



TECHNICAL ASSISTANCE PANEL REPORT

Twelfth Street Heritage

KANSAS CITY, MO

SPONSORED BY:
TWELFTH STREET HERITAGE DEVELOPMENT CORPORATION
& ECONOMIC DEVELOPMENT CORPORATION OF KANSAS CITY, MISSOURI

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Urban Land **Kansas City**
Institute

ABOUT ULI KANSAS CITY

ULI Kansas City is a district council of the Urban Land Institute (ULI), a non-profit education and research organization supported by its members. Founded in 1936, the Institute today has nearly 40,000 members worldwide representing the entire spectrum of land use planning and real estate development disciplines working in private enterprise and public service. As the pre-eminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better communities.

ULI's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI Kansas City carries out the ULI mission locally by sharing best practices, building consensus, and advancing solutions through educational programs and community outreach initiatives.

ABOUT THE TECHNICAL ASSISTANCE PANEL (TAP) PROGRAM

The objective of ULI Kansas City's Technical Assistance Panel (TAP) program is to provide expert, multidisciplinary, and objective advice on land use and real estate issues facing public agencies and nonprofit organizations in the region. Drawing from its extensive membership base, ULI Kansas City conducts one and one-half day panels offering objective and responsible advice to local decision-makers on a wide variety of land use and real estate issues, ranging from site-specific projects to public policy questions. The TAP program is intentionally flexible to provide a customized approach to specific land use and real estate issues. Learn more at <http://kansascity.uli.org/get-involved/uli-action/>.

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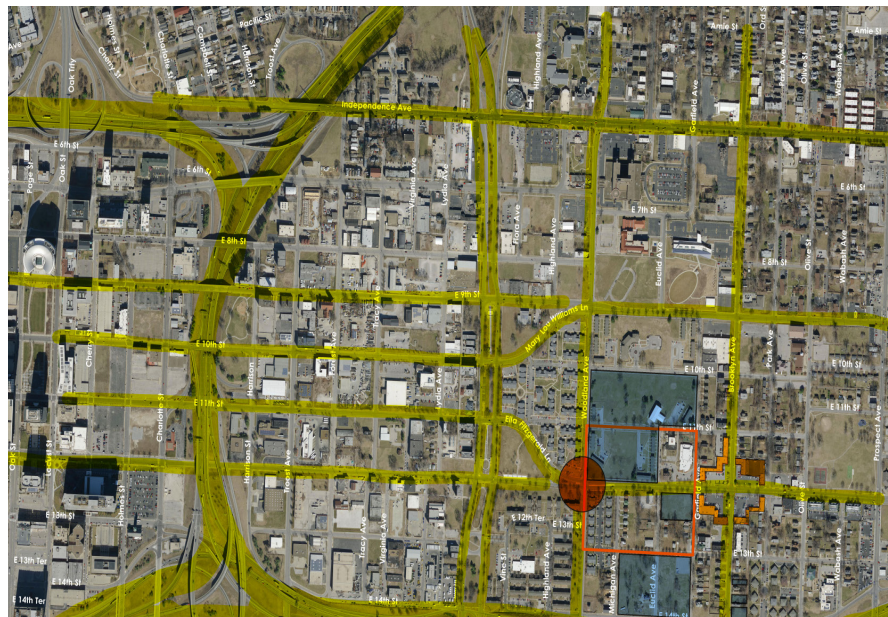
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Executive Summary

Aerial view of the study area with redevelopment areas noted in blue, key intersections in red and orange, and the circulation to/through the area marked in yellow.



The neighborhood surrounding Kansas City’s 12th Street Boulevard, running east and west from the Paseo to Brooklyn Avenue, enjoys a rich cultural heritage, strong community leadership, and the presence of public partners who are deeply invested in the neighborhood.

Yet, in the face of these resources, a drive through the area uncovers numerous vacant lots scattered throughout the neighborhood. In specific sections of the neighborhood, larger tracts of land – as large as one-half of a city block – sit vacant. This vacancy, while at first blush appears to be a concern for the health and vitality of the neighborhood, has instead become an asset as city agencies and community leaders work together to create a development plan for the assembled land.

On March 1-2, 2017, a panel of ULI Kansas City members set out to address certain development and land use questions relating to a 2.5 block area within the greater context of the 12th Street corridor, one mile east of downtown

Kansas City, east of The Paseo, and just west of the intersection of 12th Street and Brooklyn Avenue.

The goal of the assembled ULI members, together forming a Technical Assistance Panel (TAP), was to answer specific development questions posed by the Twelfth Street Heritage Development Corporation and the Kansas City Economic Development Corporation (EDC), together comprising the Sponsor entity of the TAP. The questions covered such items as the potential market for housing in the neighborhood, the urban design that might best allow for an influx of new building while maintaining transit access, walkability, and connectedness, and how any development recommendations might be financed.

Through the course of studying the development site and the surrounding neighborhood, the TAP Panel arrived at two primary development directives for the Sponsor's consideration, one relying heavily on an infusion of mixed-density housing and mixed-use commercial and the other pursuing an anchor campus configuration. In addition to these two key recommendations, the Panel also strongly encouraged the Sponsor to incorporate a set of foundational recommendations addressing items such as street improvements, park improvements, and steps for improving the experience of those living in and visiting the neighborhood. The details of these recommendations, including urban design configurations and financing scenarios, may be found on the following pages.



