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Townsend wins extension to redevelop old Fed building

Premium content from Kansas City Business Journal by Krista Klaus, Staff Writer

Date: Friday, January 28, 2011, 5:00am CST

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Townsend LLC won a three-year reprieve to complete a redevelopment of the former Federal Reserve Bank of Kansas City headquarters into condominiums.

Kansas City's Land Clearance for Redevelopment Authority on Jan. 26 agreed to extend tax breaks for the project to Jan. 31, 2014.

LCRA provides as much as 100 percent property tax abatement on improvements for as long as 10 years.

Townsend LLC President [Jason Townsend](#) said the economy has held up construction financing for The Reserve condominium conversion at 925 Grand Blvd.

"We are working on financing to move forward," Townsend said. "We have very healthy plans for the building that simply require an interest level from our investors going forward."

Townsend bought the building for \$10.8 million in 2005, and the Federal Reserve Bank of Kansas City remained a tenant until its new headquarters south of Liberty Memorial opened in 2008.

Redevelopment plans call for construction of 155 residential units, ranging from 600 to 1,300 square feet; 25,000 square feet of commercial space; and more than 500 parking spaces, primarily in the building's existing parking garage. The development cost is pegged at \$45.6 million.

Although no for-sale units have been completed, Townsend said the company has invested millions in the project, including building a model unit, office and showroom.

[John Snyder](#), a real estate lawyer with SNR Denton US LLP, requested the LCRA extension in a Dec. 6 memo.

"The combination of a severe dip in the downtown housing market, the general economic recession and the real estate lending and banking crisis led to the inability of the developer to obtain construction financing," Snyder wrote in the request. "What this project needs immediately is time."

The LCRA operates as an administrative entity of the Economic Development Corp. of Kansas City to encourage investment and help remove blight in urban areas.

Townsend LLC redeveloped the Wall Street Tower condominium project at 1101 Walnut St. in downtown Kansas City, though the economy has forced the developer to turn several of the project's units into apartments.