

# 12<sup>th</sup> Street Heritage TAP



**Panel Recommendations**

**March 1-2, 2017**

# Thank you

- John McGurk, Polsinelli PC & ULI Kansas City  
TAP Chair
- Ashley Sadowski, DLR Group & ULI Kansas  
City TAP Co-Chair
- Diane Burnette, MainCor & ULI Kansas City  
Chair of Mission Advancement
- Joy Crimmins, ULI Kansas City
  
- Samuel Rodgers Health Center for providing  
meeting facilities

# ULI Mission Statement

*The mission of the ULI is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.*

# Technical Assistance Panel

- Objective, multidisciplinary advice on land use and real estate issues developed over the course of two days
- ULI Kansas City members from across the region volunteer their time to participate as panelists

# TAP Sponsors

12<sup>th</sup> Street Heritage Development  
Corporation

Kansas City Economic Development  
Corporation

# Panel's Charge

## Question 1:

What is the market for new market-rate single-family housing in this neighborhood in terms of cost/price parameters, housing formats, absorption rates, etc.?

# Panel's Charge

## Question 2:

What is the best way (and where to start) to phase-in new housing and mixed-use development to help restore a mixed-housing neighborhood pattern while recognizing that a fair amount of public housing will remain? Respond to BRT service and improve walkability and connectedness with surrounding area.

# Panel's Charge

## Question 3:

What are some unconventional sources of financing and proposed deal-structures that can help offset possible financial feasibility gaps?



# TAP Panel Members

## Panel Co-Chairs

Quinton Lucas, City of Kansas City, Missouri  
Ashley Sadowski, DLR Group

## Panel Members

Erika Brice, Blue Hills Community Services  
Jason Swords, Sunflower Development  
Ruben Alonso, AltCap  
Rohn Grotenhuis, BNIM  
Dominique Davison, DRAW Architecture  
Audrey Navarro, Clemons Real Estate  
Jim Scott, Scott Associates  
Katherine Carttar, City of Kansas City, Missouri

# Process

- Briefing documents
- Stakeholder interviews and tour
- Full day of team discussions

# Stakeholder Meetings

- 12<sup>th</sup> Street Heritage Development Corporation
- Economic Development Corporation
- Kansas City Housing Authority
- Kansas City Parks Department
- United Intercity Services
- St. Marks Church
- Downtown Council
- Kansas City Area Transportation Authority
- Central Bank
- Ollie Gates
- The Call newspaper
- Brinshore Development

