

CASE STUDY



U.S. Beef & Platform Ventures

TULSA, OK AND FAIRWAY, KSOVERVIEW

When U.S. Beef, formerly the largest franchisee of Arby's restaurants in the U.S., sought to shift its business focus after selling its restaurant assets in December 2018, it partnered with Platform Ventures, an investment firm, to acquire the Plaza Vista Office Building, located on the west end of Kansas City's iconic Plaza District, from EverWest Real Estate Investors. The deal proved to be incredibly complex, and U.S. Beef and Platform turned to Husch Blackwell for guidance in turning their plans into reality.

Challenges

The target property, a 253,754-square-foot office building that currently serves as headquarters for Polsinelli, the Kansas City-based law firm, had a very complicated structure due to property-tax abatements in place and consisted of office condos that were subject to long-term ground leases with the City of Kansas City, as well as related industrial revenue bonds. Further complicating matters, a portion of one condo also sat partially in a 100-year flood plain.

Solution

We worked with the client to develop the structure and strategy for an asset purchase through a 1031 exchange. The exchange required a tenants-in-common (TIC) structure to acquire the property—a condition sometimes frowned upon by servicers of commercial mortgage-backed securities—and

Industry

Real Estate, Development, & Construction

Services

Banking & Finance
Corporate
Corporate Real Estate
Tax

Legal Team

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also contributed to the difficulty in closing the assumption of existing financing on the property. This also meant that the deal needed to close within the exchange period, which added to the urgency to get things exactly right on a tight timeframe.

Result

Our team provided key advice at every stage of the deal—from analyzing the underlying tax incentives and abatements in order to assume the existing financing—enabling the client to close the \$118 million deal on time.