ULI Panelists discuss the ideas around the development directives.

Background & Scope



Aerial map showing the key redevelopment area and the surrounding neighborhood context.

Rich in cultural history and located within one mile of downtown Kansas City, Missouri, the area once known as “Forgotten Homes” is today working toward urban revitalization under the guidance of the Twelfth Street Heritage Development Corporation.

The Twelfth Street Heritage area is roughly bounded by Interstate 70 to the south, The Paseo to the west, Park Avenue to the east, and 9th Street to the north (the District). Single-family and multi-family housing dot the landscape, often interrupted by vacant lots. Commercial businesses thrive at the corner of 12th Street and Brooklyn. Parks serve as bookends to the neighborhood to the east and west. The TAP study area, wholly within the Twelfth Street Heritage

area, is bounded by 13th Street to the south, Woodland Avenue to the west, 11th Street to the north, and Garfield Avenue to the east,

Given this mix of land uses, ownership structures, and a desire for a vision to help shape future development for the District, the Twelfth Street Heritage Development Corporation, together with the Economic Development Corporation of Kansas City (EDC), approached ULI Kansas City for assistance in studying the area and answering the following questions relating to current and future land use.

QUESTIONS TO BE ANSWERED BY THE PANEL

1. Market: What is the market for new market-rate single-family housing in this neighborhood in terms of cost/price parameters, housing formats, absorption, etc.?
2. Design: 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? How best to respond to new BRT service in the corridor? How to improve walkability and connectedness with/in the surrounding area?
3. Financing structures and tools: What are some unconventional sources of financing and proposed deal-structures that can help offset possible financial feasibility gaps?

THE PROCESS

Prior to the TAP work session, the Panel was provided with a host of background information relating to the study area – including a brief history of the settling of the District and its emergence as a predominately African American community, current demographics, strategic initiatives relating to the study area, transit information and traffic counts, and maps.

On the first day of the TAP, the Panel was given a tour of the study area, narrated by Dwayne Williams of the Twelfth Street Heritage Development Corporation and Greg Flisram of the Economic Development Corporation of Kansas City. The tour was followed by a series of interviews with key stakeholders in the area – business owners, nonprofit service providers, public agencies, and engaged civic leaders – providing the Panel with additional information and the opportunity to ask questions of the stakeholders.

Environmental Scan & Key Themes



Map noting owner occupation of homes within the study area and immediate neighborhood.

ENVIRONMENTAL SCAN

The Panel surveyed the study area through the briefing materials, via the tour, and through the stakeholder interviews. Through this environmental scan, several key characteristics of the District emerged.

Land Assembly

At the Sponsor's request, the Panel was asked to focus specifically on the roughly three-block area bounded by 11th Street, Garfield Avenue, 13th Street and Woodland Avenue. Within this area, there is significant opportunity for development given that much of the vacant land in the subject area is currently

held by the City of Kansas City and Mr. Ollie Gates, a leader in the community, business man, and Twelfth Street Heritage Corporation board member. This prior land assembly, and the associated interest by the property owners in seeing new development come to the neighborhood, positions the area nicely for development.

Willing & Welcoming Neighbors, Partners

The study area benefits from active and engaged business owners, a committed community development corporation, and a wide range of community service providers and nonprofit organizations. Representatives from each of these sectors expressed an interest in seeing development in the area take hold. Stakeholders and the Panel also discussed the need to preserve residential and commercial access for current residents and, ideally, to provide a mechanism for upward mobility for this existing population as well.

Social Services

The District benefits from a strong network of social services for residents in the 12th Street corridor and surrounding neighborhood. For example, early educational opportunities and family support services can be found at United Inner City Services. Samuel Rodgers Health Center provides a wide range of preventative, dental, and clinical healthcare services to the community. The Housing Authority of Kansas City, Missouri, provides affordable housing and senior housing options in the District.

Retail Services

A small commercial node at the intersection of 12th Street and Brooklyn is thriving, offering such items as Gates Bar-B-Q, a clothing boutique, nail and hair salons, and a small market carrying a limited number of grocery items. All storefronts in this small commercial plaza are occupied. Beyond this intersection, however, limited commercial services may be found within a 10-minute walk; it was noted several times that many residents of the District do not own a personal vehicle and rely on public transportation and walking during shopping excursions.

Street Grid & Transportation

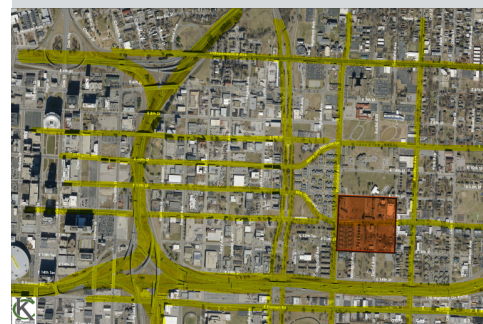
Bisecting the District east and west, is 12th Street, the only east-west street that runs continuously through Kansas City's city limits. With 12th Street, The Paseo, and Independence Avenue serving residents and businesses within the District, the connectivity to the broader community is notable. On the other hand, there are several streets within the District that have been physically disconnected from the historic street grid, thus interrupting vehicular mobility within the District.



