax dollars.
- 4. Americana Hotel & Realty Corporation has agreed to subordinate its equity interest to the bond financing. The bonds will be secured by a first lien on the Hotel. This arrangement for TIF financing to be secured by a Deed of Trust on an income producing asset is unique. It provides maximum security to the bond holder and bond guarantors that the bonds will be repaid in full.

IV. "BUT FOR TIF"

The current environment and the related prospects for the private development and redevelopment of hotels in Kansas City, Missouri and the United States in general has been more adversely affected than the majority of other real estate developments. Whereas other projects may be driven by a long term anchor tenant, the nature of the hotel industry is that your longest term lease is 24 hours.

Another recent phenomenon is that the owners of the majority of hotels in the United States now are those same entities who were originally the lenders on those projects. This development in the industry has had a somewhat dialectic result. On the one hand, it has removed a large number of the sources of capital who might otherwise have provided funding for new development. Concurrently, these new (albeit somewhat reluctant) owners of these properties have the available resources to keep rates low in order to keep occupancy of their projects high. The resulting cash flows that are generated from these projects and from any new project will not support the capital costs necessary to construct or renovate a competing facility.

The ultimate fallout that affects Kansas City, the Americana, or any similar city or project is that the private dollars are not available to finance acquisition, renovation or operations. The only alternative is to create a unique blend of public and private resources in order to accomplish the goals that serve both the public and private sectors. It is towards this goal that Mariner Hotel Corporation has proposed the use of the vehicle provided by Tax Increment Financing to renovate the Americana into a Holiday Inn to better serve the citizens of and visitors to Kansas City, MO.

The necessity of the TIF financing outline in this proposal is critical to the successful completion and operation of this project. The oft repeated cliche that unless one learns from history one is doomed to repeat it is more apropos to the development of hotels now in light of the recent history of the industry.

More critical and paramount than any other consideration surrounding the proposed redevelopment of the Americana is confirmation that the projected revenues and expenses are accurate and achievable. To posture a development of any kind upon projected income figures which are unrealistic is foolhardy. The credibility of the developer, the franchisor and the City all rests upon the success of this project. To create projections which are incapable of achievement as a basis for the repayment of the bonds will only doom the redevelopment of the Americana to disaster.

Mariner feels that the projections contained in Section III are realistic. Mariner's extensive experience in the hospitality industry allows it a unique ability to gauge and assess the actual revenue stream that can be attained. An initial occupancy rate of 55% and an initial average daily rate of \$55 are justified by the market research performed by Mariner and by Holiday Inn as well as by the Deloitte, Touche study commissioned by the City.

Based upon this realistic stream of gross room revenue and the ancillary revenues which Mariner can accurately predict there is a financial cap to the gross revenue which Mariner can project with Holiday Inn's experience in running comparable hotels. The result is a net revenue amount which Mariner feels is achievable and sustainable.

The Product Improvement Plan prepared by Holiday Inn sets forth the minimum standards which they require in order to franchise this project as a Holiday Inn. The close working relationship between Holiday Inn and Mariner and the level of comfort which Holiday Inn has in the capabilities of Mariner has resulted in a PIP which can be achieved for approximately \$7 million in renovation and rehabilitation costs. The total bond issue will be for \$7.9 million to accommodate required reserves, bond underwriting fees and related costs.

A review of the income and expense numbers in Section III makes it readily apparent that the operating income projected is insufficient to adequately service the bond and lease payments which will be entailed. It is only through the use of additional income generated through the capture of the incremental increase in the tax revenue generated ("TIF Revenue") that adequate income is created to provide adequate coverage for the financial obligations of the renovated Americana.

Part of the determination of what constitutes adequate coverage stems form the input provided by Stifel, Nicolaus & Company, Incorporated. The willingness of Mariner to proceed, the support of Holiday Inn and the concurrence of the City are of little value if the bonds cannot be readily marketed at an acceptable interest rate.

Stifel, Nicolaus has indicated that but for the availability of the TIF revenues from 100% of the local and municipal taxes (including the room occupancy tax) the bonds would be virtually unmarketable.

It is not the intention of Mariner to create excessive revenues at the expense of the City. The TIF revenues which Mariner is requesting are intended to be a short duration. As stated earlier, Mariner feels that his type of public/private relationship should be used to "kickstart" a project which would otherwise never overcome the financing hurdles that currently exist. Consequently, Mariner intends to release the TIF revenues and reduce them to a 50% at such time as 2:25 to 1 coverage exists between net operating income of the Hotel and the coordinating bond and lease payments. Further, Mariner is only seeking bonds which would have a maturity of 7 years. The goal of any project or development using TIF financing should be to return the increased tax revenues to the City as soon as the project is otherwise self sustaining. The reward of the increase in taxes is certainly due to the City for their assistance without which the project would not have been possible.

It should be noted that as set forth in the lease arrangement with Americana, Mariner and Americana will only truly benefit from their involvement in this project once the Hotel is refinanced and the bonds are paid off. At that point in time the city will benefit from the extinguishment of TIF assistance and bond guarantees. Therefore, as you can see, the interests of Americana, Mariner and the City are parallel. The project will not be successful without the full cooperation of all the key players in the proposal namely the City of Kansas City, Holiday Inns Worldwide, Americana Hotels & Realty Corporation and Mariner Hotel Corporation.