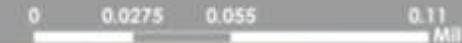
# Study Area



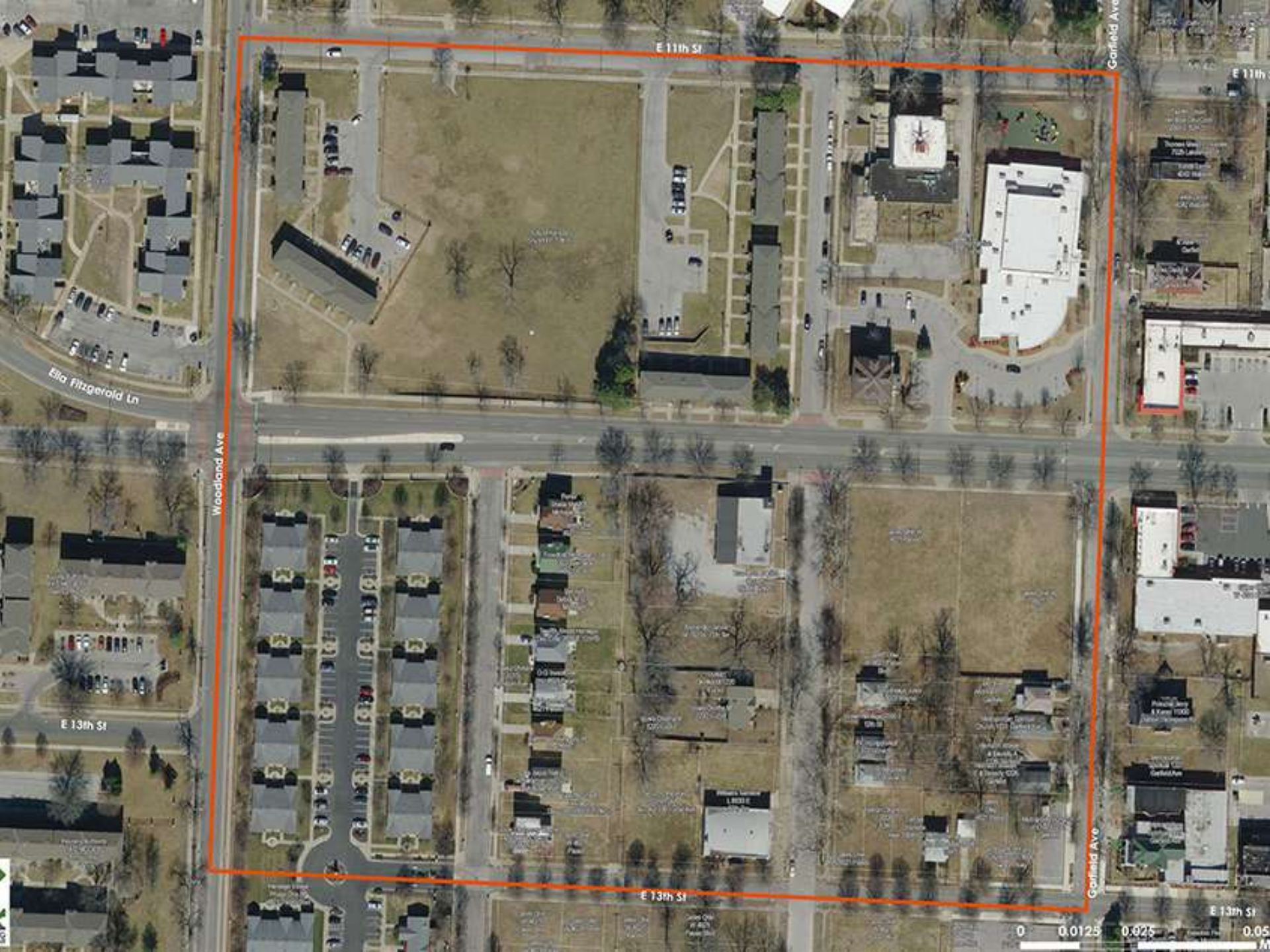




Percent Owner-Occupied







E 11th St

Garfield Ave

E 11th St

Ella Fitzgerald Ln

Woodland Ave

E 13th St

E 13th St

Garfield Ave

E 13th St

0 0.0125 0.025 0.05









# Environmental Scan

- Land is assembled, ready for development
- Willing and welcoming neighbors and partners (Gates Properties, City of Kansas City, Housing Authority, neighborhood churches)
- Social services in area – health, education, youth
- Retail services desired – hardware, grocery, retail

• Street grid needs reconnection

• Rich cultural heritage

# Themes

- Housing – affordable, market-rate, opportunities for home ownership
- Opportunities for additional commercial (retail, office)
- Establish 12<sup>th</sup> Street as a mixed use corridor and true ‘boulevard’
- Access to downtown, transit and area workforce
- North/South connection between Independence Avenue and 18<sup>th</sup> Street

# Goals

- Focus on people first – providing an opportunity for people at a variety of income levels and demographics to participate in the neighborhood