Gates Plaza provides the only commercial space and retail services in the immediate area.



The Painted Ladies represent relatively new construction homeownership opportunities in the neighborhood.



The study area is easily accessed by car and public transportation.



The Rector House is a landmark for the neighborhood; fundraising is underway to renovate the building.



Public housing is prevalent in the area.

While some residents in the District maintain a personal vehicle, a significant number of others rely heavily on public transportation. In 2019, the District will be served by the Prospect MAX bus system, which features more frequent service and fewer stops than traditional bus routes. Until then, many individuals and families walk to school, employment, church, or the store.

Cultural Heritage

As a part of the larger Vine Street District, the historic epicenter of African American life in Kansas City, the history of the study area is rich, and the enduring cultural legacy should be honored. The District is located in one of four broader neighborhoods that were designated for black residents of Kansas City during the Jim Crow era. As such, it became the home of generations of African Americans who lived, worked, and played in the District because the law forbade them to do so anywhere else in town. Historical figures such as Sarah Rector – Kansas City’s first black female millionaire – and contemporary leaders such as Ollie Gates continue to shape the identity of the area and influence its future.

KEY THEMES

Key themes began to take shape through the course of the Panel’s environmental scan. These themes established the foundation upon which the Panel shaped its recommendations.

Housing

Given the current quantity of public housing in the area, there is a desire and perhaps a new market for both affordable and market-rate housing in the District. Providing a better range of housing configurations and price points – and also providing opportunities for home ownership – will play a key role in promoting upward mobility in the residents of the area. Market-rate housing may also help attract new residents to the District, which will help support existing and new commercial services in the area and increase the vitality of the District.

Commercial

Nearly every stakeholder interviewed voiced a desire for additional commercial and retail services. With little to no office space available in the District, entrepreneurs and small business start-ups must pursue options in other parts of the City, setting up shop in and supporting the economic engines of other neighborhoods. Limited grocery items may be found at the mini-market at Gates Plaza, yet many lament the lack of broader grocery shopping opportunities. Interviewees also noted that sandwich shops, a hardware store, and additional clothing retailers were key items missing from

the neighborhood. Given the fact that the only commercial spaces available in the District are completely leased, there seems to be a viable opportunity to include commercial uses in any new development here.

Mixed-use Corridor

Today, 12th Street is a boulevard in name only and would benefit from the incorporation of key ‘Boulevard’ characteristics. Such improvements might include, for example, two-way traffic (12th Street is currently one-way, traveling east), traffic calming devices to slow vehicular traffic and increase pedestrian and bicyclists’ safety, and landscaping to enhance the experience of everyone – pedestrians, bicyclists, transit riders, and automotive drivers – moving along the boulevard.

In much the same way, encouraging a mix of uses along 12th Street would also improve the experience of residents and guests moving through the District. A true mixed-use corridor, blending commercial office, retail, and residential uses (with residential placed above the commercial space, on a second or third floor), would meet residential and commercial needs while also creating a compelling walkable boulevard that might encourage people to stroll, shop, and linger, yet another mechanism for enhancing the vitality of the District.

Access to Downtown, Transit & Area Workforce

From the intersection of 12th Street and Brooklyn Avenue, downtown Kansas City is one mile to the west – a 20-minute walk, 7-minute bike ride or 3-minute car ride. This proximity to downtown and access to the employment opportunities it represents, makes living in the study area attractive. Likewise, access to existing and future public transit options throughout the District makes moving around the study area and connecting to the broader Kansas City metro convenient. Finally, for employers and businesses considering moving to Kansas City, access to the workforce living in and around the study area is also noteworthy.

North/South Connection

The District’s location equidistant between Independence Avenue and 18th Street supports the connections between city neighborhoods and helps reduce any perceived gap in the urban fabric of the City.

People First

Finally, the theme of putting people first permeated TAP discussions. In a city that has experienced gentrification, racial segregation, and displacement, any future development in this historically black neighborhood should support the existing residents and provide opportunities for people at a variety of income levels and demographics to participate in the neighborhood.

Assumptions & Market Trends

ASSUMPTIONS

In drafting and detailing the ensuing recommendations, the Panel was presented with the following assumptions. These assumptions are based on the Sponsor's previous conversations and agreements with stakeholders in the study area and form the foundation on which the TAP recommendations were made.

1. Assembling land for new development will not be a hurdle for a developer as the subject properties are currently owned by willing and cooperative landowners, namely the City of Kansas City, Missouri, and Ollie Gates, both of whom have voiced strong support for new development.
2. The Housing Authority of Kansas City, Missouri, is willing to entertain alternative housing options for any new construction on the former Wayne Minor housing development at the northeast corner of 12th Street and Woodland Avenue. (At one time, replacement housing was required to provide the same number of units as that of the building being replaced.)
3. There is a desire in the neighborhood to promote a mixed-income community in future development efforts. In a neighborhood populated by a large number of low-income households, business owners and community leaders recognize that the future success of the neighborhood is dependent upon an infusion of market-rate housing, which should attract new middle-income residents to the area.

MARKET TRENDS

There are several contemporary market trends today that may assist in attracting new residents and businesses to any new development in the study area.

