12th 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
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

12th 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

- 12th 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
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 12th Street as a mixed use corridor and true ‘boulevard’
- Access to downtown, transit and area workforce
- North/South connection between Independence Avenue and 18th 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
12th Street Boulevard Enhancements - improved streetscape from Paseo to Prospect with subsequent improvements to Oak Street – ultimately to promote a green connection to downtown

12th & Brooklyn Node – provide a civic space to reinforce the existing 12th 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

- 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 12th St – Paseo is a powerful edge to the District with the option for a gateway entry feature at 12th and Paseo to be explored.
Examples

12th Street Mixed Use

12th & Brooklyn Civic Space
Scenario 1, Urban Village

- Reinforce neighborhood cultural 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
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. ($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

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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

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

Explore both scenarios simultaneously.
12th Street Heritage Technical Assistance Panel

Presentation
Panel Recommendations
March 1-2, 2017