

KC-CUR Implementation Strategy



KC-CUR Report Release

October 12, 2016

Dear Kansas City Community,

We the undersigned are very pleased to share the final report of the Kansas City Catalytic Urban Redevelopment (KC-CUR) initiative, a nine-month study to scale up the capacity and resources to implement transformative neighborhood revitalization within the Urban Neighborhood Initiative (UNI) area. In addition to the Executive Summary, we provide below some supplemental points that respond to the recommendations stated in the report, as well as our commitment to the implementation of the KC-CUR strategy.

1. THANK YOU!

For nine months, our consultant team reviewed previous plans and gathered extensive data while engaging hundreds of residents and community stakeholders in the research for KC-CUR. As outlined in the *KC-CUR Implementation Strategy Executive Summary*, this analysis was guided by five guiding principles that reflect the conditions and collective thoughts of those who live and work in the UNI. We are very grateful for the many conversations and the consensus built around the recommendations in the report. We believe that the data and objectivity of the research team combined with the community buy-in that has formed for this strategy provide a strong foundation to finally begin to bring decades of plans and dreams to life on the east side.

2. FOUR FOCUS AREAS

The report identifies three Priority Areas—in areas near Prospect, Troost and Ivanhoe. These three areas were selected through a systematic analysis that ranked the potential for additional investment to spark the real estate market, with consideration given to factors such as recent development activity, site availability, proximity to transportation, community leadership and support networks, and other market dynamics. In addition, the KC-CUR strategy will include the UNI's Purpose Built Community in the Wendell Phillips neighborhood. Together, these four areas are best positioned to receive targeted attention and investment from public, private and philanthropic partners in order to have the greatest positive impact for the community.

As detailed in the report, the Wendell Phillips area emerged as a priority for different, albeit equally promising reasons as the three Priority Areas. UNI is utilizing the Purpose Built Communities model in that neighborhood which focuses on producing new mixed-income housing; creating a cradle-to-college education continuum, which is well underway with the opening of the Kansas City Neighborhood Academy; and introducing community wellness (facilities, programs and services specific to the needs of the community) through multiple partnerships and initiatives throughout the neighborhood. Taken together, these four Priority Areas provide a compelling stage for focused, sustained investments to flourish and restore a strong market that can have a ripple effect and strengthen the prosperity for the entire UNI

area. More information about the Purpose Built Community strategy can be found at the end of this document and at <http://purposebuiltcommunities.org/>

3. UNI TO GUIDE DEVELOPMENT

In order to cultivate “*the capacity to champion, coordinate, support and/or implement a wide range of investments, activities, and collaborations,*” we support the UNI expanding its capacity to be the Implementation Delivery System for KC-CUR, with active support from the KC-CUR partners and other community stakeholders. We expect UNI to develop the capacity to function as a master developer, leading a range of redevelopment projects and complementary programs that build social capital and create safe places to live, work and play. UNI would serve in a variety of capacities such as project planning, coordination with related projects and programs, promotion, public engagement and project sponsorship. The addition of appropriate staff and organizational structure will enable UNI to meet several key thresholds necessary to accomplish the goals stated in the report. That includes building the talent and financial balance sheet that will enable the organization to acquire and transfer property for redevelopment, and to receive millions of dollars of competitively-distributed funding from local, state and national public and private sources. In addition to the reasons stated in the report, we believe that UNI is ideally positioned for this responsibility because of its commitment to partnering and collaborating with neighborhoods, as well as its relationships with business, civic, and community based organizations throughout the entire study area and city. Equally important is its unwavering commitment to resident-driven solutions and evolving neighborhoods of choice.

4. PUBLIC – PRIVATE – PHILANTHROPIC PARTNERSHIPS (P4)

The City of Kansas City, Missouri will remain an active partner and continue to coordinate across departments to target public investments and strategies that can be implemented in the four Priority Areas in tandem with the KC-CUR initiative. These may include public infrastructure improvements such as new sidewalks and street lighting, TIFs, Community Improvement Districts, land acquisition, and revision of any zoning that could incentivize development as reflected in the report’s revitalization scenarios. Greater Kansas City Local Initiatives Support Corporation (LISC) will take the lead in helping UNI to develop the capacity to implement the KC-CUR strategy. We envision that UNI will contract with LISC to provide technical assistance to develop the institutional tools and strategies, while providing immediate support to advancing projects and investments underway in the four Priority Areas. LISC will also take the lead in structuring, coordinating, fundraising and managing the \$25-\$40 million patient capital/equity fund described in the report. Building upon the success of LISC’s current \$4 million Catalytic Urban Predevelopment Fund and its P4 model, the new KC-CUR Fund will provide 0% project investments and low-interest loans to development projects within the UNI that meet a reasonable set of criteria and advance the principles of the KC-CUR implementation strategy.

Mid-America Regional Council and the Kansas City District Council of the Urban Land Institute will continue to actively support the KC-CUR initiative as members of the steering committee and by lending their respective expertise and networks in areas such as planning, transportation, community services, federal and state funding and real estate development. Together, UNI,

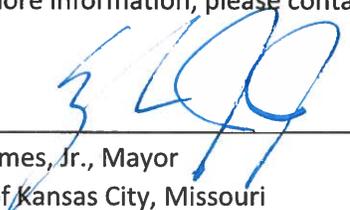
KCMO, LISC, and MARC will strengthen the potential for progress by building the business case to the private and philanthropic sectors for a return on their investment in projects throughout the KC-CUR focus areas. With the community's help, we will demonstrate the points of leverage and the value for comprehensive investment in the four Priority Areas that lift the People and the Place.

5. A COMMUNITY RESOURCE

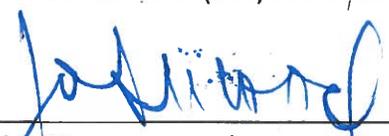
Residents and colleagues currently living and/or working in the UNI area should understand that the resources being coordinated for the KC-CUR strategy are available to everyone that qualifies and meets the eligibility criteria, not just the UNI organization or any other predetermined entity. Projects within the four Priority Areas that are consistent with the KC-CUR strategy, respond to community needs and are associated with development organizations that have a track-record of success and a financial standing to absorb reasonable market risk, are eligible for consideration of funding sources that may be developed for KC-CUR.

Over the next 100 days, UNI and LISC will be soliciting support from public, private and philanthropic partners to build the capacity for implementing the first phase of the KC-CUR strategy, as described on pages 59-61 of the report. That budget is currently being finalized, and a more detailed action plan is forthcoming. We look forward to achieving significant milestones for KC-CUR over the next 12 months. It takes a village, and we hope to nurture many partnerships to bring the community together to make significant progress in these focus areas. Those who currently live and work in the UNI now have the opportunity to be part of a coalition working to implement the short-term action steps identified in the report. We believe the desired outcomes can be attained with the right amount of coordination and collective advocacy. We are confident that the broader Kansas City community, east and west of Troost, will benefit from a healthy housing market and local economy in the UNI that puts people to work and sustains a safe and healthy neighborhood environment.

For more information, please contact the Urban Neighborhood Initiative at (816) 231-0822.



Sly James, Jr., Mayor
City of Kansas City, Missouri



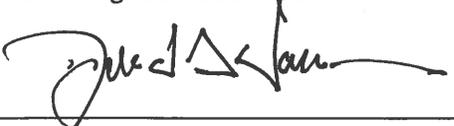
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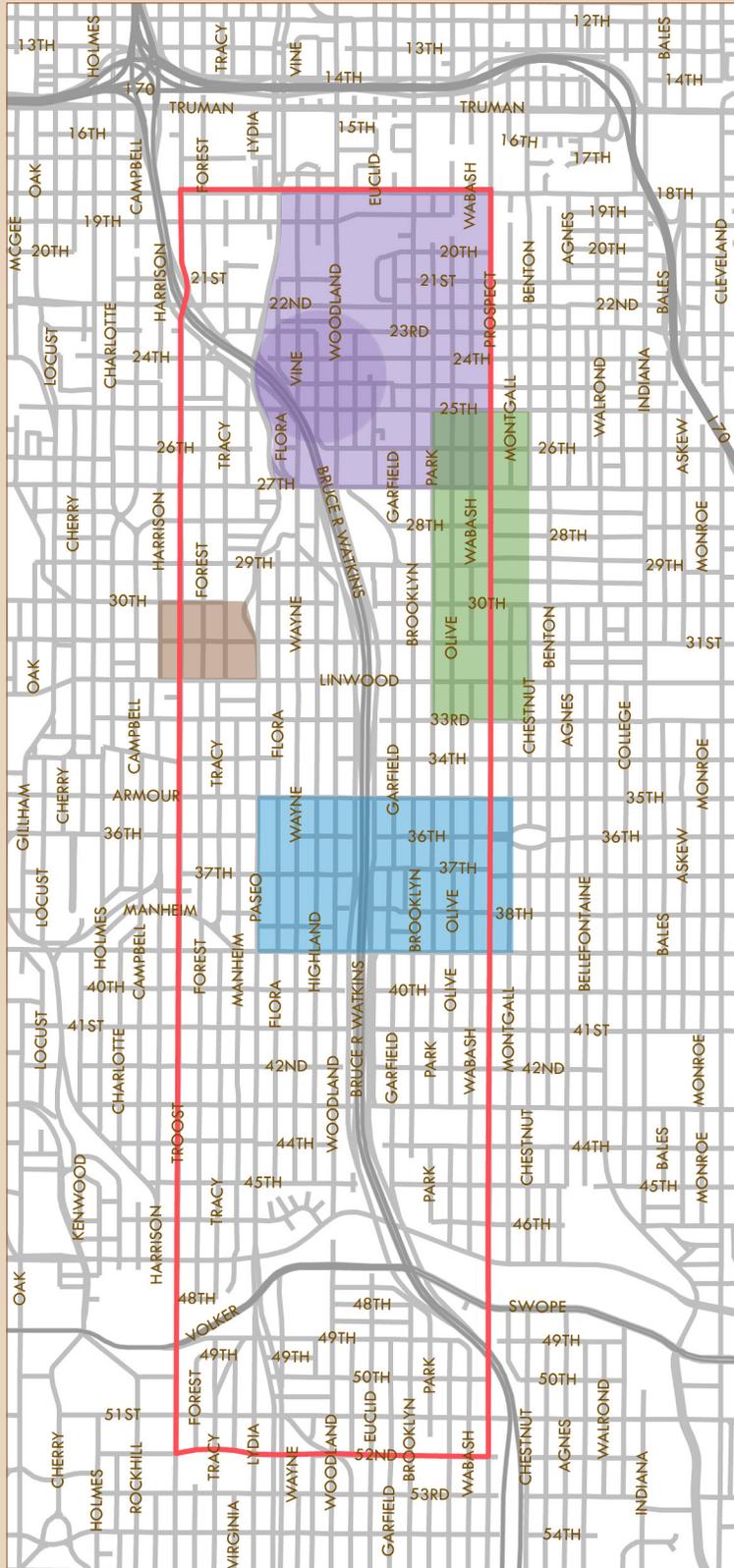
David Warm, Executive Director
Mid-America Regional Council



Lynn Carlton, Past Chair & ULI Trustee
KC District Council of Urban Land Institute

KC Catalytic Urban Redevelopment Strategy

Four Priority Areas within the UNI



PURPOSE BUILT COMMUNITY PRIORITY AREA

Paseo to Prospect,
18th to 27th

TROOST PRIORITY AREA

Harrison to Paseo,
30th to Linwood

PROSPECT PRIORITY AREA

Park to Chestnut,
25th to 33rd

IVANHOE PRIORITY AREA

Paseo to Montgall,
35th to 39th

UNI BOUNDARY

Troost to Prospect,
18th to 52nd

Wendell Phillips Neighborhood Priority Area Revitalization Overview

Purpose Built Communities



I. The Purpose Built Communities Model

PURPOSE BUILT COMMUNITIES HELPS LOCAL LEADERS TRANSFORM STRUGGLING NEIGHBORHOODS WITH A PROVEN MODEL TO BREAK THE CYCLE OF INTER-GENERATIONAL POVERTY IN URBAN AMERICA.