1. Cities, downtowns, and urban neighborhoods are experiencing a rise in popularity as younger generations are choosing to live in dense areas

with easy access to employment, retail, and entertainment options. These same populations are also renting housing, delaying home ownership, and living car-free at a rate not seen in previous generations. These trends – urban living, rental preferences, and reliance on alternative transportation – positions the District as a viable location for additional housing proximate to downtown.

2. For those wishing to pursue it, home ownership is more accessible today than in recent years. While lending standards tightened considerably following the 2008 recession, creative, yet fiscally responsible financing opportunities now exist that may help encourage those who wish to build equity via home ownership. These mechanisms might include owner-occupied multi-family units wherein the homeowner lives in one unit and rents the other unit(s) to generate income and help meet the mortgage requirements of the full property. There are also renter equity programs wherein individuals or families renting a unit in a multi-family building sign a longer-term lease and agree to manage certain maintenance activities for the building. In exchange for work performed, the building owner sets aside a percentage of the renter's monthly payment in a savings account that can then be applied to a larger unit, when the renter is ready to move, or may be taken with the renter, should he/she choose to seek housing elsewhere.
3. Lastly, today's renewed interest in and support of entrepreneurship and small business ownership combine to create a potential demand in the District for small office and/or 'maker' space. It should also be noted here that recent immigrants frequently establish small businesses in the communities in which they settle. The District has a strong immigrant population who might benefit from an influx of new and/or additional options for commercial space.

Recommendations

DEVELOPMENT OPTIONS CONSIDERED BY THE PANEL

The Panel considered a variety of options for development in the study area – options that would address current residents’ concerns, meet the articulated needs of community leaders, and provide a financially responsible opportunity for a potential developer. These options included:

- **Market-rate housing** in the form of single-family, multi-family (duplex, triplex), and townhouse options. Building on a number of the District’s vacant lots, and filling in the gaps found within the blocks, would help restore the urban fabric of the neighborhood and provide new opportunities for market-rate housing.
- **Additional commercial services**, such as a grocery store and a hardware store, warranted close study by the Panel. Focusing solely on providing additional commercial services, however, would not address the vacant lots in residential areas and would not meet the need for additional mixed-income housing.
- While **signature park improvements** were not specifically requested by community leaders or stakeholders, the proximity of Prospect Plaza Park and Goin’ to KC Park made an impression on the Panel. Each park can play an important role in enhancing the residents’ enjoyment of the neighborhood and in creating a new or improved identity or brand for the neighborhood.
- **Attracting an anchor campus to the District** might be a viable alternative. Stepping outside the bounds of the neighborhood’s articulated concerns and ideas, the Panel took time to consider attracting a large employer to the District. This large employer, taking the form of an anchor business with a multi-building footprint, could significantly shape the future of the District.

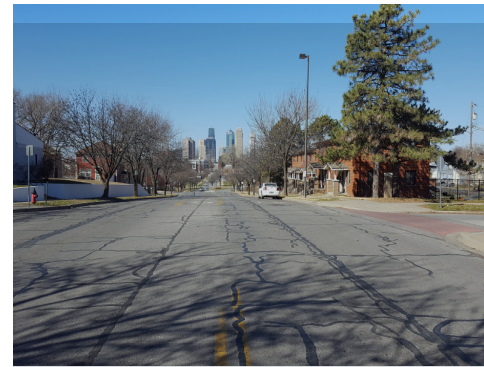
With these options on the table, the Panel evaluated each individually and ultimately set forth a framework for addressing two primary development options. At the same time, the Panel articulated certain foundational recommendations that should be addressed regardless of the development option pursued.

FOUNDATIONAL RECOMMENDATIONS

The Panel articulated four key foundational recommendations that should be incorporated into any future development.

- 1. 12th Street Boulevard Enhancements.** Attention should be placed on improving the streetscape along 12th Street from The Paseo to Prospect Avenue with subsequent improvements to Oak Street. Infrastructure improvements, including allowing for two-way vehicular traffic and street parking, and landscaping improvements, such as street trees and benches, will improve the experience along the corridor, turn 12th Street into a Boulevard as was envisioned, and ultimately promote a greener connection to downtown.
- 2. 12th & Brooklyn Node.** The importance of this intersection is clear – it is the location of the only shopping destination for area residents and it is an intersection of two key thoroughfares on the eastern side of the City. A civic space should be created around this intersection to help reinforce the existing 12th and Brooklyn commercial node. The civic space should include significant pedestrian amenities, patios, or other outdoor seating options for Plaza businesses, and provide for the closure of the streets via bollards for special events. These improvements will acknowledge the significance of this intersection as an existing community gathering spot, entice new visitors to the area, and support these uses and more with additional defined design and amenities.
- 3. Parks Master Plan.** Bordered by Prospect Plaza Park to the east and Goin’ to KC Park to the west, the District has enviable open space opportunities. Goin’ to KC Park, while interesting and inventive when viewed from an airplane, offers little in the way of structured recreation, lacking any play equipment, ball fields, or park benches. Prospect Plaza Park, on the other hand, does provide recreational facilities, yet the facilities are old and do not cater to contemporary sports. A new master plan for each park, complete with community programming options, should be drafted in coordination with new Community Improvement District plans currently underway for the 12th Street corridor.
- 4. Reimagining Paseo with Gateway Feature at 12th Street.** The Paseo, the signature boulevard of Kansas City’s Parks and Boulevard system, creates a beautiful and powerful edge to the District. As such, there is an interesting opportunity to leverage and extend the beauty of The Paseo by creating a gateway or entry feature at 12th and Paseo that would help connect and pull people into the neighborhood.