# Assumptions

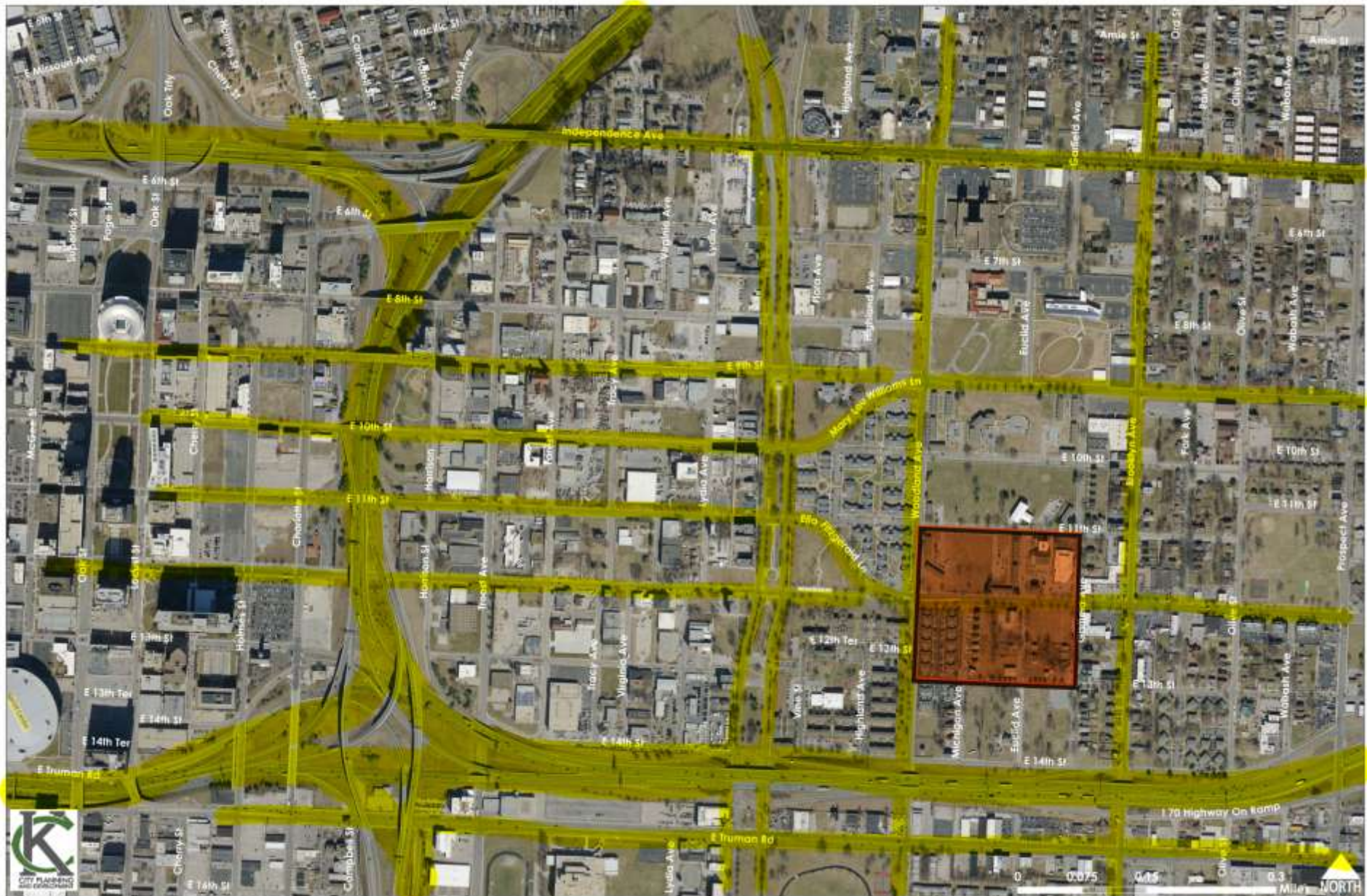
- Land assembly will not be a hurdle (willing and able land owners support development)
- Housing Authority is flexible in the replacement housing at former Wayne Minor development
- Desire to promote a mixed-income community in future development efforts