Purpose Built Communities is a non-profit consulting firm that works side by side with local leaders to plan and implement a holistic revitalization effort. Purpose Built services, provided at no charge, are tailored to each community's needs and dynamics of the neighborhood they are working to revitalize.

Partnering with a local a "community quarterback" organization focused on a defined neighborhood, Purpose Built Communities utilizes a three-pronged approach as their model for holistic people + place-based revitalization:

- **Mixed-Income Housing** — Create high-quality mixed-income housing where all residents can thrive.
- **Cradle-to-College Education** — Establish a seamless cradle-to-college education pipeline that ensures student growth, learning and achievement at every level.
- **Community Wellness** — Introduce community wellness programs and facilities that promote healthy living and productive lives

The Purpose Built Communities Model was pioneered in the East Lake neighborhood in Atlanta, starting in the mid-1990s. In 2009, Tom Cousins, Warren Buffett and Julian Robertson founded Purpose Built Communities as a pro-bono consulting firm to help local leaders replicate the success of the East Lake revitalization in other parts of the country. Former Atlanta Mayor Shirley Franklin serves as Executive Chair of the Board of Directors, leading an expert team of consultants with decades of experience.

East Lake Neighborhood THEN (1995)

There were 650 dilapidated, dangerous public housing apartment units.

The crime rate was 18 times higher than the national average.

The employment rate was only 13.5% and only 4% earned incomes over the poverty line.

59% of adults relied on welfare.

Only 5% of the fifth graders at the local elementary school were able to meet or exceed state standards for math.

Fewer than a third of the students in the neighborhood graduated from high school.

East Lake Neighborhood NOW

The Villages of East Lake is a beautiful and thriving, mixed-income community.

Violent crime has been reduced by 95%.

All adults receiving government housing assistance are working or in job training.

Only 5% of adults rely on welfare.

In 2013, 98% of Drew Charter School students (grades 3 to 8) meet or exceed state standards for reading and language arts and 98% meet or exceed state standards for math.

In 2012, the graduation rate for active participants in the East Lake Foundation's CREW Teens program was 90% and more than eight out of 10 grads went on to attend college.

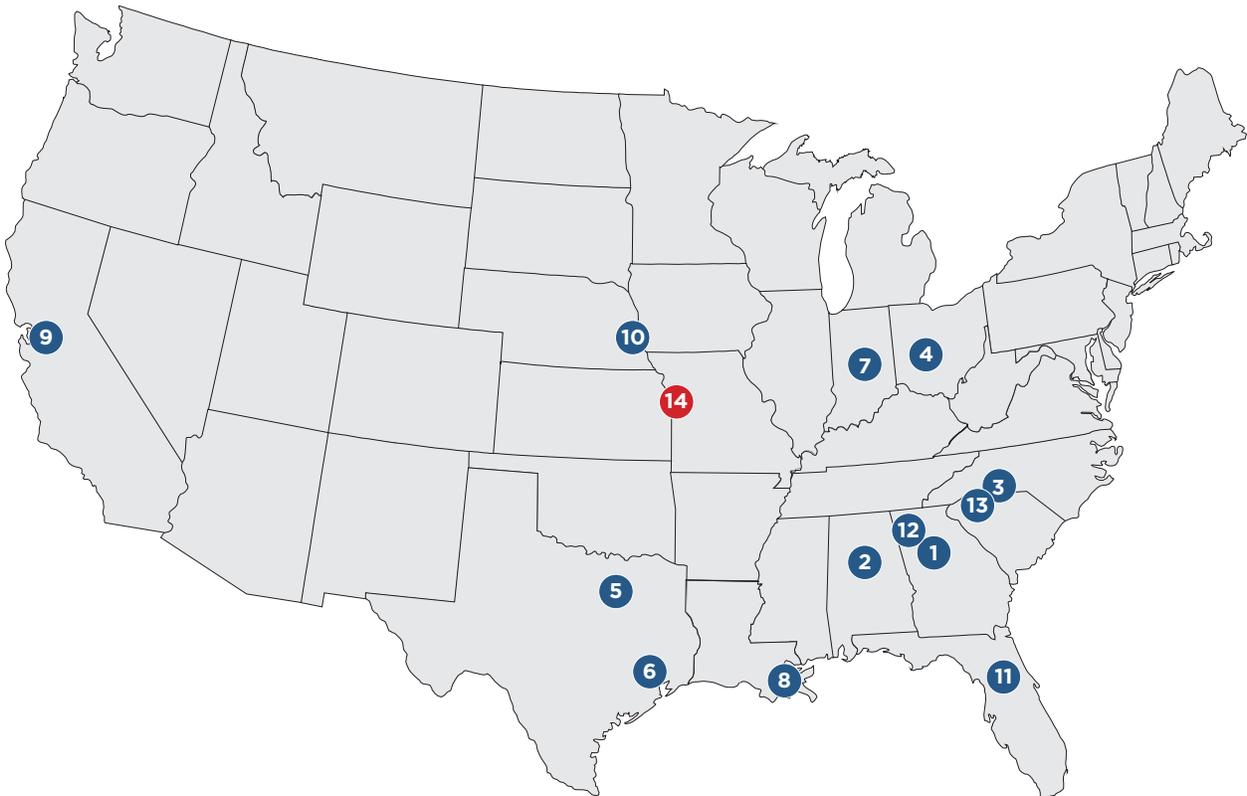
Residential and commercial investments:

- New grocery stores
- New bank branches
- New and more varied housing options
- Neighborhood retail and restaurants

II. Network Members

Purpose Built Communities Network Members create new possibilities for thousands of people across the country.

1. **Atlanta:** East Lake
2. **Birmingham:** Woodlawn United
3. **Charlotte:** Renaissance West Community Initiative
4. **Columbus:** Partners Achieving Community Transformation
5. **Fort Worth:** Renaissance Heights Development Group
6. **Houston:** CONNECT
7. **Indianapolis:** Meadows Community Foundation
8. **New Orleans:** Bayou District Foundation
9. **Oakland:** Castlemont Community
10. **Omaha:** Seventy Five North Revitalization, Inc.
11. **Orlando:** LIFT Orlando
12. **Rome:** South Rome Redevelopment Corporation
13. **Spartanburg:** Northside Development Group
14. **Kansas City:** Urban Neighborhood Initiative



THE PURPOSE BUILT COMMUNITIES MODEL FOR HOLISTIC REVITALIZATION CREATES PATHWAYS OUT OF POVERTY AND BUILDS STRONG, ECONOMICALLY DIVERSE COMMUNITIES.

III. The Urban Neighborhood Initiative

Purpose Built Community

The Urban Neighborhood Initiative (UNI) is an independent 501.c.3 dedicated to revitalizing neighborhoods in the urban core to help establish a more vibrant Kansas City community. It evolved as one of the Greater Kansas City Chamber’s “Big 5” initiatives and from work of Greater Kansas City United Way. UNI works in partnership with neighborhood organizations and residents and through collaborative relationships with business, industry, government and community organizations.

The UNI partners with ten neighborhood organizations in the area bounded by 18th to 52nd Streets and Troost to Prospect Avenues. UNI collaborates with others working in the community and across the region to increase prosperity and improve health and safety and education for current residents and generations to come.

in the state sponsored by a school district. As part of the KCPS master plan the district needed to close an elementary school in the area. After much deliberation the KCPS master plan KCPS included sponsorship of the Kansas City Neighborhood Academy (KCNA) and its use of the Wendell Phillips building (as Wendell Phillips School moved to the Attucks building).

In early August of this year KCNA opened with 40 pre-kindergarten students and 97 kindergartens through second grade students. The school has a Science-Technology-Engineering-Arts-Math theme, is a neighborhood school and is based on the highly successful Drew Charter School model. That model includes a longer school day and school year, an intensive focus on reading and math, Project Based Learning, emphasis on professional development and attracting excellent school staff.

The school will add a grade a year up to sixth grade.

Over the last two years UNI has also laid the ground work for housing development and has the option on a large number of Homestead Authority parcels in the neighborhood. UNI is beginning a dialog with the neighborhood to build on planning they’ve already done to understand their vision for the neighborhood and work to help them achieve it. Following this dialog, UNI will begin developing mixed income housing. The focus will be on