Mariner, Americana, and Holiday Inn are ready to proceed with the redevelopment of the Americana Hotel and its conversion to a Holiday Inn. Mariner is convinced that the participation of the City of Kansas City, Missouri as requested herein will be the final piece

that makes this a development which will succeed and provide rewards for Mariner, Americana and the City.

EXHIBIT A

ECONOMIC DEVELOPMENT CORPORATION PROJECT: AMERICANA HOTEL

ASSUMPTIONS

OPERATING

	(ASSESSMENT EVERY OTI (ASSESSMENT EVERY OTI
3.00%	3.00% 3.00% 4.00% 4.00%
INFLATION RATE REVENUE ROOM FOOD AND BEVERAGE OTHER TAXABLE	UMUTIES NET INCOME LAND IMPROVEMENT

IMPROVEMENT	4.00% (ASSESSMENT EVERY OTHER YEAR) 4.00% (ASSESSMENT EVERY OTHER YEAR)
PROJECT TYPE	COMMERCIAL
COUNTY	JACKSON
SITE SPECIFIC INFORMATION	AMERICANA HOTEL
INITIAL LAND VALUE	\$1,118
INITIAL IMPROVEMENTS VALUE	\$10,882

100%

TIF PORTION OF NON-PROPERTY TAXES

INITIAL BUS, EQUIP, VALUE (AFTER DEPRECIATION)
GENERAL
COMPUTER & TELECOM.

ECONOMIC DEVELOPMENT CORPORATION PROJECT: AMERICANA HOTEL

ASSUMPTIONS

IĀX

SALES

CONV. & TOUR ROOMS FOOD & BEVERAGE

5.5%

28

10%

28

WAGE EARNING

UTILITIES

CORPORATE EARNING

PROPERTY

LAND ASSESS. RATIO LEVY

32% 9.839%

IMPROVEMENTS ASSESS, RATIO LEVY

32% 9.089%

ECONOMIC DEVELOPMENT CORPORATION PROJECT: AMERICANA HOTEL

ASSUMPTIONS

TAX (CONTINUED)

33% 7.652%	100%	80%	70%	50%	40%	30%		898	72%	58%	44%	30%	20%	20%
ASSESS, RATIO LEVY DEPRECIATION SCHEDULE	GENERAL EQUIPEMENT	YEAR 2	YEAR 3		YEAR 6	YEAR 7	COMPUTER & TELECOM.	YEAR I	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7

ECONOMIC DEVELOPMENT CORPORATION PROJECT: AMERICANA HOTEL

PROJECTED FINANCIAL INFORMATION

													39
1999			7,160	1,909	477	ts	2,373	724			1,258	12,241	00
9661	а		6,885	1,836	459		2,304	969		4	1,258	12,241	00
1997			6,620	1,765	441		2,237	929			1,209	11,770	00
1996			6,365	1,697	424		2,172	644			1,209	11,770	00
1995			6,015	1,604	401		2,109	619	*)		1,163	716,11	00
1994			5,682	1,515	379		2,048	595			1,163	11,317	00
1993	JACKSON	o gr	5,366	1,431	358		1,988	572			1,118	4,452	00
CALENDAR YEAR PROJECT YEAR	COUNTY	REVENUES:	ROOMS	FOOD & BEVERAGE	OTHER TAXABLE	EXPENSES:	PERSONNEL	UTIUTIES	NET INCOME	ASSETS:	LAND	IMPROVEMENTS	EQUIPMENT (NEW PURCHASE) GENERAL COMP.,/TELEPHONE

:

ECONOMIC DEVELOPMENT CORPORATION PROJECT: AMERICANA HOTEL

PROJECTED INCREMENTAL TAX REVENUE AVAILABLE

	$\frac{1993}{1}$ $\frac{1994}{2}$ $\frac{1995}{3}$	ROOMS 176 194 212 FOOD & BEVERAGE 17 19 20 OTHER TAXABLE 4 5 5		0 9 0	8	ç	TAXES AND PILOTS 35 37 37	2	TAXES 129 129	IAXES AND FILOIS 129 329 329 DIFFERENCE 0 200 200		ASSESSED TAXES	DIFFERENCE 0 0 0	COMP./TELEPHONE	TAXES AND PILOTS	0 0	210 433 457
**	3 1996	2 231 0 22 5 6		07 8 0 10 0			38			242			0			0	496
	1997	245 23 6		13 0		35	388	က	129	342			0	34 35 35	72	0	515
	1998	24 24 6		0 67		35	8 9	'n	129	356			0	4		0	549
	1999	275 25 7		13 0	et .	25	34	3	129	356			0		e de la companya de l	0	220
	TOTAL	1,592	-	7.5		. 345	264	19	903	2,185	•		0			0	3,230