# Market Trends/Potential

- Urban living trends may create a viable market for additional housing proximate to downtown
- Home ownership is more accessible in today's market via creative financing opportunities that encourage equity building
- Entrepreneurship and small business ownership may create demand for small office and/or 'maker' space

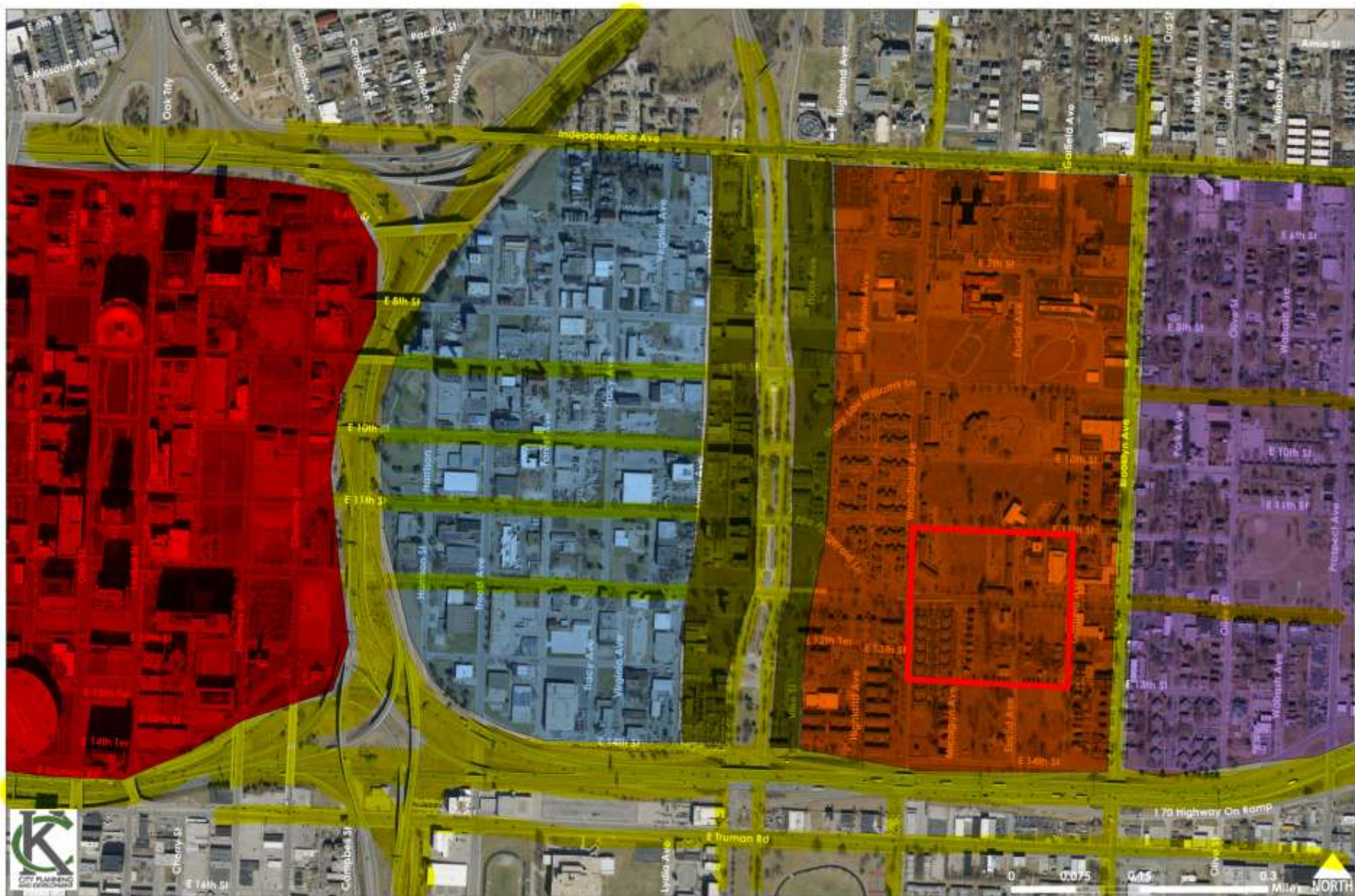


# Circulation





# Land Use Zones



# Options Considered

- Market rate housing – single family, multi-family (duplex, triplex), townhome
- Additional services – grocery, hardware store
- Signature park improvements
- Anchor campus option