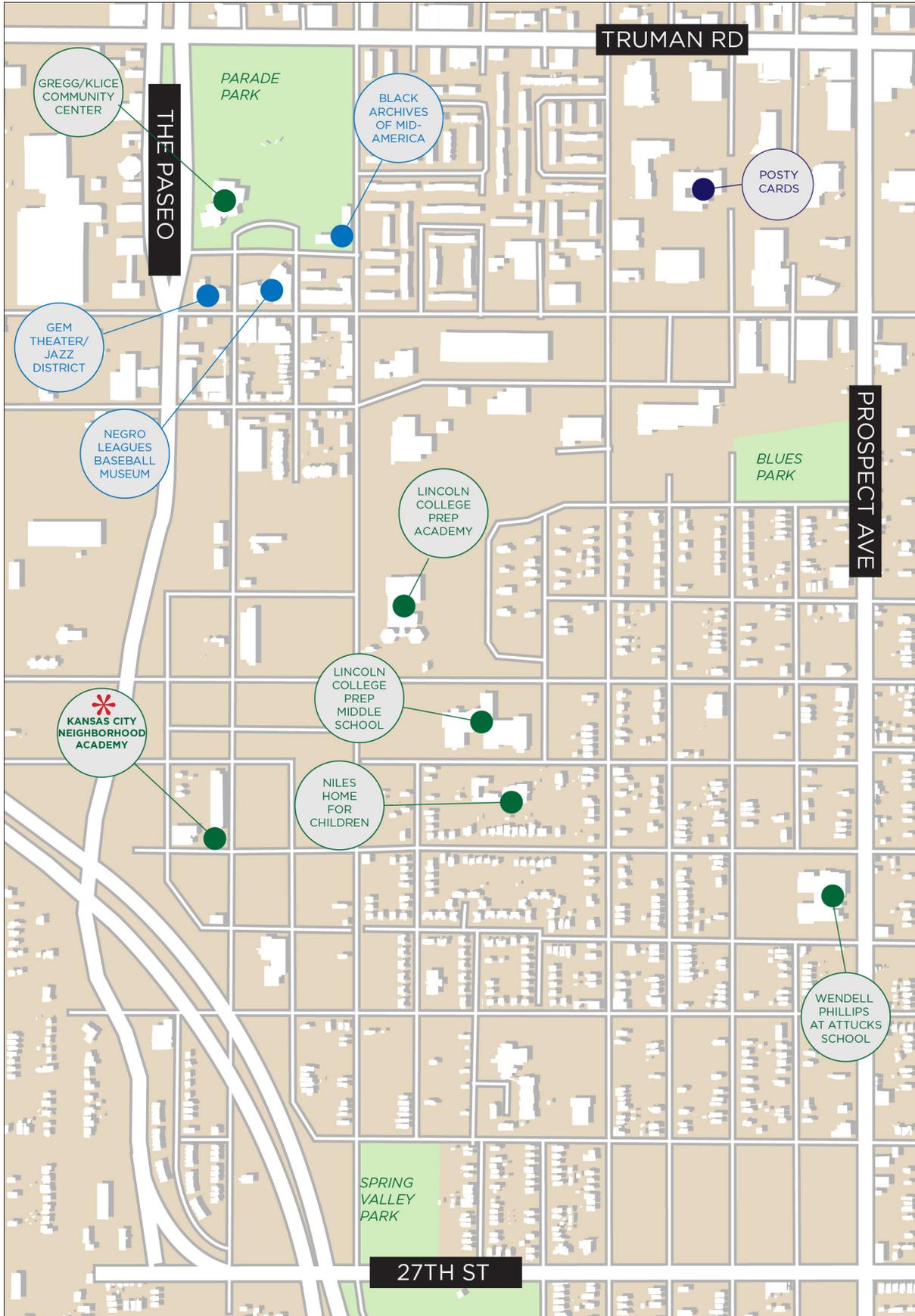
single family but may include some small multi-family based on neighborhood input. The first area of emphasis will be around KCNA. UNI will also work to develop or attract other programs, services and facilities that help to make a neighborhood healthy. UNI envisions using neighborhood residents, to the extent possible, in our work, as well as helping the neighborhood with development of small businesses.



Wendell Phillips Neighborhood

Based on the recommendation and support of UNI’s Neighborhood Partners and board of directors, in 2013 the organization undertook an effort to establish a Purpose Built Community in Kansas City. UNI worked with Purpose Built consultants and the Kansas City Public Schools (KCPS) Superintendents and administration for over two years. As a result of that work UNI was approved as a charter school under KCPS sponsorship and is the only charter

Wendell Phillips Neighborhood Priority Area



KC-CUR Implementation Strategy



KC-CUR Initiative Partnership

The Kansas City Catalytic Urban Redevelopment Initiative (KC-CUR) was launched by the Greater Kansas City Local Initiatives Support Corporation (LISC), the Urban Neighborhood Initiative (UNI), Mid-America Regional Council (MARC), the City of Kansas City, Missouri, and the Kansas City District Council of the Urban Land Institute (ULI).

Consultant Team

The creation of the KC-CUR Implementation Strategy and this Report was led by Mosaic Urban Partners in conjunction with DRAW Architecture + Urban Design, Parson + Associates, Economic & Planning Systems and Michael Toombs (Consultant Team).

Graphic design services for this Report were provided by Beveridge Seay, Inc.

KC-CUR Contributors

The creation of the KC-CUR Implementation Strategy was funded by the generous support of the following contributors:

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Kissick Construction Company
Local Initiatives Support Corporation
Mid-America Regional Council
NeighborWorks
Port Authority of Kansas City, MO
Sosland Foundation
Sunflower Development Group
UMB Bank
United Way of Greater Kansas City
Urban Neighborhood Initiative

For more information about the Implementation Strategy or how you can become involved please go to www.uni.kc.org or www.lisc.org/kansascity.

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Executive Summary

Goals of the Initiative.

In 2015, a partnership of local and regional organizations joined forces to work in the large swath of neighborhoods on the east side of the City commonly referred to as “east of Troost.” The partners wanted to help keep going the positive momentum occurring in this part of Kansas City, as well as help address some of the challenges that still slow progress in the area. The partnership consisted of the City of Kansas City, MO, Greater Kansas City Local Initiatives Support Corporation (LISC), Urban Neighborhood Initiative (UNI), Mid-America Regional Council (MARC), and the Kansas City District Council of the Urban Land Institute (ULI).

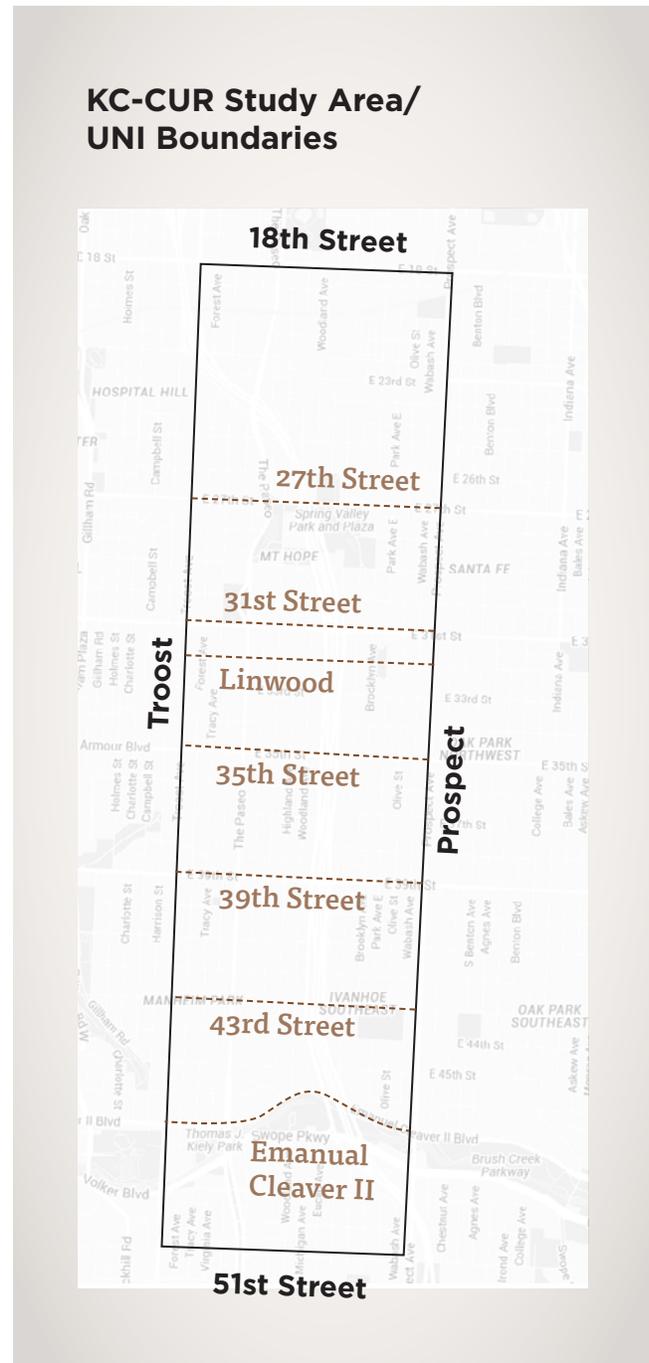
Key Project Questions

The partners called their joint initiative the Kansas City Catalytic Urban Redevelopment Initiative (“KC-CUR” – pronounced “KC-CURE”).

The KC-CUR Partnership then hired the Consulting Team to help it answer three key questions:

1. What investments should be made to improve the quality of life in the UNI area and spur new real estate activity?
2. Where should those recommended investments be made within UNI’s geographic boundaries?
3. How should those investments be implemented to increase their likelihood of long-term success?

The KC-CUR Partnership decided that the answers to these questions, and the resulting recommendations, should take into account the following five Guiding Principles:



Five Guiding Principles

These Guiding Principles are the guiding force behind the KC-CUR Implementation Strategy.

The overall goal is to leverage these Principles to create an Implementation Strategy that will:

- Help build local organizational and people capacity to support and execute investment activity;
- Start a ripple effect that creates a functioning market with a market-basis for investments; and
- Establish locations with clear return on investment (ROI) potential for development activity.



Set the Stage

- Comprehensive, sustainable and equitable neighborhood revitalization—and redevelopment activity—requires certain supportive infrastructure to occur. Examples include physical infrastructure, appropriate zoning and land use laws, financing tools, objective resource allocation, political support and local organizational capacity
- These pieces of infrastructure have to be in place, and work together, to achieve robust redevelopment activity and a long-term neighborhood revitalization vision
- The primary initial focus of the Strategy should be activities that set the stage for achievement of the longer-term vision, not solely larger-scale, one-off projects



Focus, Focus, Focus

- Prioritize resource allocation to geographically-defined Priority Areas
- Select Priority Areas where synchronized real estate, infrastructure, urban design and programmatic investments will help build functioning markets and provide access to job and business opportunities to local residents
- Priority Areas are selected with rigorous selection criteria
- Recommendations for initial new projects and interventions will be in Priority Areas

Five Guiding Principles, cont.



Leverage Existing Investments

- Leverage current investments, interventions and redevelopment efforts rather than start from scratch with new construction or greenfield projects
- Pick existing projects and infrastructure investments that help accomplish strategic goals
- Prioritize new projects and interventions that will be catalytic towards the long-term vision



People + Place

- The Strategy's interventions, ideas and implementation should seek to improve not only physical places but also the lives of the people in the Study Area
- The Strategy will recommend some solutions that integrate place-based interventions with positive economic development outcomes for individual people
- A key focus is building local organizational and people capacity to support the Strategy and fulfillment of these Five Principles



Build Champions Along the Way

- Stakeholder engagement seeks to gain future buy-in for the final Implementation Strategy and lay the groundwork for long-term community and stakeholder support
- The process of creating the strategy includes identifying and building champions who will help implement the Strategy going forward

Study Area Challenges and Opportunities

Positive Momentum is Creating New Opportunities.

The KC-CUR Study Area is primed for continued revitalization, and positive momentum in the Study Area is building every day. The City of Kansas City has invested millions of dollars in transportation improvements, redevelopment funding and blight removal resources in the Study Area. The comprehensive set of public-private partnerships that spurred the redevelopment of the Beacon Hill neighborhood and the development of the Leon Mercer Jordan Campus (East Patrol Division Station and Crime Lab) are just two examples of these City-led investments. There are many more.

On-Going Opportunities for Revitalization Exist.

Opportunity sites such as the ATA site at 31st and Troost, the Linwood Shopping Center site on Prospect Avenue, and model block opportunities in the Ivanhoe neighborhood are just a few examples of on-going opportunities for revitalization and redevelopment. The Study Area has significant historical, physical and cultural assets that can be used as anchors for redevelopment activity, such as Troost Park, the Ivanhoe Demonstration Garden and the Bluford Library. Within the Study Area there are strategically located properties, commercial corridors and sections of neighborhoods that can benefit from a coordinated investment strategy that seizes the momentum already occurring in Kansas City.