Building on the four foundational recommendations, the Panel envisioned the following two development scenarios, both of which will bring additional housing and commercial opportunities to the area.

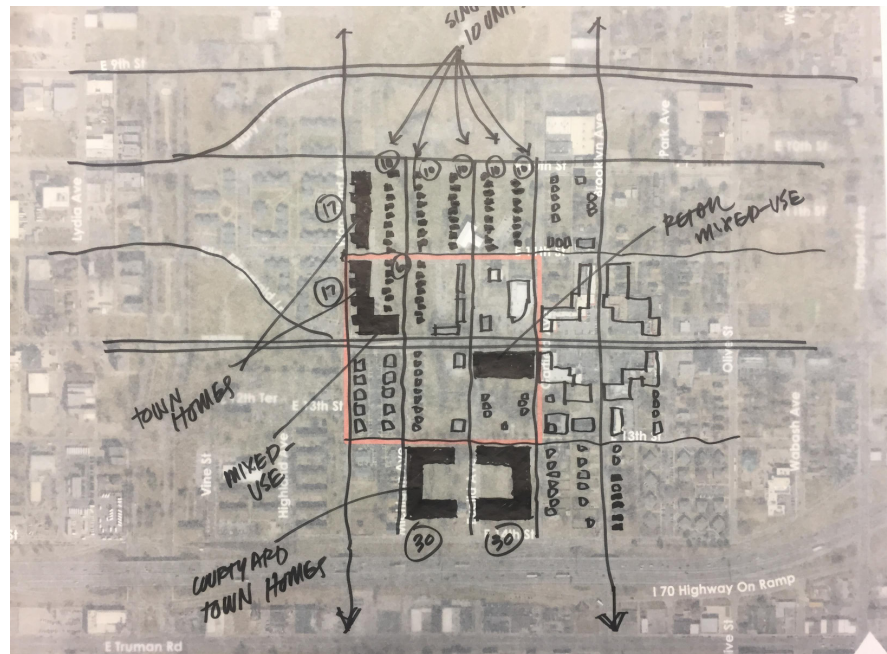


Standing on 12th Street looking west, downtown is visible, just one mile away.



The neighborhood is bordered by parks in need of updating.

The Urban Village scenario introduces townhomes, additional single-family homes, and mixed-use commercial to the development site.



SCENARIO 1 – THE URBAN VILLAGE

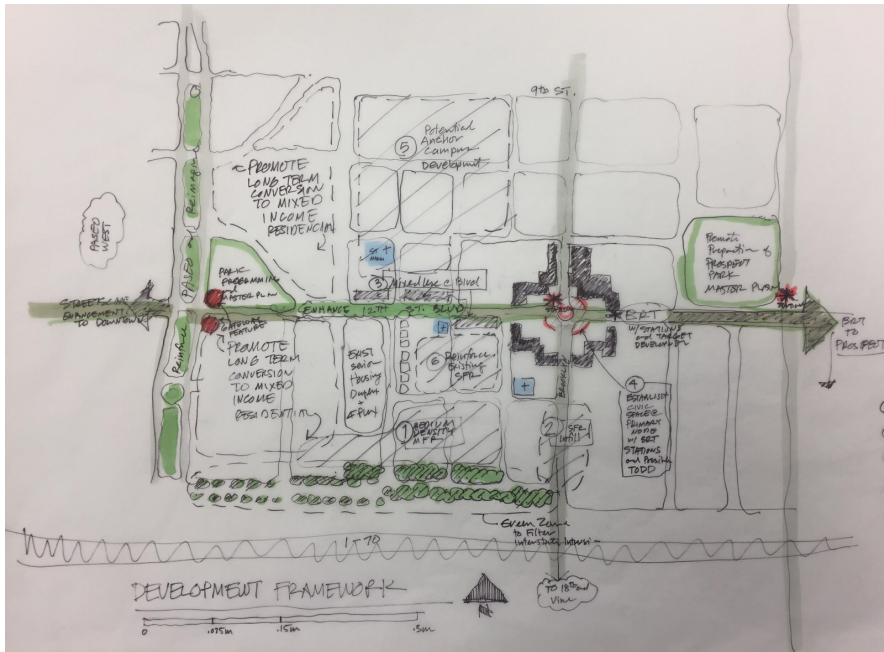
Development Scenario 1, an Urban Village concept, focuses on the 12th Street corridor, with the intersection of 12th and Garfield as the initial development node and building west incrementally, providing new housing and commercial opportunities as the market demands. New two- and three-story buildings along 12th Street would feature commercial uses on the first floor (either office or retail) and residential spaces on the second and, where existing, third floors. This mix of uses will create additional foot traffic along the boulevard, which should help support the existing retail businesses at Gates Plaza and leverage the commercial momentum currently in place at Gates Plaza.

