

From the Kansas City Business Journal:

<http://www.bizjournals.com/kansascity/print-edition/2011/08/05/kansas-city-downtown-condo-project-may.html>

Kansas City downtown condo project may become a Hilton hotel

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

Date: Friday, August 5, 2011, 5:00am CDT

Related:

[CommercialRealEstate](#), [ResidentialRealEstate](#)

A city redevelopment agency has approved a new plan for the old Federal Reserve building in downtown Kansas City.

The Land Clearance for Redevelopment Authority approved developer [Jason Townsend](#)'s request to convert the previously slated condominium and retail project at 925 Grand Blvd. into a 350-room hotel.

"We are very excited for this opportunity for us and for Kansas City," Townsend said. "It's a one-of-a-kind building in downtown Kansas City, and given the grandiosity of the lobby, it needs to be a public space. We like the location. We like where we are. We believe it hits all the major entertainment facilities nearby."

Townsend said he and his partners have begun negotiations with the Hilton Hotel chain to operate a full-service hotel at the historic building.

In July, LCRA Executive Director [Joe Egan](#) told a meeting of the Economic Development Corp. of Kansas City's board of directors that Embassy Suites is interested in operating a hotel at the site.

Embassy Suites is one of a number of brands Hilton Hotels & Resorts offers.

Embassy Suites operates hotels near the **Country Club Plaza, Kansas City International Airport** and in Overland Park. Two area hotels have the Hilton brand: the Hilton President Hotel in downtown Kansas City and the Hilton Kansas City Airport Hotel.

The change in direction for the site comes after Townsend LLC's ambitious condominium conversion plan stalled because of the recession.

The original Reserve Condominium project called for 155 residential units and 25,000 square feet of commercial space to be available by January 2011.

In January, the redeveloper received a three-year extension.

Townsend's new plans also call for a high-security data storage facility in the building's underground vaults, according to documents filed with LCRA. The **Federal Reserve Bank of Kansas City** had stored paper currency in the vaults.

"This is an excellent project, and the LCRA board is pleased to make that change," Egan told EDC leaders July 29.

LCRA's approval means the developer will retain its previously approved 10-year tax abatement for the project.

"That was necessary for the project to make financial sense," Townsend said.

The Federal Reserve building opened in 1921. Townsend acquired it in 2005 after the Federal Reserve announced plans to relocate to a new 16-story office tower just south of the Liberty Memorial.

Townsend is working with Overland Park firm Focus Architecture on design plans for the hotel.