Continued Investment Is Already Happening.

Local non-profits and community organizations continue to invest in programs and initiatives that help improve the quality of life and opportunities available to residents. The private sector has started to increase their investments in the Study Area. The market trends and multi-sector investments that have aligned to create positive change in other parts of Kansas City may be leveraged to create more investment activity in the Study Area. Finally, local individuals continue to show courage, commitment and perseverance in their efforts to improve their neighborhoods.

Challenges Still Remain.

Despite all of the current momentum and future opportunities in the Study Area, there are still a number of challenges that slow the pace of change. As described in more detail in the Report, historic population decline in the Study Area has led to significant vacancy and blight—30% (561 acres) of all Study Area land is vacant. Crime and safety are still issues to be better addressed, and insufficient access to jobs and training opportunities still negatively affect Study Area residents.

Changes to the zoning code applicable to the Study Area need to occur to mandate denser, mixed-use developments that will create more walkable urban places. These zoning changes also need to ensure that new development is compatible with the great architectural fabric and building stock already existing in the Study Area. More capacity and capacity building is needed for local organizations to help solve the problems and meet the challenges still slowing progress in the Study Area. These type of urban problems are typical of disinvested urban neighborhoods around the country, and are not unique to Kansas City or the Study Area. Accordingly, there are national best practices that can be implemented to meet these challenges and to seize the opportunities.

Analytical Approach



Strategy Informed by Past Vision Statements.

There have been many vision statements and neighborhood plans created for various neighborhoods and corridors with the KC-CUR Study Area. The vision statements are insightful, informative and inspiring. One clear goal of the Strategy creation process was to leverage the existing information, insights, and perspectives in those previous planning efforts to inform the new KC-CUR Implementation Strategy. Accordingly, the Consultant Team reviewed all of the neighborhood, corridor and City plans affecting neighborhoods within the UNI geographic boundaries.

Stakeholder Input Critical to the Process.

The input of local residents, businesses, community organizations and other stakeholders was a critical element in the creation of the KC-CUR Strategy. A “Project Steering Committee,” consisting of members from the KC-CUR Partnership representing the local non-profit, public and private sectors, was consulted throughout the creation of the Strategy. The Consulting Team built upon the existing relationships of the KC-CUR Partnership to also have and host individual, small group and open community meetings during the Strategy creation process. The goals of these meetings were to obtain input that would inform the Strategy, and also begin building longer-term community support for the Strategy.

Focus on Feasibility & National Best Practices.

The KC-CUR Partnership also focused on creating an Implementation Strategy that was implementable, feasible and sustainable. Accordingly, the Consultant Team researched national best practices for urban revitalization and conducted feasibility analyses on the development of a few opportunity sites within the Study Area. Those feasibility analyses helped the Team better understand the extent of resources needed to redevelop those sites, and to identify the most viable redevelopment possibilities.

Two national best practices were specifically explored to assess whether they would be appropriate tactics to use during implementation of the Strategy:

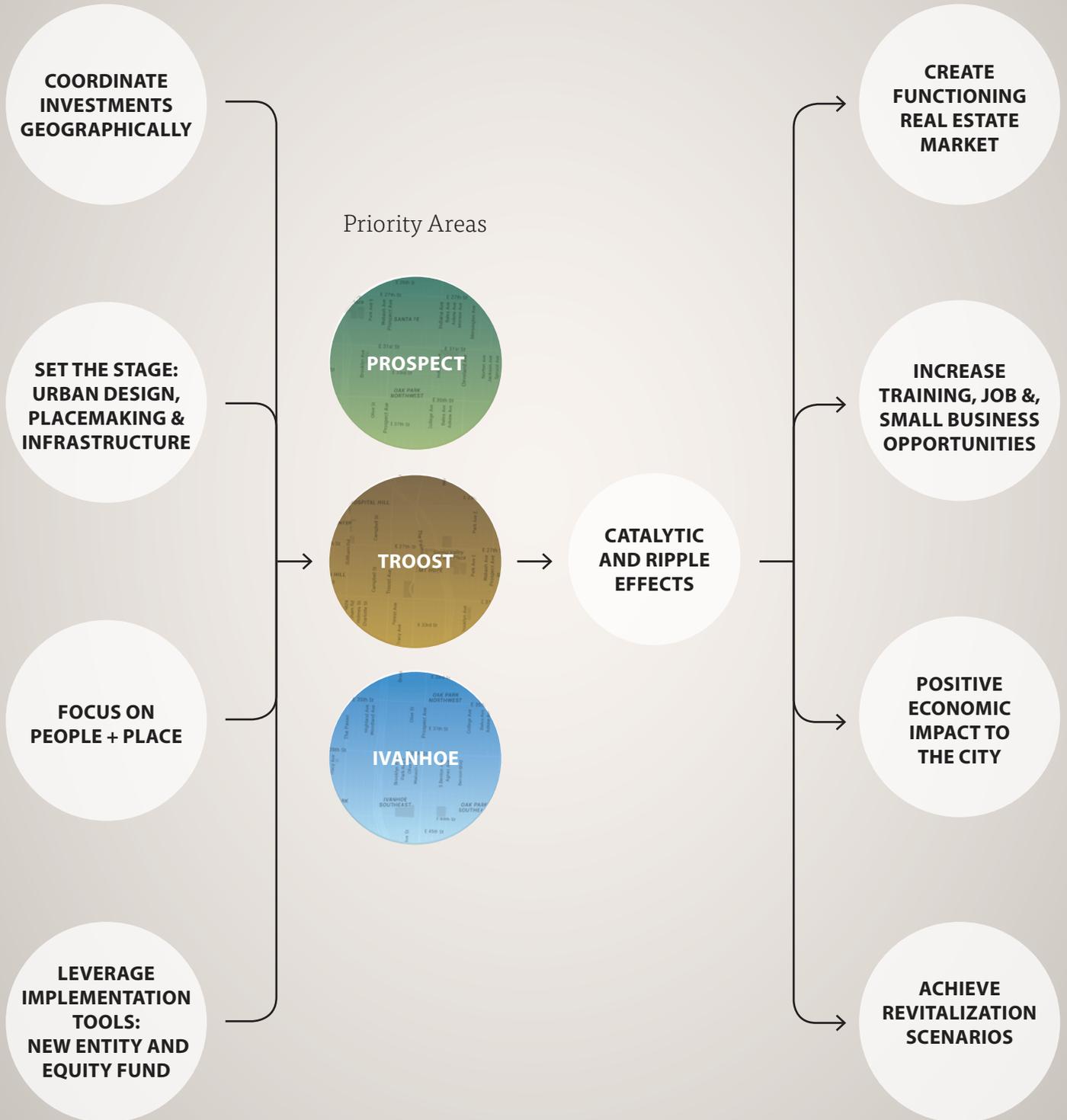
1. The use of a focused organizational entity to lead the implementation of the Strategy; and
2. The creation of a fund with sufficient capital to support the investments and interventions recommended by the Implementation Strategy.

More detail on the Strategy’s recommendations stemming from that national best practices research can be found later in this Executive Summary and in the full Report.

Summary of KC-CUR Implementation Strategy

Four-Part Strategy

Four Key Outcomes



Four-Part Strategy

A Four-Part Implementation Strategy.

The Implementation Strategy is made up of Four Strategic Tactics:

1. Coordinate Investments Geographically;
2. Set the Stage for Comprehensive Revitalization;
3. Focus on People + Place; and
4. Leverage Implementation Tools.



Strategic Tactic #1:

Coordinate Investments Geographically

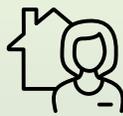
Coordinate specific real estate, infrastructure, urban design and programmatic investments in an objectively-selected defined geographic area.



Strategic Tactic #2:

Set the Stage for Comprehensive Revitalization

Make specific non-real estate development investments that have proven to be the necessary precursors, and incentives, for redevelopment activity and comprehensive urban neighborhood revitalization.



Strategic Tactic #3:

Focus on People + Place

Ensure that programs, resources and support for the residents and small business owners in the Study Area are put in place so that the people in the Study Area can benefit from the physical and place-based investments and change that will occur because of the Strategy.



Strategic Tactic #4:

Leverage Implementation Tools

Create two new Implementation Tools that will work together to help implement the Strategy: A new organizational entity (Implementation Entity) and a new fund (KC-CUR Fund).

Priority Areas

In accordance with our focus on coordinating investments geographically (strategic Tactic #1), we chose three “Priority Areas” within the UNI boundaries for initial focus. These areas represent the best locations where the Strategy can build upon existing investment momentum and catalyze lasting change. The Priority Areas were chosen through an objective process that was informed by substantial stakeholder input.

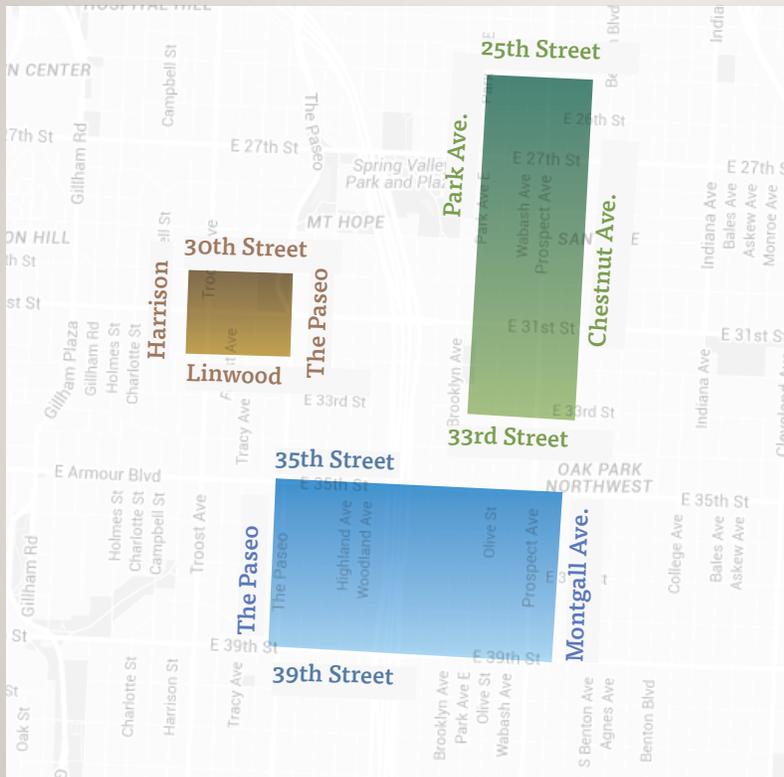
The KC-CUR Strategy recommends investments and interventions that will achieve the following “Revitalization Scenarios” for each Priority Area.

Thirteen (13) potential Priority Areas were compared and scored based on the following five (5) criteria:

- Existing Investment or Improvement Activity
- Proximity to Key Transportation Corridors
- Community / Stakeholder Support and Capacity
- Site & Programmatic Opportunities for Investment or Intervention
- Catalytic Opportunities for Investment or Interventions

A more detailed discussion of the scoring and selection process and criteria can be found in the Appendix.