Moving west toward Euclid and Woodland avenues, the land along the northern side of 12th Street would likewise be developed with two- and three-story mixed-use buildings. Within that block, however, between 12th and 11th streets, moving north from the boulevard, a mix of residential housing options should be built. Housing here would feature townhomes along Woodland Avenue and new single-family homes along a reinstated Michigan Avenue. (Michigan Avenue currently ends at 12th Street. In an effort to reconnect the street grid, the Panel recommends that Michigan Avenue continue north to 10th Street.)

The incremental nature of this development approach would provide ultimate flexibility for the developer and community partners, allowing for changing uses, space configurations, and building heights as the market demands.

Financing for the Urban Village development approach benefits from the diversified nature of the mix of building types and sizes and may therefore be easier to secure than a larger financing package. The incremental nature of this approach may also be attractive to developers as it involves a much lower and limited risk pattern.

The Urban Village approach reinforces the existing cultural and social patterns of the neighborhood, and the scale of the contemplated new development is compatible with expectations of the community and marketplace.



The Anchor Campus scenario is shown within the context of the recommended, broader development framework.

SCENARIO 2 – ANCHOR CAMPUS

The second development scenario envisions the addition of a large corporate or institutional campus to the neighborhood. Configured to fit within the three-block subject area, the anchor campus approach could provide the District with a significant economic development infusion in one bold move. The pre-assembled nature of the land under consideration increases the marketability of the property as a potential new regional economic development opportunity.

The configuration of an anchor campus could fit nicely into the near-vacant land north of 12th Street and bordered by Euclid Avenue, Woodland Avenue, and 10th Street. Configuration of the buildings is highly flexible, yet the Panel envisioned a segmentation into three individual buildings, close together, providing free and easy movement of employees and visitors between buildings on the campus.

A development of this nature has the potential to leverage the residential surroundings and create a strong employment base for the neighborhood. This potential could also extend beyond the campus, into other commercial ventures in the District, to businesses seeking to benefit from the employee traffic at the campus.

With economic development and transit initiatives underway in neighborhoods close to and surrounding the study area, the presence of a development opportunity such as this, pre-assembled land adjacent to downtown, is compelling and may be of great interest to the development community.

Financing

The financing considerations for the two development approaches rely on the presence of a strong public/private partnership as market forces make pure market-rate development in the study area difficult to finance. Working under that assumption, the Panel detailed the following financing structures for each of the development scenarios. Each option includes financing scenarios for the mix of uses envisioned, varying in scope as dictated by the respective development scenario.

CAPITAL STACK

Private debt for either development scenario should include a mix of both debt and equity financing, with the equity portion represented by the contribution of the land by the development entity.

Again, public financing will play a critical role in the financial feasibility of any significant development in the study area. City funding, including Community Development Block Grants and/or Public Improvements Advisory Committee (PIAC) funds, can help lay the foundation for public funding; additional funding mechanisms like New Markets Tax Credits, funding partnerships with the Housing Authority, and/or CDFI entities like LISC and AltCap, can help close the financing gaps.

SCENARIO 1 – URBAN VILLAGE

DEVELOPMENT TEMPLATE

This development approach focuses on the influx of significant residential units in the study area.

Housing	Single-Family	Townhomes	Multifamily
	<ul style="list-style-type: none"> • 71 units • each encompassing approximately 1,500 square feet 	<ul style="list-style-type: none"> • 85 units • ranging in size from 1,250-1,400 square feet 	<ul style="list-style-type: none"> • 64 total units – 48 units with 1 bedroom, 16 units with 2 bedrooms (Rents \$650/\$895)
Retail	Mixed-Use		
	<ul style="list-style-type: none"> • 24,000 square feet (Rent \$10/sf) 		

DEVELOPMENT COSTS

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.)
Infrastructure		\$4,000,000	

HIGH LEVEL SOURCES & USES

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

SCENARIO 2 – ANCHOR CAMPUS

DEVELOPMENT TEMPLATE

This development approach focuses on building one or more large office buildings and using the remaining land for additional residential units in the study area.

	Single-Family	Townhomes	Multifamily
Housing	<ul style="list-style-type: none"> • 15 units • each encompassing approximately 1,500 square feet 	<ul style="list-style-type: none"> • 77 units • ranging in size from 1,250-1,400 square feet 	<ul style="list-style-type: none"> • 32 total units – 24 units with 1 bedroom, 8 units with 2 bedrooms (Rents \$650/\$895)
Retail & Mixed Use	<ul style="list-style-type: none"> • 12,000 square feet (Rent \$10/sf) 		
Office	<ul style="list-style-type: none"> • 400,000 square feet (Rent \$10/sf) 		

DEVELOPMENT COSTS

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.)
Infrastructure		\$4,000,000	

HIGH LEVEL SOURCES & USES

SOURCES

Private	Debt	\$41,880,000
	Equity	\$5,000,000
Public		\$62,820,000
Total		\$109,700,000

USES

Residential	\$3,100,000
	\$14,600,000
	\$5,600,000
Retail	\$2,400,000
Office	\$80,000,000
Infrastructure	\$4,000,000
Total	\$109,700,000