ECONOMIC DEVELOPMENT CORPORATION PROJECT: AMERICANA HOTEL-PHASE 1

PROJECTED TAX REVENUE AVAILABLE SUMMARY

OPERATIONS & ACTIVITY TAXES

SUB-TOTAL PILOTS

HOLIDAY INN DOWNTOWN - KANSAS CITY, MISSOURI PROJECTED OPERATING RESULTS YEARS 1 THRU 7

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
	486 55.0% 55.00	486 56.0% 57.20	486 57.0% 59.49	486 58.0% 61.87	486 58.0% 64.34	486 58.0% 66.92	486 58.0% 69.59
	7,155	7,576	8,020	8,487	8,827	9,180	9,547
ROOMS DEPARTMENT: WAS REVENUES WAS EVPENSES DEPT, PROFIT	5,366 75.0% 1,463 27.3% 3,903 72.7%	5,682 75.0% 1,490 26.2% 4,192 73.8%	6,015 75.0% 1,517 25.2% 4,498 74.896	6,365 75.0% 1.543 24.2% 4,822 75.8%	6,620 75.0% 1,543 23.3% 5,077 76.7%	6,885 75.0% 1,543 22.4% 5,341 77.6%	7,160 75.0% 1,543 21.6% 5,617 78.4%
FOOD & BEVERAGE DEPT: TOTAL F & B REVENUE TOTAL DEPT, EXPENSE DEPT, PROFIT	1,431 20.0% 1,259 88.0% 172 12.0%	1,515 20.0% 1,333 88.0% 182 12.0%	1,604 20.096 1,412 88.096 192 12.096	1,697 20.0% 1,494 88.0% 204 12.0%	1,765 20.0% 1.553 88.0% 212 12.0%	1,836 20.096 1,616 88.096 220 12.096	1,909 20.0% 1,680 88.0% 229 12.0%
MINOR DEPARTMENTS: ER REVENUES ER EXPENSES DEPT, PROFIT	358 5.0% 233 65.0% 125 35.0%	379 5.0% 246 65.0% 133 35.0%	401 5.0% 261 65.0% 140 35.0%	424 5.0% 276 65.0% 149 35.0%	287 65.0% 154 35.0%	459 5.0% 298 65.0% 161 35.0%	477 5.0% 310 65.0% 167 35.0%
DEPARTMENTAL INCOME	4,200 58.7%	4,506 59.5%	4,831 60.2%	5,174 61.0%	5,443 61.7%	5,722 62.3%	6,013 63.0%
UNALLOCATED EXPENSES; A & GENERAL KETING NIENANCE ROY KCHISE FEES ACHISE FEES AGEMENT FEES TOTAL UNALLOCATED	715 10.0% 501 7.0% 465 6.5% 572 8.0% 322 4.5% 2,790 39.0%	744 9.8% 521 6.9% 484 6.4% 595 7.9% 341 4.5% 2.912 38.4%	774 9.6% 542 6.8% 503 6.3% 619 7.7% 361 4.5% 241 3.0% 3,039 37.9%	805 9.5% 563 6.6% 523 6.2% 644 7.6% 382 4.5% 3,172 37.4%	837 9.5% 586 6.6% 544 6.2% 670 7.6% 397 4.5% 3,299 37.4%	870 9.5% 609 6.6% 566 6.2% 696 7.6% 413 4.5% 3,430 37.4%	905 9.5% 634 6.6% 588 6.2% 724 7.6% 430 4.5% 286 3.0% 3,568 37.4%
GROSS OPERATING INCOME	1,409 19.7%	1,594 21.0%	1,792 22.3%	2,003 23.6%	2,144 24.3%	2,292 25.0%	2,445 25.6%
CAPITAL EXPENSES: INSURANCE REAL ESTATE TAXES REPLACEMENT RESERVE TOTAL CAPITAL	150 2.1% 352 4.9% 72 1.096 574 8.096	156 2.1% 366 4.8% 152 2.0% 674 8.9%	162 2.0% 366 4.6% 241 3.0% 769 9.6%	169 2.0% 380 4.5% 255 3.0% 803 9.5%	175 2.0% 380 4.3% 265 3.0% 820 2.3%	182 2.0% 396 4.3% 275 3.0% 854 9.3%	190 2.0% 396 4.1% 286 3.0% 872 9.1%
NET OPERATING INCOME	836 11.7%	921 12.2%	1,023 12.8%	1,199 14.1%	1,324 15.0%	1,438 15.7%	1,573 16.5%

EXHIBIT B

PROJECT:

KANSAS CITY HOLIDAY INN

SCOPE: DATE: RENOVATION
JULY 21, 1992

GUESTROOMS

52 Kings 220 Queens 222 Doubles 4 Suites

FF&E

		Bedsets:		+
444	ea	Double	\$161	\$71,484
220	ea	Queen	\$205	\$45,100
52	ea	King	\$243	\$12,636
	25	Bedframes:	₩	
444	ea	Double	\$19	\$8,436
220	ea	Queen	\$23	\$5,060
52	ea	King	\$29	\$1,508
500	ea	Dressers	\$37.8	\$189,000
766		Nightstands	\$119	\$91,154
494	ea	Activity Table Headboards	\$173	\$85,462
444	ea	Double	\$108	\$47 OF0
220		Queen	\$119	\$47,952
52		King	\$130	\$26,180
500		Dresser Mirror	\$86	\$6,760
500		Full Length Min		\$43,000
500	ea	ruii Length Min		A
500	03	Drogger Tamp	\$24	\$12,000
		Dresser Lamp	\$32	\$16,000
500	ea	Floor Lamp Nightstand Lamp	\$43	\$21,500
544	ea	Single Arm	\$32	\$17,408
222	ea	Double Arm Bedspreads	\$54	\$11,988
444.	ea	Double	\$67	\$29,748
220	ea	Queen	\$76	\$16,720
52		King	\$83	\$4,316
		27/		

500 ea	Artwork A	\$49	\$24,500
500 ea	Artwork B	\$49	\$24,500
500 ea	Draperies	\$324	\$162,000
32000 ea	Wallcovering	\$3.25	\$104,000
24500yds	Carpet	\$8	\$196,000
23000	Pad	\$1.10	\$25,300
500 ea	Televisions Parlor	\$297	\$148,500
2 ea	Sofa	\$648	\$1,296
4 ea	Lounge Chair	\$324	\$1,296
2 ea	Cocktail Table	\$270	\$540
4 ea	End Table	\$162	\$648
4 ea	Lamp	\$54	\$216
1 lot	Artwork .		\$1,080
2 ea	Dining Table	\$648	\$1,296
12 ea	Dining Chairs	\$216	\$2,592
2 ea	Dining Light	\$324	\$648
1 lot	Misc Allowance		\$2,160
			55: 580
	Total		\$1,459,984
	40 000 /		사람들의 경고류는 그리면 되었으라고 한다는 것이라고 있다면 다시다.

CONSTRUCTION

\$2,920/room

500 e	Install Carpet	\$186	\$93,000
500 e	Install VWC	\$490	\$245,000
500 e	Paint Ceilings	\$165	\$82,500
500 e	Vinyl Base	\$130	\$65,000
500 e	Remodel Closet w/Louvered	\$330	\$165,000
	Doors	.0	2
500 e	Paint Doors	\$40	\$20,500
500 e	Install FF&E	\$85	\$42,500
	Total \$1,426/room		\$713,000

Total FF&E and Construction \$2,172,984 \$4,346/room

GUESTBATHS - 500 each

500	ea	VWC	\$30		\$15,120
500	ea	Install VWC	\$153		\$76,300
500	ea	Replace	\$273		\$136,250
	12	Vanity/Hardwar	e		
500	ea	Accessories	\$54		\$27,250
500	ea	Mirrors	\$82		\$40,875
500	O TOTAL STATE OF	Shower Rod/ Curtain	\$38	72	\$19,075
500	ea	Light Fixture	\$82		\$40,875
500		Install New Tile Floor Over Existing	\$283	ž g	\$141,558
		Total			\$497,303
		\$994/room			

CORRIDORS - 20 each

4000	yds	Carpet	\$18		\$72,000
3800	yds	Pad	\$4		\$13,300
6100	yds	VWC	\$4		\$21,350
3800	yds	Install Carpet			\$20,900
6100	yds		\$8		\$45,750
	ea	Vinyl Base	\$580		\$11,600
20	ea				\$8,940
500	ea	Paint Guest- room Door- frames	\$38		\$19,000
20	ea	Paint Elevator Doors/Frames	\$525	E	\$11,440
5	ea	Redo Elevator Cabs	\$5000		\$27,250
20	ea	Lighting	\$1690		\$36,840
20	ea	Vending Wing Walls	\$260		\$5,700
14		Total \$14,705/corrie	dor	e e	\$294,070

PUBLIC AREAS

LOBBY

Replace Front and Back Area of Check In Desk	\$21,800
Provide New Gyp Board Ceiling	\$19,075
Install Carpet	\$2,725
Carpet	
Pad	\$9,720
	\$1,620
Paint Existing Trim	\$3,270
Install VWC	\$2,725
VWC	\$2,268
Resurface Elevator Lobby Wall	\$5,450
Install New Chair Rail	\$3,270
Upgrade Existing Lighting	\$5,450
Furniture, Artwork	
- distance, in choix	\$10,900
Total	\$88,273
	200,273
RESTAURANT	
Install Carpet	\$2,725
Carpet	\$9,720
Pad	
Install Vinyl	\$1,620
VWC	\$1,772
	\$972
Remodel Existing Wood Trim/Millwork	\$27,250
Upgrade Lighting	\$7,630
Miscellaneous Paint	\$5,450
Furniture/Artwork	\$43,200
Maka?	Name of the second
Total	\$100,339
#	¥2
TOTMOR	
LOUNGE	
New Millwork and Trim	
	\$27,250
Install Carpet	\$1,090
Carpet	\$3,240
Pad	\$648
Install Vinyl	\$2,725
VWC	\$1,512
Replace Ceiling Tile and Paint Grid	\$4,905
Upgrade Lighting	\$5,450
Paint Trim	
Furniture/Artwork	\$2,180
- waste of the cholk	\$43,200
Total	\$92 200
	\$92,200