Three KC-CUR Priority Areas



- TROOST PRIORITY AREA
- PROSPECT PRIORITY AREA
- IVANHOE PRIORITY AREA

Priority Area Revitalization Scenarios

The KC-CUR Strategy recommends investments and interventions that will achieve the following “Revitalization Scenarios” for each Priority Area.

Troost Corridor Priority Area



Strategic Goals

- Create a vibrant and stable mixed-use commercial corridor with neighborhood serving retail
- Compliment Public Sector Infrastructure Investments
- Spur Additional Private Sector Commercial Investment
- Support Small Business Development & Job Creation
- Revitalization Impact Timeline: 3-5 Years

Ivanhoe Neighborhood Priority Area



Strategic Goals

- Stabilize residential neighborhood & catalyze market through rehabilitation of existing homes and strategic infill construction
- Catalyze Functioning Real Estate Market
- Support Existing Community Efforts
- Support Small Business Development & Job Creation
- Revitalization Impact Timeline: 3-5 Years

Prospect Corridor Priority Area



Strategic Goals

- Create a vibrant and stable mixed-use commercial corridor
- Coordinate Public and Philanthropic Investments
- Spur Future Private Sector Investments
- Explore Job Creation and Workforce Development Opportunities
- Revitalization Impact Timeline: 5-10 years

Estimated Costs of the Revitalization Scenarios

(Key Development Sites and Programs Only)

Key Assumptions.

Each recommended investment or programmatic initiative necessary to achieve the Revitalization Scenario for a Priority Area has a cost. The Consultant Team has projected development program costs for each Revitalization Scenario solely for the purposes of illustrating, on an order-of-magnitude basis, the potential scale of funding and resources necessary to achieve the Revitalization Scenario. The estimated costs included in these Revitalization Scenarios are helpful to understand the general scope of the challenge of funding each of the Revitalization Scenarios. These projected costs are also helpful as a general target for capital raising. The aggregated Revitalization Scenario cost projections on the right can help the KC-CUR Partnership, stakeholders and potential investors understand the magnitude of funding needed to help implement the Strategy in a Priority Area. More detail on the development program, urban design interventions, and programmatic initiatives for each Priority Area, and the estimated associated cost with those items, can be found later in the Report.

KC-CUR Priority Areas – Estimated Aggregate Cost of Troost, Ivanhoe & Prospect Revitalization Scenarios

Real Estate Development Funding Gap	\$34.5M *
Programmatic/Policy/Other	\$500,000
Total Estimated Costs	\$35M

* Estimate limited to proposed 31st and Troost; Ivanhoe Model Block; and Linwood Shopping Center Developments

Implementation Tools

Implementation Tools Are Key to Implementing the Strategy.

A unique aspect of the KC-CUR Strategy is the incorporation of three implementation tools into the Strategy:

1. A New Implementation Entity that will oversee the implementation of the Strategy;
2. A New Fund that will provide capital to finance recommended Strategy investments; and
3. A 100-Day Action Plan that lays out the near-term action steps the KC-CUR Partnership and Study Area stakeholders should take to immediately start implementing the Strategy.

New Implementation Entity.

The new Implementation Entity will work closely with the existing ecosystem of individuals, local organizations and stakeholders investing and working in the Study Area. As discussed in more detail in the Report, the new Implementation Entity must have the appropriate capacity, mission and staff experience to lead the implementation of the Strategy.

The Strategy recommends the creation of a “new” organization to lead the implementation of the KC-CUR Strategy. It should be noted, however, that a subsidiary or affiliate of an existing organization could also be an appropriate selection. That subsidiary or affiliate must be able to fulfill the capacity needs of the KC-CUR Strategy as described in this Report, and must be able to quickly transition into the new roles and responsibilities required for implementation of the KC-CUR Strategy. For example, a subsidiary or affiliate of the

Urban Neighborhood Initiative (UNI) might, with appropriate structuring, partnering and resource allocation, be an existing organization that could meet the capacity needs of the KC-CUR Strategy.

New KC-CUR Fund.

The new fund (“KC-CUR Fund” or “Fund”) will provide sufficiently “patient” capital to support the investments, interventions and programmatic initiatives recommended by the KC-CUR Strategy. A source of capital is “patient” if the timeline for repayment of that capital is longer than the typical repayment timing offered by conventional private sources. The Strategy recommends a phased raising of capital for the KC-CUR fund. The Fund, in order to meet the needs of the Study Area and to implement the KC-CUR Strategy, should raise between \$25M-40M of capital overall.

100-Day Action Plan

The 100-Day Action Plan lays out the near-term action steps the KC-CUR Partnership and Study Area stakeholders should take to immediately start implementing the Strategy. The action steps in the 100-Day Action Plan represent the near-term low hanging fruit or critical actions that should be immediately prioritized by stakeholders helping to implement the Strategy.

These three implementation tools are best practices that are being utilized around the country to revitalize challenged urban neighborhoods. Each of these Implementation Tools are described in more detail in the Report. The use of these Implementation Tools will significantly increase the likelihood of successful implementation of the Strategy.

KC-CUR Fund Framework Recommendation

Initial Founders/Funders	Fund Size	Administrator	Geographic Reach	Range of Investments	Funding Types	Other
Foundations, City of Kansas City and Corporate Organizations	\$25-40M	Select an existing High Capacity Non-Profit, such as CFDI, with a track record and capacity	Multiple Neighborhoods within the Study Area only	Full Range, including real estate (all product types) and non-real estate projects and programs	Loans and Grants	Collaborative partnership with City & local orgs

Executive Summary Conclusion

The KC-CUR Implementation Strategy provides a feasible road map for all of the residents, community organizations, stakeholders and funders who truly believe that the neighborhoods east of Troost can and should have a future as bright as the rest of Kansas City. As one resident noted in a KC-CUR community meeting:

“The main thing I want to see is a City that works well for everyone. If you go from one neighborhood to the next you will find a quality of life that is standard and pretty consistent across the City.”

We hope that the KC-CUR Implementation Strategy will help achieve that resident's vision.

Introduction

Introduction to KC-CUR Initiative



Positive Momentum is Building. In recent years, the Urban Neighborhood Initiative (UNI) and a variety of local residents, community organizations and stakeholders have begun to galvanize civic and corporate interests around socio-economic redevelopment and community building in a specific area of Kansas City, MO. Their focus has been on a large swath of neighborhoods on the east side of the City of Kansas City that is commonly referred to as “east of Troost.” It appears that national and local trends are now aligning as numerous public, private, non-profit and philanthropic entities are beginning to invest significant resources in these neighborhoods. Reinvestment in older areas immediately west of Troost has created a hopeful environment for similar efforts to the east.

Challenges Still Remain. For the past decade, the Kansas City region has found it difficult to assemble the redevelopment capacity and financing to execute large-scale transformational redevelopment projects in the urban core. Largely due in part to the lingering effects of the economic downturn on real estate values, decreasing Federal resources for urban development, and a more conservative regulatory lending environment, both the capacity of the non-profit

community development corporations (CDCs) and the ability to assemble resources to strategically implement large-scale redevelopment within urban core neighborhoods has been limited. In addition, low property values in urban core neighborhoods have made reinvestment difficult. Despite some successes in the Beacon Hill neighborhood and Ivanhoe’s Green Impact Zone, overall large-scale transformational redevelopment projects are not the norm. However, such large scale redevelopment projects are absolutely necessary if the urban core is to become a place of choice to work, live and conduct business.

KC-CUR Partnership Steps Up. In 2015, a partnership of local and regional organizations joined forces with existing organizations working east of Troost to keep the positive momentum going. The partners wanted to help address many of the challenges that still slow progress in this part of the City. The partnership consisted of the Greater Kansas City Local Initiatives Support Corporation (LISC), the City of Kansas City, MO, the UNI, the Mid-America Regional Council (MARC), and the Kansas City District Council of the Urban Land Institute (ULI).

Introduction to KC-CUR Initiative, cont.

The KC-CUR Partnership named their effort the Kansas City Catalytic Urban Redevelopment Initiative (pronounced “KC-CURE” or also called *the Initiative*). This collaboration of local and regional organizations was so well-received that 15 local foundations and corporations came together to fund a scope

of work to create an implementation strategy for the Initiative. The KC-CUR Implementation Strategy will help to bring new opportunities to the individuals and organizations that work tirelessly every day to make the neighborhoods within the KC-CUR Study Area better.

Who?

City of Kansas City, Missouri
Greater Kansas City Local Initiatives Support Corporation (LISC)
Mid-America Regional Council (MARC)
Urban Neighborhood Initiative (UNI)
Kansas City District Council of the Urban Land Institute (ULI)

What?

The Initiative was launched to:

- 1) Create a **comprehensive implementation strategy** that includes a redevelopment vision and implementation plan for the KC-CUR Study Area;
- 2) Identify an **appropriate organization or organizations** with sufficient capacity and commitment to lead the strategy; and
- 3) Raise a **fund with sufficient capital and capacity** to invest in the catalytic opportunities fostered by the implementation of the Strategy.

Why?

- + Help **revitalize** all neighborhoods in the Study Area
- + **Spark** additional public and private investment in the Study Area
- + **Support** job creation and small business development in the Study Area

When?

- + Implementation Strategy: Summer 2016
- + Initial Results: 1-5 years from start of implementation
- + Longer-Term Results: 5-15 years from start of implementation

How?

Three key action steps of the Implementation Strategy:

- 1) **Coordinate** investments geographically in three objectively-chosen Priority Areas within the Study Area;
- 2) **Set the stage** for comprehensive revitalization by making strategic infrastructure, urban design and placemaking investments; and
- 3) Focus on **people + place** by leveraging or creating programs that provide local residents and business owners with training, job and business opportunities, and by helping local community organizations build capacity.