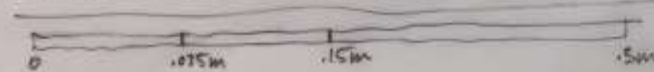
# Evaluation of Options

- Urban Village
- Potential Anchor Campus Development





DEVELOPMENT FRAMEWORK



TO 18th VINA

PASEO WEST

PASEO REINTEGRATED

9th ST.

PROMOTE LONG TERM CONVERSION TO MIXED INCOME RESIDENCIAL

5 Potential Anchor Campus Development

Promote Preparation of PROSPECT PARK MASTER PLAN

PARK PROGRAMMING & MASTER PLAN

3 Mixed Use + Blvd

STREETCANE BRANCHMENT TO DOWNTOWN

ENHANCE 12TH ST. BLVD

PROMOTE LONG TERM CONVERSION TO MIXED INCOME RESIDENCIAL

EAST SIDE HOUSING DENSITY & PLANT

6 Reinforce Existing SFR

4 ESTABLISH CIVIC SPACE PRIMARY NODE w/ BRT STATIONS and Possible TOD

1 MEDIUM DENSITY MFR

2 SFR with wall

W/ STATIONS and TOD DEVELOPMENT

BRT TO PROSPECT

Green Zone to Filter Intense Intensity

1-70

# District Development Framework

## Infrastructure

- 12<sup>th</sup> Street Boulevard Enhancements - improved streetscape from Paseo to Prospect with subsequent improvements to Oak Street – ultimately to promote a green connection to downtown
- 12<sup>th</sup> & Brooklyn Node – provide a civic space to reinforce the existing 12<sup>th</sup> and Brooklyn development. The civic space should include significant pedestrian amenities and provide for the use of street settings for special events with closure bollard option

# District Development Framework

## Infrastructure

- Parks Master Plan – Prospect Park and Goin’ to KC Park should have new master plan with community programming options coordinated with the new Community Improvement District.
- Reimagining Paseo with gateway feature at 12<sup>th</sup> St – Paseo is a powerful edge to the District with the option for a gateway entry feature at 12<sup>th</sup> and Paseo to be explored