MEETING ROOMS

Install Carpet	\$4,360
Carpet	\$19,440
Pad	\$2,592
Install VWC	\$4,905
VWC	\$4,050
Replace Ceiling Tile	\$6,880
Paint Doors, Trim & Concrete Beams	\$3,270
Provide & Install Vinyl Base	\$719
Rework Moveable Partitions	\$5,450
Misc. Prefunction Seating/Artwork	\$10,800
Total	\$62,466
PUBLIC RESTROOMS	
Install VWC	\$4,356
VWC	\$2,398
New Vanity Tops	\$2,180
New Mirrors	\$1,635
New Metal Partitions	\$4,905
New Accessories	\$1,090
New Ceramic Tile Over Existing	\$13,080
Paint	\$2,180
Upgrade Lighting	\$2,180
Total	\$34,004
	0.040 pm - 0.00 0 0.000000000000000000000000000000
GIFT SHOP	
Section of the sectio	
Install Carpet	\$545
Carpet	\$1,296
Pad	\$108
Install VWC	\$545
VWC	\$324
Total	\$2,818
	10

ADMINISTRATIVE OFFICES

Install VWC	\$3,270
VWC	\$2,160
Install Carpet/Base	\$3,270
Carpet	\$7,560
Pad	\$648
Paint Doors & Trim	\$1,635
Replace Ceiling Tile	\$5,450
Upgrade Lighting	\$3,270
Millwork (Shelving)	\$1,090
Total	\$28,353

TOTAL PUBLIC AREAS

\$408,453

OTHER AREAS

REFINISH POOL/POOL DECK	\$21,800
ENTRY	
Landscaping	\$5,450
Entry Drive	\$5,450
Replace Porte Cochere	\$16,350
Surface	1974 (1774 (
Provide Decorative Lighting	\$10,800
at Underside of Porte Cochere	MARS 12 12:24-524-51
Provide Decorative Banners	\$10,900
Total	\$48,950
EXTERIOR OF BUILDING	
Repair Damaged Concrete on Building	\$76,300
Paint and Clean Surface of Structure	\$147,150
Window Treatment	\$81,750
Total Exterior	\$305,200
GARAGE	**************************************
Repair Concrete Structure	\$76,300
Paint Exposed Deck and Columns	\$109,000
Elevator Cabs	\$6,540
Total	\$191,840

ADA REQUIREMENTS/10 GUESTROOMS	\$65,400
FIRE PROTECTION/ALARM SYSTEM	\$545,000
ASBESTOS	\$109,000
TOTAL OTHER AREAS	\$1,287,190

ASSOCIATED PROJECT COSTS

TOTAL PROJECT COSTS

Architectural/Interior Design Project Management Fees Tax/Freight Costs While Hotel Closed Operating Supplies Preopening Contingency/Deficit Reserve	\$200,000 \$250,000 \$245,000 \$200,000 \$800,000 \$400,000 \$277,558
4) (4)	g
Interest Reserve Underwriting Costs	\$700,000 \$200,000
	1997
TOTAL ASSOCIATED PROJECT COSTS	\$3,240,000
e v a a	- u

\$7,900,000

EXHIBIT C

MARINER HOTEL CORPORATION Pacific Center 1 14180 Dallas Parkway, Ninth Floor Dallas, Texas 75240

July 8, 1992

Mr. George H. Bigelow, President Americana Hotels and Realty Corporation 535 Boylston Street Boston, Massachusetts 02116

> Commitment Agreement with Option to for Lease concerning Americana Hotel-Kansas City, Purchase Missouri

Dear Mr. Bigelow:

following outlines the major terms understanding reached between Americana Hotels and Realty Corporation (including its wholly owned subsidiary, AHRC-Kansas City) (collectively, "AHRC"), and Mariner Hotel Corporation ("MHC"), concerning (i) the Lease with Option to Purchase covering the Americana Hotel, and (ii) the renovation and applicable financing for the Americana Hotel to be converted to a Holiday Inn:

Landlord:

Americana Hotels and Realty Corporation

or AHRC-Kansas City

Tenant:

Mariner Hotel Corporation

Leased Premises:

All real property, improvements thereon and personal property comprising the facility commonly referred to as the Americana Hotel, Kansas City, Missouri

(the "Property").

Lease Term:

Seven (7) years from the date on which

the Lease is signed.

Rent:

Annual base rental commencing upon "Substantial Completion" equal to ten percent (10%) of the "Investment Balance" payable at the following pay rates:

Year One - 5% of Investment Balance Year Two - 6% of Investment Balance Year Three - 7% of Investment Balance Year Four - 8% of Investment Balance Year Five - 9% of Investment Balance Year Six - 10% of Investment Balance Year Seven - 10% of Investment Balance

"Investment Balance" shall mean the initial sum of \$5,000,000.00, plus the amount of unpaid deferred rent at the time of any determination, less Percentage Rent paid to AHRC. Base rent which accrues in excess of the pay rates established above shall be deferred and shall be paid from Percentage Rent allocable to AHRC as provided below.