Research & Analysis

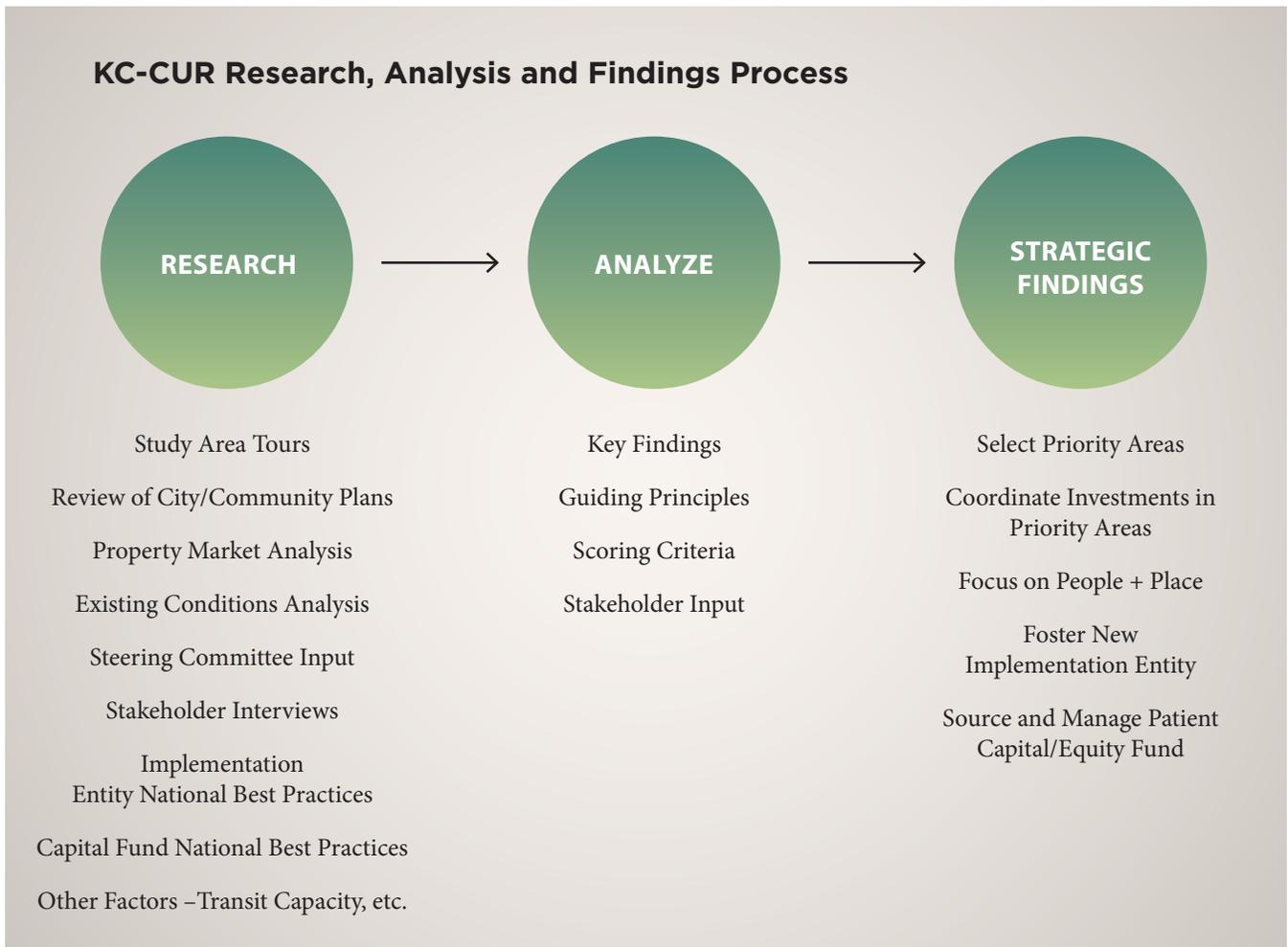
Research & Analysis Overview

An Implementation Strategy that will be effective and supported must be created through the use of both quantitative and qualitative research and analysis. Insights gleaned from data collected and objective observations must be compared with on-the-ground realities through conversations and interactions with local residents, organizations and stakeholders. The Consultant Team also performed national best practices and case study research to supplement the insights gleaned from our local analysis.

As can be seen by the graphic below, the Consultant Team structured all of its research, meetings and analytical efforts to achieve a critical balance between quantitative insights and qualitative perspective. Research and analytical findings

relating to the proposed new Implementation Entity and KC-CUR Fund are included directly in the Implementation Tools section for easier explanation of those tools.

Summary discussions of our full research and analysis, including our review of past planning efforts in the Study Area, scan of the market, assessment of existing conditions in the Study Area, mapping of Study Area cultural assets and analysis of fund and implementation entity options, can be found in the Appendix. The Consultant Team's full analysis of the feasibility of key sites within the Study Area can also be found in the Appendix. Citations for all referenced data in this section and in the Appendix can be found in the applicable full document available from the KC-CUR Partnership.



Scoring and Selection of Priority Areas

The Consultant Team’s case study and best practices research strongly showed that synchronized comprehensive investments in specific geographic areas has proven to help build functioning real estate markets and provide access to job and business opportunities to local residents. The Consulting Team created an objective and rigorous selection process to select Priority Areas for the KC-CUR Strategy.

Our Priority Area selections were supported by the data we compiled that showed higher assessed property values and higher building activity (as approximated by the number of building permits pulled) could already be found in certain portions of the Study Area. This data is graphically depicted on the Study Area Heat Map and Assesed Property Values Map found in the Appendix.

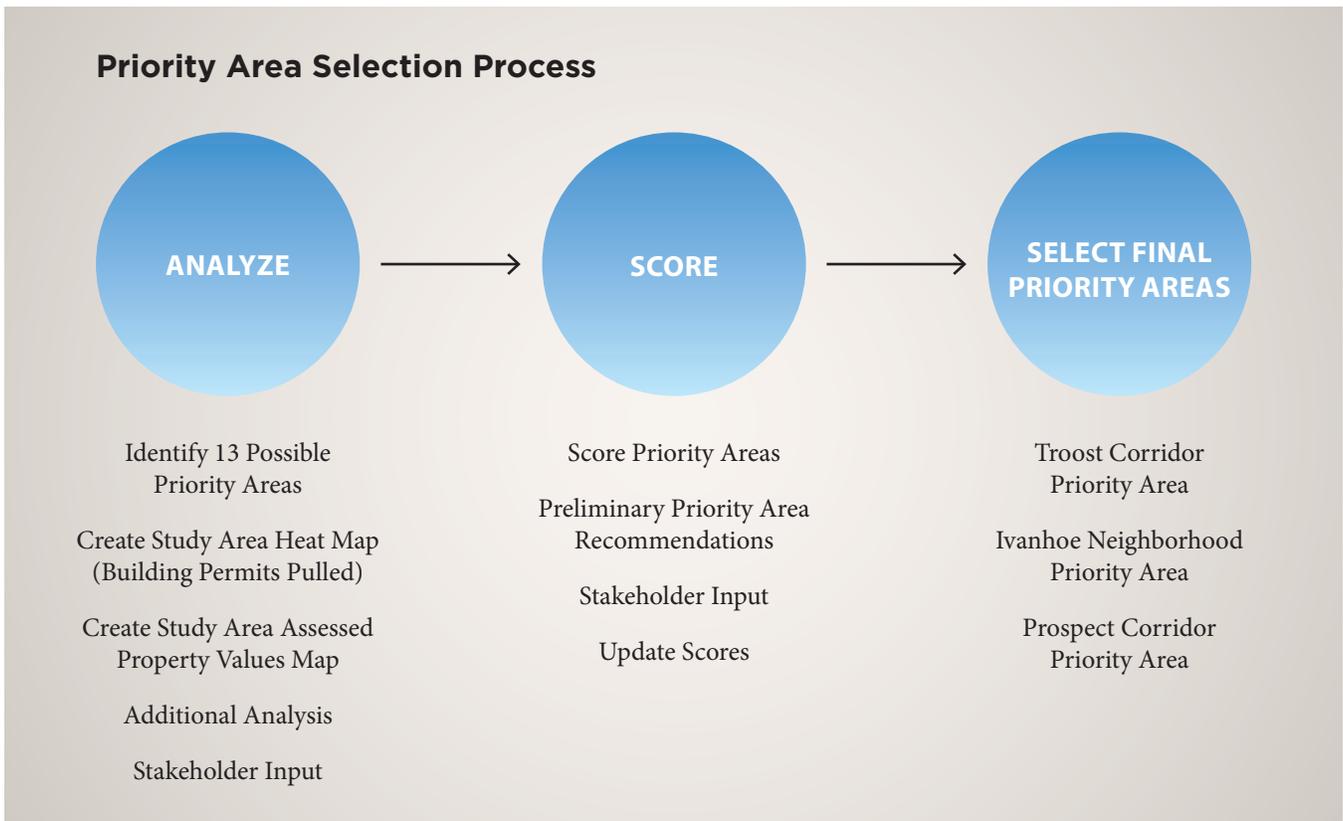
Potential Priority Areas that showed higher assessed property values and more building permit activity were given higher scores under the “Existing Investment or Investment Activity” scoring criterion.

The scoring criteria consists of:

- Existing Investment or Improvement Activity
- Proximity to Key Transportation Corridors
- Community / Stakeholder Support and Capacity
- Site & Programmatic Opportunities for Investment or Intervention
- Catalytic Opportunities for Investment or Interventions

The selection of these Priority Areas doesn’t mean that the other areas within the Study Area are not worthy of continued improvement efforts. The City and local stakeholders should continue their great work and investments in those areas. The Priority Areas were selected because they already have the most coordinated momentum of activities, and boast the best possibility for Catalytic and Ripple Effects to occur if coordinated investments are made in those areas.

A more detailed discussion of the scoring and selection process and criteria can be found in the Appendix.



Key Site Development Feasibility Analysis

The KC-CUR Strategy has an *implementation-orientation* - i.e. a focus on creating a strategy that can be executed because it is feasible based on market conditions, best practices and stakeholder support. Our Market Scan and Existing Conditions Assessment gave the team a great sense of market realities. Our local and national case study research gave us insights on best practices. Our community and stakeholder engagement, along with our review of past planning efforts and vision statements in the Study Area, gave us a sense of what developments and investments might be supported by stakeholders. We leveraged all of that information to preform a general assessment of a variety of potential development sites in each Priority Area. We then selected one site in each Priority Area (“Key Sites”) for further feasibility analysis. Each Key Site was chosen because a redevelopment of that site or area could have Catalytic Effects in that Priority Area, and that redevelopment activity could ultimately cause Ripple Effects throughout the Study Area. Definitions of “Catalytic Effects” and “Ripple Effects” can be found in the Strategy section of this Report.

The draft feasibility analyses for the three Key Sites are static (created as a snapshot of a moment in time) and must continue to be refined through discussions with local developers and housing rehabilitation experts. The final feasibility estimates are likely to change, but this draft provides a starting point for discussion purposes and illustrates the financial feasibility implications of the proposed redevelopment of the Key Sites in the Priority Areas.

The KC-CUR team created potential development programs for each Key Site. The Consultant Team then drew from past project experience and local developer interviews to estimate the development costs and key market and financial factors such as supportable market rents, vacancy rates, and the capitalization rate used to value the income streams from the potential development programs.

Summary of Feasibility Findings

Overall, there is a significant financing gap that would need to be closed to redevelop any of the Key Sites in the Priority Areas. However, the team believes that the redevelopment of these sites, as recommended, could be catalytic and start the kind of Ripple Effects necessary to begin the revitalization of the entire Study Area.

Short of being able to achieve higher rents, the financing gap could be reduced in a number of ways, all of which have their own challenges:

- Low cost financing – Finding a source of very low interest rate financing reduces the amount of cash flow needed to cover the construction financing.
- Patient Capital – A community-minded investor or other entity (e.g. non-profit, foundation, etc.) that is willing to take risks without the same level of financial return (compensation) can help to bridge a feasibility gap. Some of these types of investors look for returns in other ways, such as in broader community benefits. Grant funding and tax credit programs such as the Low Income Housing Tax Credit, New Market Tax Credit, and Historic Tax Credit programs are additional sources.
- Land Costs – The examples presented here do not include land costs, as the potential development projects cannot bear any additional costs. Finding very low cost or free land could be an important strategy.
- Construction Costs – Any way of reducing costs, whether through fee waivers, donated professional services, discounted materials costs (but still meeting local code), or other strategies, will help to improve project feasibility.