# Examples

12<sup>th</sup> Street Mixed Use



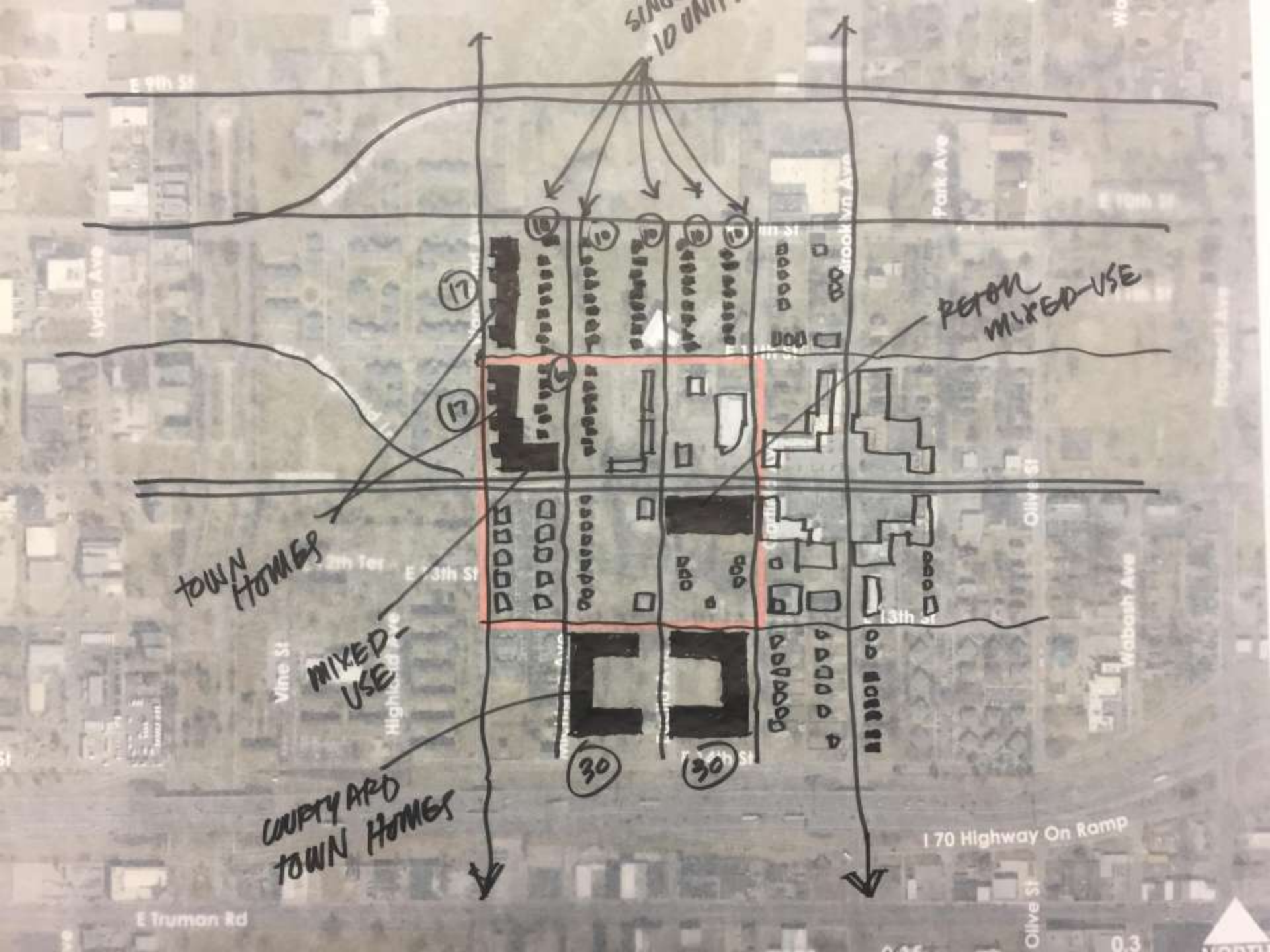
12<sup>th</sup> & Brooklyn Civic Space



# Scenario 1, Urban Village

- Reinforce neighborhood culture and social patterns
- Can be developed with incremental projects and limited risk pattern
- Scale of new development is compatible with expectations of the community and marketplace
- Development incentives are diversified and possibly easier to secure
- Incremental project execution allows for market responsiveness in a changing environment