"Substantial Completion" shall mean the date the renovation of the Property is substantially completed as certified by the approved architect in accordance with the approved plans and specifications and the approved Holiday Inn product improvement plan.

Percentage of Cash Flow Rental:

In addition to the base rent set forth the Lease shall provide for above, percentage rental payable based on seventy-five percent (75%) of Net Cash Flow derived from the operations of the percentage rental Property until base rent is paid in When base rent is paid in full, percentage rental payable shall reduced to fifty percent (50%) of Net Cash Flow. "Net Cash Flow" shall be determined generally in accordance with the Uniform System of Accounts for Hotels and generally accepted accounting principles and shall mean less "Deductions" less the Revenues" "Management Fee".

"Gross Revenues" shall generally mean all collected revenues and receipts of every kind derived from operating the Property and all departments and parts thereof. Mr. George H. Bigelow, President July ____, 1992 Page 3

> "Deductions" shall mean all normal and reasonable operating expenses of the Property, including, without limitation:

- (i) Franchise fees, royalties, license fees or other compensation or consideration paid or payable to Holiday Inn;
- (ii) The Property's pro rata share of approved costs and expenses incurred by MHC in providing "chain services";
- (iii) Real estate and personal property taxes levied or assessed against the Property;
- (iv) Premiums for insurance;
- (v) The Management Fee (described below) and other agreed upon sums to be reimbursed to MHC;
- (vi) The actual cash funding of a capital improvement reserve based on one percent (1%) of Gross Revenues for year one, two percent (2%) of Gross Revenues for year two, and three percent (3%) of Gross Revenues for years three through seven;
- (vii) Debt service payments on the T.I.F. financing; and
- (viii) Base rent to AHRC.

<u>Capital Improvement</u> <u>Reserve:</u>

Expenditures made from the Capital Improvement Reserve referred to in subparagraph (vi) above shall be made pursuant to a capital budget approved by AHRC (such approval not to be unreasonably withheld).

Mr. George H. Bigelow, President July ___, 1992 Page 4

Management Fee:

Included in the Deductions determining Net Cash Flow, a deduction shall be made for the payment of a base management fee equal to three percent (3%) of Gross Revenues. MHC shall agree to subordinate one-half of such fee to payment of debt service on the T.I.F. financing described below, but such deferred fee shall be cumulative and payable as and when cash flow is available. Further, in computing Net Cash Flow, a deduction shall be made for the payment of an incentive management fee of one percent (1%)of Revenues to the extent Net Cash Flow is sufficient to pay current rent payable to AHRC (pursuant to the applicable pay The incentive management fee shall be non-cumulative.

Proforma:

Attached hereto as Exhibit "A" is a proforma for the operations of the Property upon renovation contemplated The parties recognize that such herein. proforma is a forecast purely operating revenues and expenses are no representations warranties of any kind, express implied, regarding such proforma.

Payment of Impositions:

MHC, pursuant to the terms of the Lease, shall pay, as and when the same become due and payable, all taxes, assessments, use and occupancy taxes, water and sewer charges and other impositions concerning the Property.

Title:

The anticipated Lease shall demise to MHC a leasehold estate in the Property subject to no liens, claims, exceptions or encumbrances unless otherwise approved by MHC. Upon execution of the intended Lease Agreement, AHRC shall provide to MHC a leasehold owner's policy of title insurance issued by an underwriter satisfactory to MHC concerning the Property in an agreed amount.

Mr. George H. Bigelow, President July ____, 1992 Page 5

Holiday Inn Franchise:

MHC shall use its reasonable efforts to secure the commitment of Holiday Inn to franchise for a the Property including the development of a detailed Product Improvement Plan for contemplated renovation of Property. The commitment of Holiday Inn issue a franchise for the Property shall be a condition to MHC's and AHRC's obligation to enter into the Lease.

T.I.F. Financing; Subordinated Fee:

It is the intent of MHC to secure the designation by the Economic Development Commission and/or the Tax Increment Financing Commission of Kansas City to proceed with the renovation of Property to be converted to a Holiday with the use of Tax Increment Financing bonds. Such designation and proposed financing shall be a condition to MHC's and AHRC's obligations to enter into the Lease. The T.I.F. financing shall be secured by a first lien on the Property (fee simple estate). shall execute such subordinations and attornments as may be reasonably required by the Tax Increment Financing Commission to subordinate the fee simple estate to the intended financing. The amount of the T.I.F. financing shall equal the "cost of the project", such to include (i) actual out-of-pocket expenses paid by MHC in connection with a fixed price construction contract and operation of Property through the date renovation pursuant to the Product Improvement Plan and applicable plans and specifications developed thereunder is substantially completed, as evidenced certificate of substantial completion executed by the applicable architect, (ii) the costs for opening inventories and par stocks, (iii) costs necessary to provide an operating

reserve to pay carrying costs while under renovation and to fund initial deficits until projected break even, (iv) pre-opening costs and development fees, and (v) other costs and expenses, in accordance with an approved et. AHRC shall have no liability budget. for the repayment of any amount under intended financing, nor for the performance of obligations, any covenants or agreements in respect thereof, except as provided subordination, estoppel and agreements required by the Tax Increment Financing Commission.