A combination of the four approaches above, and other tools discussed in the Implementation Section of this Strategy, could help the feasibility of the proposed Key Site projects, or at least reduce the financing gaps to a more manageable level.

A more detailed discussion of the Key Site Development Feasibility Analysis, including the analysis of one development site in each Priority Area, can be found in the Appendix.

Community Member and Stakeholder Engagement Process



Project Steering Committee (PSC)



Stakeholder Advisory Group (SAG)



Urban Design Committee (UDC)



Community Open Houses

Project Steering Committee (PSC) Members

McClain Bryant, City of Kansas City, MO
Lynn Hoffman Carlton, District Council of the
Kansas City Urban Land Institute
Dianne Cleaver, Urban Neighborhood Initiative
Ed Linnebur, Greater Kansas City Local Initiatives
Support Corporation (LISC)

Marlene Nagel, Mid-America Regional Council
Stephen Samuels, Greater Kansas City Local Initiatives
Support Corporation (LISC)
David A. Warm, Mid-America Regional Council
John A. Wood, City of Kansas City, MO

Overall Process and Group Meetings

The KC-CUR Consultant Team met individually and collectively with a variety of residents and stakeholders over the course of the creation of the Implementation Strategy. In 2016 we met repeatedly, and at some points on a monthly basis with members of the Project Steering Committee, Urban Design Committee and Stakeholder Advisory Group. We also hosted two open community houses where anyone could ask detailed questions of Project Steering Committee or Consulting Team members. The Community Open Houses always included individual stations that detailed community ideas and our preliminary recommendations for the various Priority Areas. One Community Open House also included an oral history video shoot, and the other a demonstration of an artistic sculpture commissioned as a creative engagement tool.

Individual Meetings

The Consultant Team also met individually with a number of stakeholders to get their perspective on opportunities and challenges faced by the Study Area. We were also able to get their input and perspective on our initial strategic thoughts and findings.

Stakeholders individually interviewed during the project by Consulting Team members included:

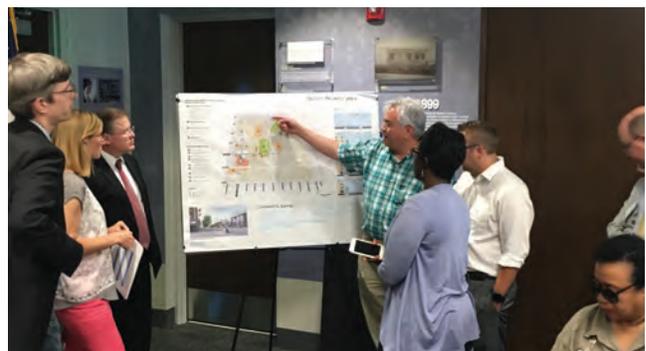
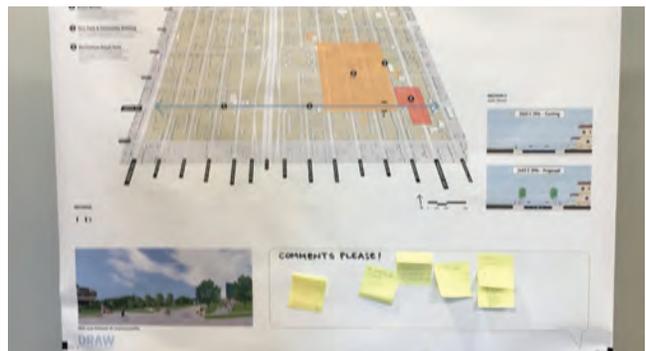
- Ted Anderson, KC Land Bank
- Hillary Beuschel, Program Officer, H&R Block Foundation
- Diane Binckley, Manager, City of Kansas City, Planning & Development
- Stuart Bullington, City of Kansas City, Office of Neighborhood and Housing Services
- Megan Crigger, City of Kansas City, Office of Culture and Creative Services
- Jeremy Davis, KC Economic Development Corporation
- Joseph Egan, Executive Director, Land Clearance for Redevelopment Authority

Community Member and Stakeholder Engagement Process, cont.

- Leonard Graham, Taliaferro & Browne
- Michael Hagedorn, President & CEO, UMB Bank
- Mark Jorgenson, Regional President, Commercial Banking, US Bank
- Robert Long, Development Specialist, KC Economic Development Corporation
- Carmen Lopez, AltCap
- Quinton Lucas, Councilmember, 3rd District at Large
- Tracy McFerrin, Vice President, Hall Family Foundation
- Gloria Ortiz-Fisher, Westside Housing Organization, Inc.
- Chris Vukas, Sunflower Development
- Nia Webster, Chair of the Board of Directors, Blue Hills Community Services
- Amanda Wilson, Community Capital Fund

Key Insights

We found in general that **residents and stakeholders are interested, excited and ready to support and champion new activities, interventions** in the KC-CUR Study Area. Stakeholders appreciated and understood the need to coordinate resources in specific geographic areas, and generally agreed with the scoring methodology and criteria used to select the KC-CUR Priority Areas. Their history and experience, however, also **led them to have significant concerns about the viability of implementing a strategy in the KC-CUR Study Area**. Stakeholders noted significant perceived hurdles to the successful implementation of a place and people-based strategy in the Study Area, including negative perceptions of the Study Area and a need for a rebranding and marketing strategy on Troost and on Prospect. Notably, **stakeholders also offered tangible recommendations** for specific investments and interventions in the Priority Areas, and suggestions which could help address some of their concerns. Stakeholders are rooting for the KC-CUR Initiative, and are excited to keep in touch to learn how they can stay involved. An important **recurring theme was not to solely focus on a large-scale project**, but to also put in the place the infrastructure necessary to enable the comprehensive neighborhood revitalization everyone wants and deserves.



Strategy & Business Case

Overview

Time for a New Approach to Neighborhood Revitalization. There is excitement and energy coursing through the neighborhoods of the Study Area. Over the years, many vision statements for the future have been written for the neighborhoods within the Study Area. Significant progress and positive changes have occurred because of the unyielding work of local residents, non-profits, and stakeholders. However, progress in the Study Area has been uneven, and significant challenges still remain.

It is time for a new approach to be taken, a strategic approach whose primary orientation is implementability and feasibility, and whose goal is to spur the revitalization of the entire Study Area, not just one site, one block, or one neighborhood. The strategy must not only understand the unique opportunities and constraints of the Study Area, but also incorporate the latest national best practices for the revitalization of urban areas. Finally, the Strategy must help local residents and community organizations build capacity so they can benefit from, and support, the changes and opportunities coming in the future.

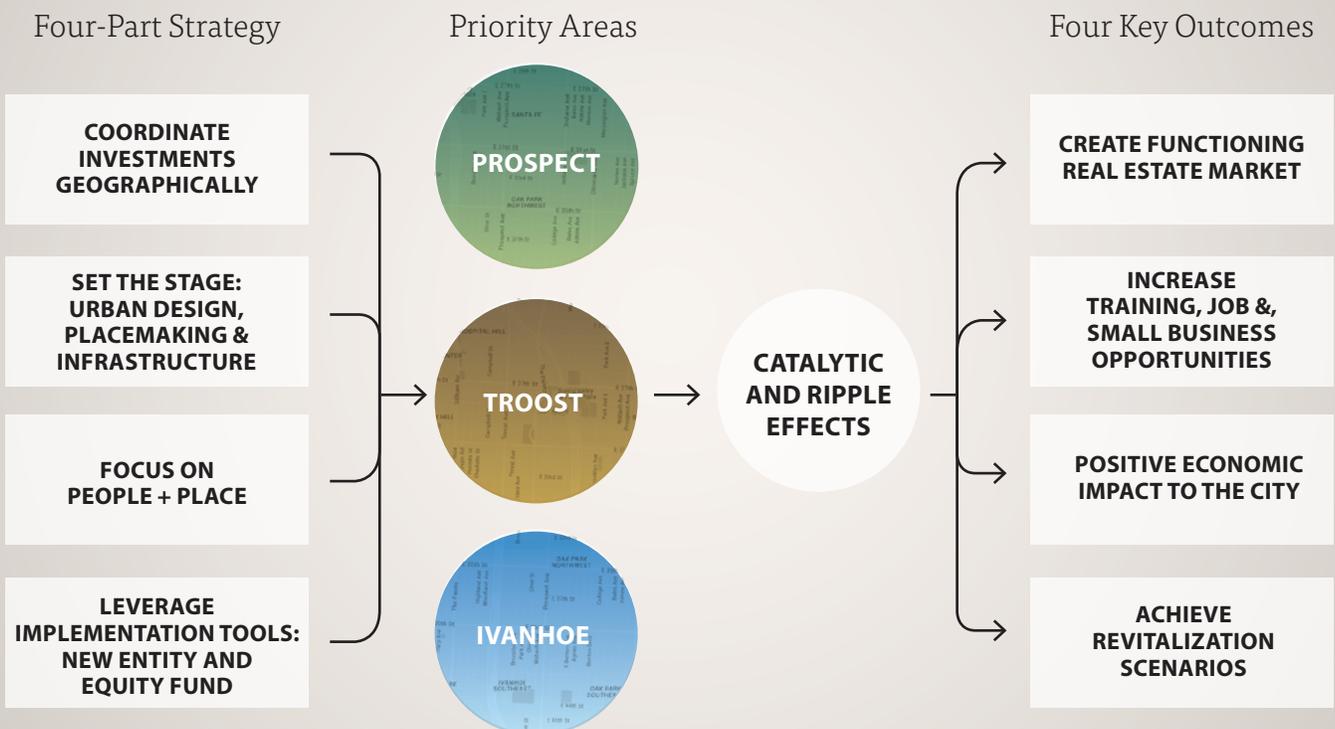
Four-Part Strategy and Business Case: The KC-CUR Strategy in a Nutshell

The KC-CUR Strategy recommends the implementation of Four Strategic Tactics (each will be described in detail later):

1. Coordinate Investments Geographically;
2. Set the Stage for Comprehensive Revitalization;
3. Focus on People + Place; and
4. Leverage Implementation Tools.

If the four strategic tactics of the KC-CUR Strategy are applied in a coordinated fashion in the three selected Priority Areas, residents and stakeholders in the Study Area will see greater real estate development activity and new job and business opportunities. The City will also accrue significant fiscal and economic benefits over time.

KC-CUR Strategy Business Case



Four-Part Strategy



Strategic Tactic #1:

Coordinate Investments Geographically

Coordinate specific real estate, infrastructure, urban design and programmatic investments in an objectively-selected defined geographic area.

The coordination of investments geographically means that limited resources are deployed in a synchronized way to specific geographic areas, rather than investments being made throughout the Study Area in a non-coordinated fashion. Our case study and best practices research show that synchronized comprehensive investments in specific geographic areas has proven to help build functioning real estate market urban areas. This approach also helps improve access to job and business opportunities to local residents. One key is to coordinate investments in more than just real estate developments. The Strategy recommends that in the Priority Areas there is coordinated investment of real estate, infrastructure, urban design and programmatic resources so that those investments build off of each other to create larger impacts and more sustained momentum in the Priority Areas.