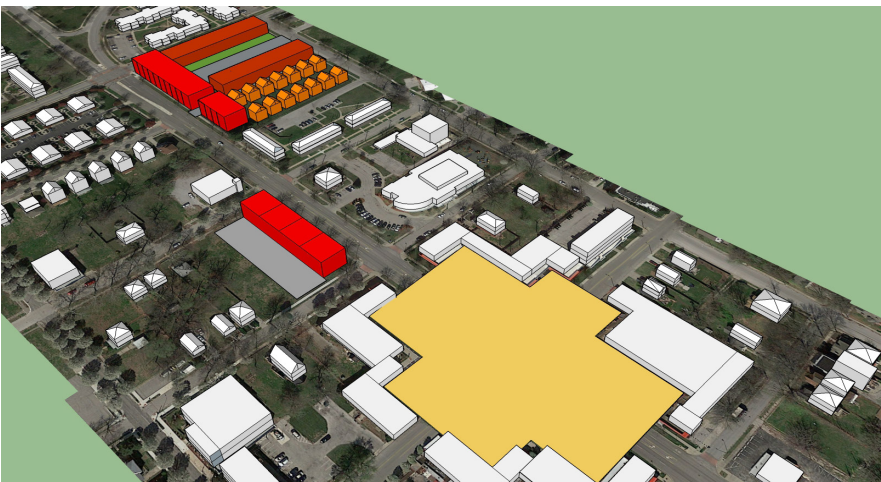


3D modeling of the Urban Village scenario in relation to existing residential and commercial buildings, the latter of which surround the proposed expanded civic plaza at Gates Plaza.

FINANCING CONCLUSIONS

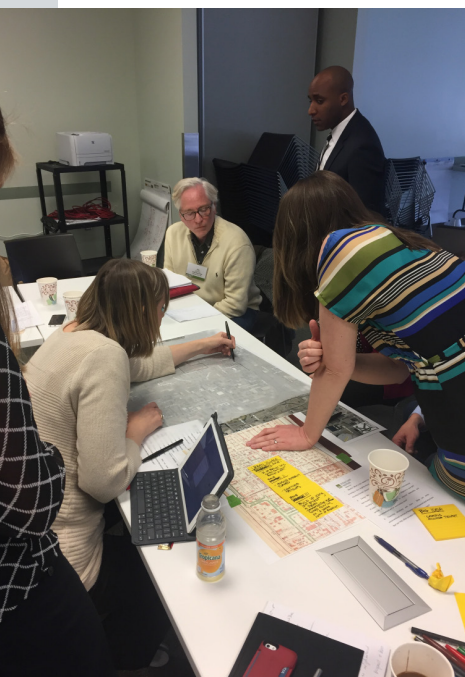
Development in the study area will likely require active participation from both the public and the private sectors at an estimated 60% / 40% rate, respectively. The Urban Village scenario, with its focus on a considerable infusion of residential uses, will require significant public subsidies. On the other hand, the Anchor Campus, while not as reliant on public subsidies to close the gap, will be contingent on attracting a significant anchor tenant to the new development.

It should also be noted that the above financing scenarios are for high-level discussion purposes only. Significant study and cost engineering will go into any professional development proposal and is expected to vary from the scenarios outlined here.



Additional 3D modeling of the Urban Village scenario in relation to existing residential and commercial buildings.

Conclusion



Rich in cultural history, proximate to downtown Kansas City, and enjoying the benefit of cooperative and thoughtful property owners, the 12th Street study area is poised for redevelopment. To bring development to life, the Sponsor is encouraged to pursue the following key recommendations.

Embrace the Boulevard. The 12th Street corridor should be treated as a “Boulevard” and the traffic flow should be revised to provide for both east and west travel. Streetscape improvements – sidewalks, lighting, and landscaping – will support the Boulevard nature of the corridor and enhance the transportation experience for residents and visitors. Similarly, the entrance to the corridor from The Paseo should be reimagined as a gateway to the neighborhood, providing residents and visitors with a sense of place.

Enhance Civic Spaces. The intersection of 12th Street and Brooklyn Avenue is surrounded by thriving businesses and is an organic community gathering space. By adding plaza amenities such as broader sidewalks, patio seating, and traffic-calming devices, visitors to the businesses might be encouraged to linger, connect with one another, and thereby further enhance the economic vitality of this commercial plaza.

Refresh the Parks. Bordered by two city parks – Prospect Plaza Park and Goin’ to KC Park – the District has great recreation potential. These community assets need to be updated, furnished, and programmed to meet contemporary sport and recreation needs. Both parks should be added to the City’s Parks Master Plan.

Plan for a P3. The success of either development approach – the urban village or anchor campus – will hinge on financing options that feature public/private partnership (P3). Increasingly more common, a P3 approach adds a layer of complexity to the development process that must be anticipated and planned.

Pursue Both Development Options Simultaneously. The Sponsor should explore both development scenarios simultaneously. This two-pronged approach will help ensure that the area is positioned and ready for development when an opportunity for either scenario arises.

Panelists



Quinton Lucas, Co-Chair

City of Kansas City, MO

Councilman Quinton Lucas represents the Third District at-large. For the 2015-2019 council term, Mayor Sly James has appointed Lucas to serve as Chairman of the Housing Committee. In addition, Lucas serves as a member of the following committees: Neighborhoods and Public Safety; Planning, Zoning and Economic Development; Transportation and Infrastructure; Airport.

The youngest current council member, Quinton was born at Kansas City's Truman Medical Center in the 1980s and spent most of his youth residing in the city's urban core with his mother and two older sisters. He obtained academic scholarships to attend the Barstow School in South Kansas City and later earned an undergraduate degree from Washington University and a law degree from Cornell University.