Construction; Timetable:

MHC shall act as the developer for the renovation of the Property in accordance with the Product Improvement Program, the applicable loan documents relating to the T.I.F. financing, and applicable codes, regulations and laws. MHC and AHRC shall use their best efforts in performing the actions and securing the consents and approvals as set forth on the timetable attached hereto as Exhibit subject to force majeure. shall have the right to terminate this Agreement or the Lease if MHC materially breaches its commitments hereunder or if any of the actions, approvals or consents set forth on Exhibit "B" are not performed or obtained within the applicable time period (unless such failure is the result of a default by AHRC), and such breach is not cured within fifteen (15) days after delivers written notice thereof to MHC (provided any non-monetary default under the Lease shall provide for a minimum thirty-day cure period and any default in the payment of base rent shall provide for a minimum 5-day cure period). If AHRC terminates Agreement for any reason other than a default of MHC, AHRC shall reimburse MHC for all reasonable costs and expenses incurred by MHC in connection with the transactions contemplated herein not to exceed \$40,000.00.

<u>Defaults Under</u> <u>Lease</u>:

The Lease shall provide for customary events of default such as the failure of either party to comply with any material covenant therein and such failure is not cured within a reasonable period of time after notice thereof from the other party. Further, AHRC shall have the right, after notice and opportunity to cure in favor of MHC, to terminate the lease if agreed performance standards are materially breached.

Purchase Option:

The Lease shall provide for a right and option in favor of MHC to purchase the Property during the term of the Lease for the following cash purchase prices:

Year 1 - \$3,750,000 Year 2 - \$4,000,000 Year 3 - \$4,250,000 Year 4 - \$4,500,000 Year 5 thru 7 - Investment Balance

If such option is exercised, conveyance shall be made by special warranty deed subject to no exceptions other than permitted encumbrances under the Lease and an owner's policy of title insurance in the amount of the purchase price shall be provided by AHRC to MHC by an underwriter satisfactory to MHC.

AHRC's Liquidation:

Due to AHRC's need to accomplish its liquidation, AHRC will be able to assign or sell its interest in the Lease to a third party provided such assignment does not constitute a default under the T.I.F. financing documents and provided such third party expressly assumes all obligations under the Lease in a manner reasonably satisfactory to MHC.

Further, AHRC shall be able to (i) "put" its position to MHC, or (ii) cause a sale of the property at an agreed upon minimum sales price (with an split of net proceeds between MHC and AHRC), if AHRC is able to secure a commitment for permanent financing equal Investment Balance property generally containing current market terms or other reasonably acceptable to MHC including, without limitation, the following terms and conditions (and MHC fails to accept such commitment):

- (i) The permanent financing shall be repayable in equal monthly installments of principal and interest, using an amortization period of not less than twenty-five (25) years and a maturity of not less than seven (7) years;
- (ii) The permanent lender providing such permanent financing shall not have any participation in the property or revenues or profits therefrom, or other "equity kicker" of any kind or character;
- (iii) The interest rate on the permanent financing shall be fixed and shall not exceed the then current interest rate on ten (10) year treasury notes, plus 200 basis points;
- (iv) The permanent financing shall otherwise be on such terms and conditions as are normal and customary for similar financings by institutional lenders on properties that are similar to the project; and

(v) The permanent financing shall be non-recourse.

The parties hereto acknowledge that the foregoing terms are satisfactory and acceptable and each shall use reasonable efforts to commence negotiations for the purpose of entering into a Lease Agreement with Purchase Option in accordance with such terms to be executed upon accomplishment of the items set forth in this letter. MHC shall have the right, for a period commencing from the date hereof through (i) the date of the Lease Agreement with Option to Purchase, or (ii) upon termination of this Agreement, during which MHC, or MHC's authorized agents or representatives, shall be entitled to enter upon the Property for the purpose of inspecting, examining, making tests, preparing feasibility studies, and doing engineering work and making any other tests MHC may deem appropriate. Each party shall fully cooperate with the other in connection with obtaining necessary approvals for the intended T.I.F. financing as well as securing the commitment of Holiday Inn to issue a franchise for the Property.

This Agreement shall be construed in accordance with the laws of the State of Missouri.

Time is of the essence for the performance of each of the obligations hereunder, save and except force majeure. This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns.

Any notice required or desired to be given in connection with this agreement may be served (as an alternative to personal service) by registered or certified mail to the party to be served at the address indicated herein. Service of any such notice or demand so made by mail shall be deemed complete upon the day of mailing. Further, any such notice may be delivered by telecopy to the telecopy numbers set forth herein.

To evidence your agreement to the foregoing, please execute below where indicated.

Yours very truly,

MARINER HOTEL CORPORATION

By:

Archie Bennett, Jr.