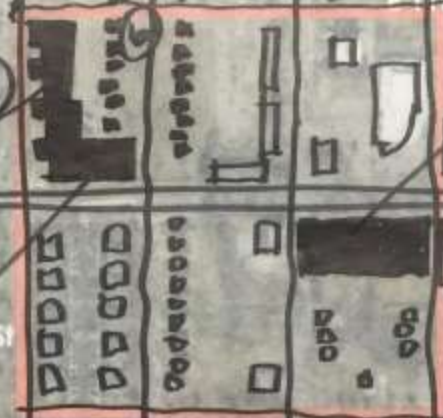
SLUG 10 UNITS

TOWN HOMES

MIXED-USE

COURTYARD TOWN HOMES

PERSON MIXED-USE



30

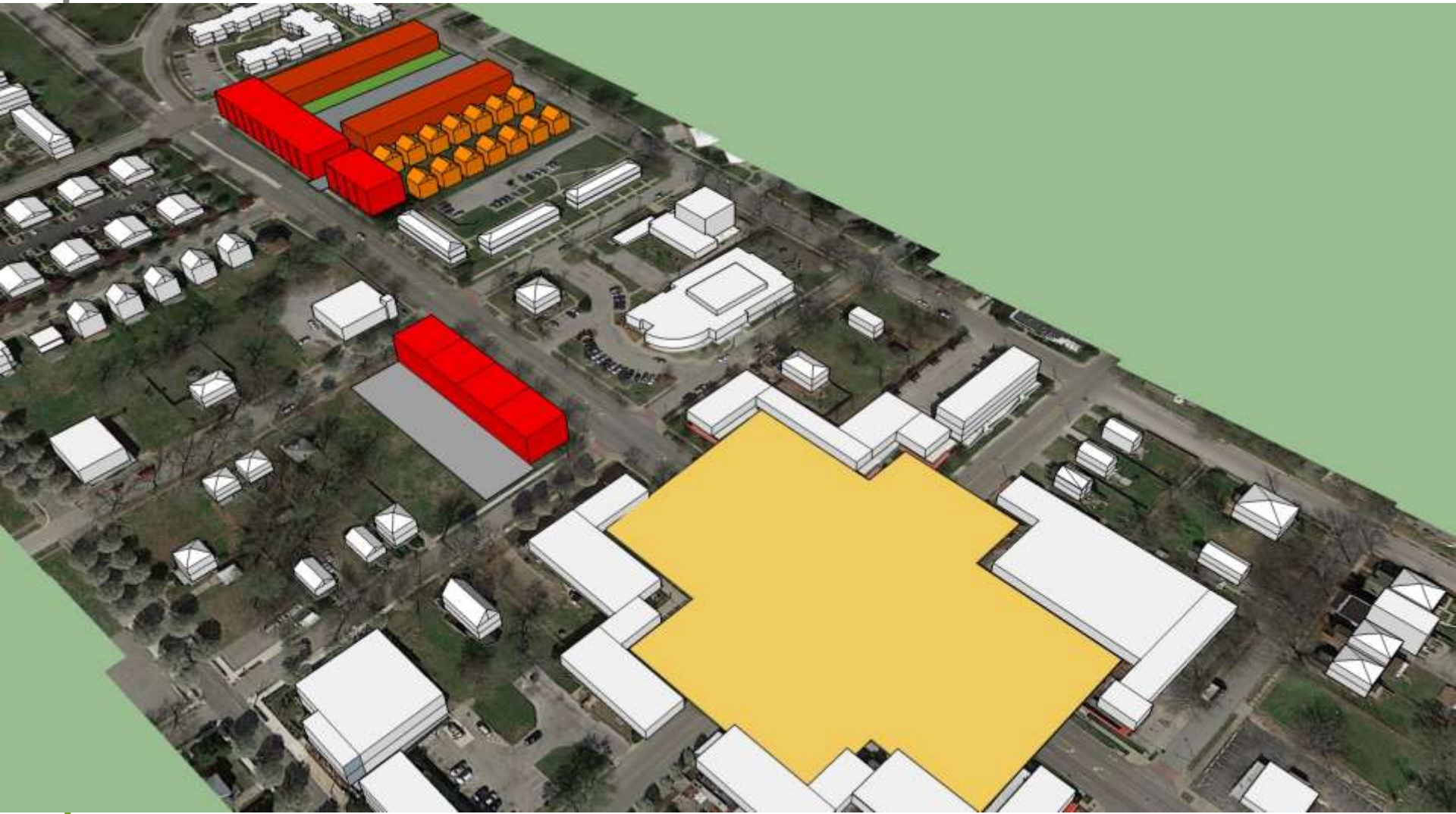
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E Truman Rd