Ashley Sadowski, Co-Chair

Odimo

Ashley is a licensed architect with diverse experience in architecture, urban design, and community development. From ULI leadership to the management of urban infill projects, she has extensive experience working with Kansas City communities to develop long-term design solutions. Ashley is passionate about Kansas City and development in our urban core. Working in partnership with Code for America KC, Community Capital Fund, and UNI, she has developed web and mobile-based apps that aid communication between neighborhood leaders and streamline the acquisition of vacant properties. Ashley recently served as the Associate Director for AIA Kansas City and currently serves on the KCUR Generation Listen Leadership Council. Ashley is a graduate of the University of Kansas, School of Architecture, earned a Certification in Real Estate Development from NYU Schack Institute of Real Estate, and attended the Community Economic Development Workshop at the UMKC Bloch School of Management.

Erika Brice

Rector Development

Erika Brice is a Principal with Rector Development a social impact focused commercial real estate development and investment firm. She has 15 years of experience in various facets of the commercial real estate industry including asset management, community development, consulting, private equity investment and finance.

Ms. Brice has worked with over \$1.0B worth of multifamily, entertainment, retail, office, mixed use and hospital-ity properties nationwide. She has gained this experience with roles at companies such as UrbanAmerica, US Bank and NeighborWorks America. Passionate about the use of real estate development to improve under-served communities Erika has developed a specialty in public/private partnerships.

A native of Kansas City, Missouri, Erika is active in a number of boards including the Kansas City Public Employees Retirement System (pension fund), the Alt-Cap Advisory Board, Nile Valley Aquaponics Real Estate Executive Council, the Urban Land Institute and Generation Rap. She has also served on the board of directors for The Black Archives of Mid-America, Blue Hills Community Services and many other civic organizations.

Jason Swords

Sunflower Development

Jason and his family moved to Kansas City when he was in grade school. He grew up in the Overland Park area, and attended Business School at the University of Kansas. Immediately after graduating, Jason began working for a local entertainment company, with several venues in downtown Kansas City. In 2005, Jason decided to strike out on his own and pursue a career in real estate. Since then, Jason has lead Sunflower Development Group to become an award winning regional real estate development firm, which has participated in more than \$125 million in various development projects.

Ruben Alonso

AltCap

As President of AltCap, Ruben is responsible for the overall administration, management and ongoing development of the organization and its targeted lending activity as well as its small business and economic development programming. He has led the organization since 2007 overseeing its certification as a community development entity (CDE) and then as a community development financial institution (CDFI).

Rohn Grotenhuis

BNIM

Rohn Grotenhuis has more than 23 years of experience as an architect, during which he has touched all aspects of the profession, from design and project management, to contracts and staffing. Throughout his career, Rohn has won numerous awards as a designer. His work spans a variety of project types and scales, on all of which he maintains a focus on nurturing client relationships.

Dominique Davison

DRAW Architecture

Dominique founded DRAW in 2005 with the desire to explore the intersection between research, resourcefulness, and simple, clean forms. Her award-winning practice has been recognized regionally by the Mid-America Regional Council as a leader in sustainability and was named Firm of the Year by the American Institute of Architects Kansas City Chapter in 2014.

Dedicated to issues of social and environmental equity, Dominique endeavors to improve people's lives through inspired, resourceful design.

Audrey Navarro

Clemons Real Estate

As managing partner of Clemons Real Estate, Audrey oversees a team of brokers and as well as maintains an active role in acquisitions, redevelopment, strategic planning, and investment sales.

Prior to joining Clemons Real Estate, Audrey spent 12 years with Kessinger/Hunter & Co., a Cushman & Wakefield firm in Kansas City, as Director of Retail Brokerage. In her time with Kessinger/Hunter, she represented numerous ownership groups and national tenants, including Crown Center Redevelopment Corporation, Golfsmith, TBC Corporation, and Passco Companies. In 2011, Audrey played a key role in repositioning Crown Center as a premier family destination in the Midwest, with the addition of SeaLife Aquarium and Legoland Discovery Center.

Jim Scott

Scott Associates

James Scott is a registered architect and a nationally certified planner with a practice that focuses on urban regeneration to promote stable communities.

Scott Associates focuses on urban design, architectural design, redevelopment projects and comprehensive community development initiatives with nonprofit organizations. Jim founded the Applied Urban Research Institute, a nonprofit planning and urban development organization, and served as president for over a decade.

Katherine Carttar

City of Kansas City, MO

Katherine Carttar is a development specialist for the City of Kansas City, Missouri. She manages development and redevelopment projects in the urban core, such as the Choice Neighborhood Initiative along Independence Avenue and projects in the 18th & Vine Historic District.

Prior to her current position, Katherine served as an economic development analyst responsible for the implementation and coordination of the AdvanceKC Strategic Plan for economic development and as a Cookingham-Noll Management Fellow in Kansas City. Katherine's public sector career also includes a stint as the Development Manager at the American Jazz Museum in Kansas City, MO and over two years in the United States Peace Corps as an agriculture marketing specialist and project manager for a micro-finance organization. Katherine earned a bachelor's degree in economics and history from Boston College and a master's in public administration from the Edwin O. Stene School of Public Affairs and Administration at the University of Kansas.



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