Chairman of the Board

Address: 14180 Dallas Parkway

Ninth Floor

Dallas, TX 75240-4376

Fax: 214-980-2705 Attn: David Kimichik Mr. George H. Bigelow, President July <u>8</u>, 1992 Page 10

ACCEPTED AND AGREED THIS 8 DAY OF July _, 1992:

AMERICANA HOTELS AND REALTY CORPORATION

By: M. W. I'll Name: Monnis W. Title: Vice President

Address:

535 Boylston St. Boston, MA 02116 Fax: 617-247-0263

Attn: George H. Bigelow

EXHIBIT "B"

		Befor		
(subject	to	force	majeure)	1

August 12, 1992

October 1, 1992

November 15, 1992

December 1, 1992

July 1, 1993

Action Required

City Counsel Approval of T.I.F. Financing

T.I.F. Bond Document Closing

Bond Subscriptions Signed

Construction Contracts Signed

Substantial Completion of Renovation

HOLIDAY INH DOWNTOWN - KANEAS CITY, MISSOURI PROJECTED OPERATING RESULTS YEARS 1 THRU 7

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR Z
NO. OF ROOMS OCCUPANCY	486 55.0%	486 56.0%	486 57.0%	486	486 58.0%	486	486
RATE	55.00	57.20	59.49	61.87	23	64.92	69.59
TOTAL REVENUES	7,155	1,576	8,020	8,487	8,827	9,180	4,547
ROOMS DEPARTMENT: ROOMS EVENUES ROOMS EVENSES CETT, PROFIT	5,366 75.0% 1,463 27.3% 3,903 72.7%	5,682 75.0% 1,490 26,2% 4,192 73,8%	6,015 75.0% 1,512 25.2% 4,498 74.8%	6,365 75.0% 1,543 24.2% 4,822 75.8%	6,620 75.0% 1,543 23.3% 5,077 76.7%	6,885 75.0% 1,543 22.4% 5,341 77.6%	7,160 75,0% 1,543 21,4% 5,617 78,4%
FOOD & BEYERAGE DEPT: TOTAL F. & B. REVENUE TOTAL DEPT, EVENUE DEPT, PROFIT.	1,431 20.0%	1,515 20.0% 1,333 88.0% 182 12.0%	1,604 20.0% 1,412, 88,0% 192 12.0%	1,697 20,0% 1,494 88,0% 204 12,0%	1,765 20.0%	1,836 20.0% 1,616,88,0% 220 12,0%	1,909 20.0%
MINOR DEPARTMENTS: OTHER REVENCES OTHER EXPENSES DEPT. PROFIT	358 5.0% 233 65.0% 125 35.0%	379 5.0% 246 65.0% 133 35.0%	401 5.0% 261 65.0% 140 35.0%	424 5.0% 276 65.0% 149 35.0%	441 5.0% 287 65.0% 154 35.0%	459 5.0% 278 65.0% 161 35.0%	477 5.0% 310 65.0% 167 35.0%
DEPARTMENTAL INCOME	4,200 58.7%	4,506 59.5%	4,631 60.2%	5,174 61.096	5,443 61,7%	5,722 62.3%	6,013 63.0%
UNALLOCATED EXPENSES; ADM & GENERAL MARKETING MAINTENANCE ENERGY RANNOGEMENT FEES MANAGEMENT FEES TOTAL UNALLOCATED	715 10.0% 501 7.0% 465 6.5% 572 8.0% 322 4.5% 215 3.0% 2,790 39.0%	744 9.8% 521 6.9% 484 6.9% 595 7.9% 341 4.5% 227 3.0% 2,912 38.4%	774 9.6% 542 6.8% 503 6.3% 619 7.7% 361 4.5% 241 3.0% 3.039 37.9%	805 9.5% 563 6.6% 523 6.2% 644 7.6% 382 4.5% 3,172 37.4%	837 9.5% 586 6.6% 544 6.2% 670 7.6% 397 4.5% 3,299 37.4%	870 9.5% 609 6.6% 566 6.2% 696 7.6% 413 4.5% 275 3.0% 3,430 37.4%	905 9.5% 634 6.8% 588 6.2% 724 7.6% 430 4.5% 286 37.4%
GROSS OPERATING INCOME	1,409 19.7%	1,594 21.0%	1,792 22.3%	2,003 23.6%	2,144 24.3%	2,292 25.0%	2,445 25.6%
CAPITAL EXPENSES: INSURANCE REAL ESTATE TAXES REPLACEMENT RESERVE TOTAL CAPITAL	150 2.1% 352 4.9% 72 1.0% 574 8.0%	156 2.1% 366 4.8% 152 2.0% 674 8.8%	162 2.0% 366 4.6% 241 3.0% 769 2.6%	169 2.0% 380 4.5% 255 3.0% 803 2.5%	175 2.0% 380 4.3% 265 3.0% 820 2.3%	182 2.0% 396 4.3% 275 3.09 854 2.3%	190 2.0% 396 4.1% 286 3.0% 872 2.1%
NET OPERATING INCOME	836 11,7%	921 12.2%	1,023 12.8%	1,199 14.1%	1,324 15.0%	1.438 15.7%	1.573 16.5%

EXHIBIT 11

ROSTER OF DISPLACED OCCUPANTS AND BUSINESSES

It is anticipated that there will be no displacement of occupants or businesses.