I 70 Highway On Ramp

Olive St

03







# Examples



# Scenario 2, Anchor Campus



- Promotes a new regional economic development opportunity on pre-assembled site
- Attracts a job anchor with strong city and civic commitment
- Establishes an economic catalyst for further development to serve new population
- Adds a substantial development benefit to the city tax base
- Opportunity to reinforce existing initiatives by providing a regional valuable real estate location adjacent to downtown





# Examples



# Financing Discussion

- Development Template
  - Residential focused with potential for institutional anchor or unique corporate campus;
  - Housing types:
    - For sale single-family and townhome
    - Multifamily
    - Owner occupied duplex

# Development Template – Urban Village

- Single-family: 71; 1,500 sf.
- Townhomes: 85; 1250-1400 sf.
- Multifamily: 64 units; 48 1br./16 2br.  
(Rents \$650/\$895)
- Retail (Mixed-use): 24,000 sf.  
(Rent \$10/sf.)

# Development Template – Anchor Campus

- Single-family: 15; 1,500 sf.
- Townhomes: 77; 1250-1400 sf.
- Multifamily: 32 units; 24 1br./8 2br. (Rents \$650/\$895)
- Retail (Mixed-use): 12,000 sf. (Rent \$10/sf.)
- Office: 400,000 sf. (Rent \$10/sf.)



# Financing Discussion – Capital Stack

- **Private**
  - Debt
  - Equity
    - Private developer contributes the ground
- **Public Financing**
  - City of Kansas City, MO
    - CDBG
    - PIAC
  - New Markets Tax Credits
  - Housing Authority
  - CDFI (LISC, AltCap, etc.)

# Development Costs – Urban Village

- Overview

- Residential

- Single family: \$14,600,000

- (\$205,000/home)

- Townhomes: \$12,100,000

- (\$189,000/home)

- Multifamily: \$11,200,000

- (\$175,000/unit)

- Retail: \$12,000,000

- (\$100/sf.)

- Office: \$80,000,000

- (\$200/sf.)

# Development Costs – Anchor Campus

- Overview

- Residential

- Single family: \$3,100,000

- (\$205,000/home)

- Townhomes: \$14,600,000

- (\$189,000/home)

- Multifamily: \$5,600,000

- (\$175,000/unit)

- Retail: \$2,400,000

- (\$100/sf.)

# High Level Sources/Uses

OPTION A			
Sources		Uses	
Private		Residential	\$ 14,600,000
	Debt \$ 15,720,000		\$ 12,100,000
	Equity \$ 5,000,000		\$ 11,200,000
Public	\$ 23,580,000	Retail	\$ 2,400,000
		Infrastructure	\$ 4,000,000
Total	\$ 44,300,000		\$ 44,300,000

OPTION B			
Sources		Uses	
Private		Residential	\$ 3,100,000
	Debt \$ 41,880,000		\$ 14,600,000
	Equity \$ 5,000,000		\$ 5,600,000
Public	\$ 62,820,000	Retail	\$ 2,400,000
		Office	\$ 80,000,000
		Infrastructure	\$ 4,000,000
Total	\$ 109,700,000		\$ 109,700,000



# Financing Conclusions

- 60%/40% public private funding split
- Urban Village/residential focus will require significant public subsidies
- Anchor Campus contingent on landing significant anchor tenant

# Recommendations

- 12<sup>th</sup> Street Boulevard Enhancements
- 12<sup>th</sup> & Brooklyn Node
- Parks Master Plan
- Reimagining Paseo with gateway feature at 12<sup>th</sup>
- Financing options that feature public and/or nonprofit partnership



Explore both scenarios simultaneously

# 12<sup>th</sup> Street Heritage Technical Assistance Panel



**Presentation  
Panel Recommendations**

**March 1-2, 2017**