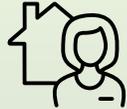
Strategic Tactic #2:

Set the Stage for Comprehensive Revitalization

Make specific non-real estate development investments that have proven to be the necessary precursors, and incentives, for redevelopment activity and comprehensive urban neighborhood revitalization.

Comprehensive, sustainable and equitable neighborhood revitalization—and redevelopment activity— requires certain supportive infrastructure to exist. Examples include physical infrastructure like sidewalks, sewer systems and new streets, legal and policy and programmatic infrastructure such as appropriate zoning and land use laws, the existence of a range of financing tools, objective resource allocation, and political support and local organizational capacity. These structures and activities set the stage for comprehensive revitalization efforts, and help incentivize larger, more catalytic development projects.

Four-Part Strategy, cont.



Strategic Tactic #3:

Focus on People + Place

Ensure that programs, resources and support for the residents and small business owners in the Study Area are put in place so that the people in the Study Area can benefit from the physical and place-based investments and change that will occur because of the Strategy.

The Strategy's recommended investments should seek to improve not only the physical places in the Study Area but also the lives of the people in the Study Area. This "People + Place" approach has three main recommendations: 1) Help build the capacity of local community organizations by collaborating with them to execute investments recommended by the Strategy; 2) Help improve the economic status of local residents and businesses by making sure there are programs that will properly train and prepare them for new opportunities, and 3) Help Study Area residents and businesses have the opportunity and financial backing to work on a significant share of the projects and investments made during the implementation of the KC-CUR Strategy.



Strategic Tactic #4:

Leverage Implementation Tools

Create two new Implementation Tools that will work together to help implement the Strategy: A new organizational entity (Implementation Entity) and a new fund (KC-CUR Fund).

The KC-CUR Strategy is particularly focused on ensuring the successful implementation of the ideas and recommendations included within the Strategy. Our case study and best practices research has shown that **the most successful revitalization strategies are usually supported by two tools** used to help implement those strategies: 1) **A fund with sufficiently "patient" capital** (capital is considered "patient" if the timeline for repayment of the capital is longer than is typically offered by conventional sources) and 2) **An organization whose main focus is the implementation of the strategy** (called in this Report an "Implementation Entity"). Our understanding of the key opportunities and challenges within the Study Area confirm the usefulness of these tools to increase the likelihood of success of the KC-CUR Strategy. Accordingly, the KC-CUR Strategy recommends the fostering of an implementation entity that will lead the execution of the Strategy, and the raising of a fund with patient capital that will support recommended Strategy investments.

Catalytic and Ripple Effects

One of the key beliefs of the KC-CUR Strategy is that implementation of the four strategic tactics of the KC-CUR Strategy in the three selected Priority Areas will cause “Catalytic Effects” in the Priority Areas and “Ripple Effects” throughout the Study Area at large.

Catalytic Effects

The KC-CUR Implementation Strategy recommends initially coordinating and focusing investments in specific sections of the Study Area. The KC-CUR Strategy calls these areas “Priority Areas.” The type of investments, and the location of those investments within the Priority Areas, are chosen strategically to spark similar investments in that Priority Area. When an investment spurs other follow-up investments in the same area we say the first investment had a “catalytic effect” because it sparked the other investments that followed it. Many types of investments can have catalytic effects, including funding that helps close financing gaps in projects (e.g. tax abatements or grants), transportation investments like Bus Rapid Transit bus lines (BRT), or even beautification projects like new street trees

or building mural projects. Public infrastructure investments such as new sidewalks or lighting, park improvements, strategic demolitions, property remediation, or zoning or policy changes can also be catalytic.

For example, a public infrastructure investment such as installing new public sidewalks, sidewalk trees and public lighting could be made on blocks where new development is desired and feasible. These investments signal to private developers and owners that they should invest resources and time in redeveloping their properties that are located near the new public infrastructure. In that example, if developers and investors then redevelop property near the new public improvements, the public infrastructure investment had a “catalytic effect” because it sparked new real estate development in the same area. The KC-CUR Strategy’s recommendations in the Priority Areas were all selected because history and experience has shown those type of investments to have catalytic effects.

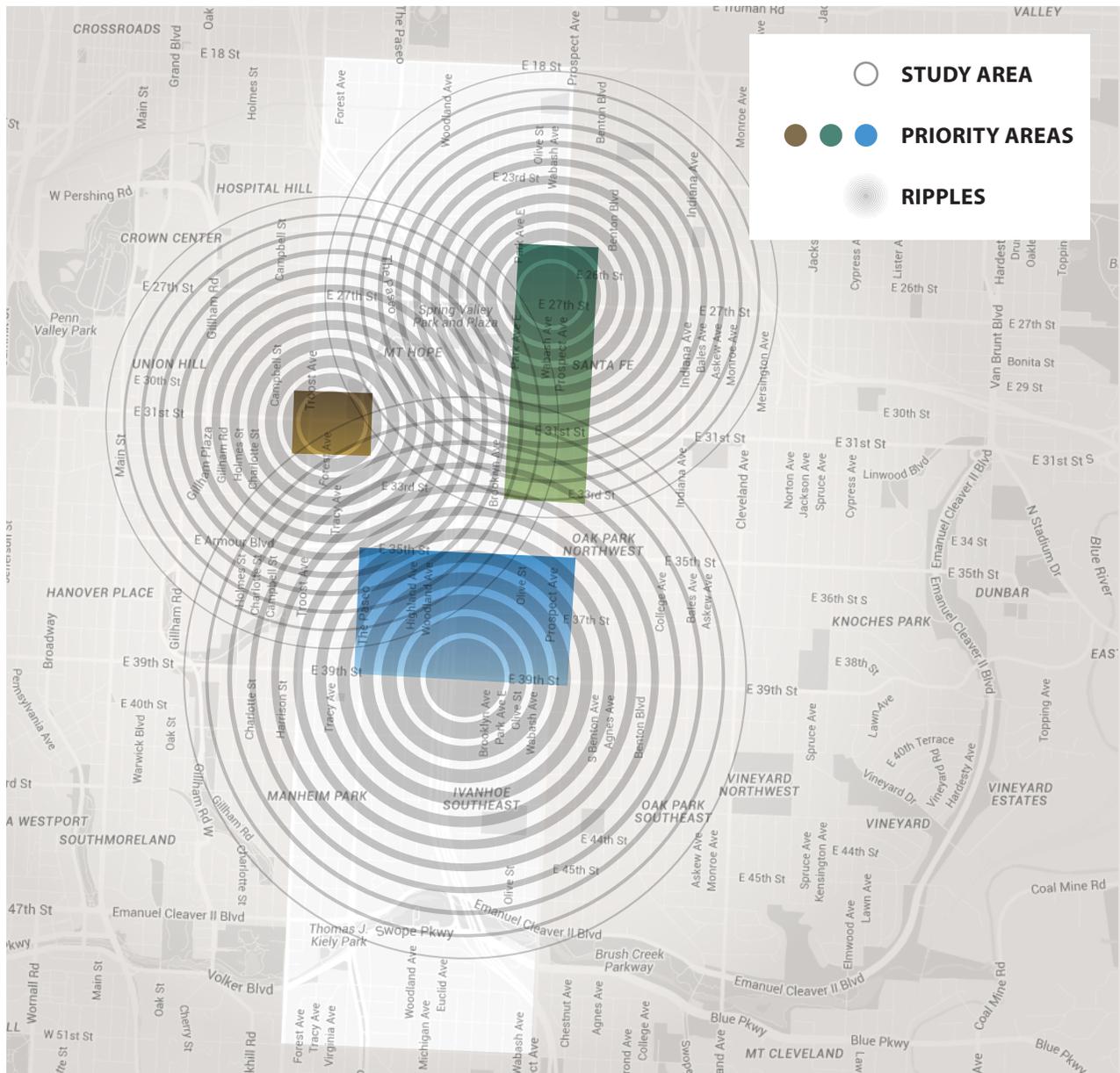


Catalytic and Ripple Effects, cont.

Ripple Effects

Once positive outcomes are achieved in the Priority Areas due to the implementation of the KC-CUR Strategy, investors, small businesses and residents will then seek to invest time and resources in neighborhoods adjacent to or near the

Priority Areas. Over time, the investment activity, economic development opportunities and fiscal impacts to the City detailed above will begin to be seen in the areas that were not originally Priority Areas. This “rippling” of the investments and outcomes first seen in the Priority Areas to other neighborhoods in the Study Area is called the “Ripple Effect”.



Strategy Outcomes

The implementation of the KC-CUR Strategy's four Strategic Tactics will result in four key outcomes.

Functioning Real Estate Market

Most of the neighborhoods within the KC-CUR Study Area do not boast functioning real estate markets. This was a key finding in our Market Scan and Existing Conditions Assessment, and was a common theme heard from private sector developers, potential investors and banks. A functioning real estate market is a real estate market where a developer or an investment can achieve a typical risk-adjusted rate of return on their investment. This risk-adjusted rate of return can be achieved without significant subsidies from public or philanthropic sources. Moreover, the market is functioning when there is a robust and steady number of properties trading hands, both from sellers to owner/occupiers, and from sellers to real estate developers. The achievement of a steady transaction history, at desired property values that can later be used as a comparison for future property valuations ("comps"), is a key to improving property valuations by banks and other sources of financing, and therefore increasing the chances of an investor achieving their desired risk-adjusted rate of return on their investment. The KC-CUR Strategy, if implemented successfully, will support the functioning of the real estate markets in the neighborhoods in the Priority Areas, and that positive momentum should ultimately create Ripple Effects that improve the functioning of real estate markets in non-Priority Areas.

Increased Training, Job and Small Business Opportunities

All of the stakeholders in the Study Area—individuals and public, private and philanthropic organizations alike—noted that a lack of job training, job opportunities and small business opportunities would be a significant hurdle to the overall revitalization of the entire Study Area. The KC-CUR Implementation Strategy, although not an economic development strategy for the City or the Study Area, should enhance the possibilities for these opportunities, since the outcomes of the Strategy will include significant infrastructure investments, new construction and building rehabilitations, and retail storefront improvements. All of that activity will increase the possible job and small business opportunities available to Study Area residents, if appropriate training and financing programs are put into place to prepare residents for

these future opportunities. We recommend that the City of Kansas City, and local non-profit and philanthropic organizations, align their training, grant and lending resources to prepare residents for future job and business opportunities. Capital from the KC-CUR Fund should also be used to help finance some of these training and small business investment efforts.

Positive Economic Impacts to the City

The Implementation Strategy, if successfully applied, should bring positive economic and fiscal benefits to the coffers of the City of Kansas City. It is beyond the scope of this Implementation Strategy to calculate or lay out those impacts in detail, but the categories of fiscal and economic benefits to the City from successful implementation include:

Potential Sources of Revenues

- Total wages associated with new jobs and residents
- Gross revenues to the City from new tax revenues
 - Property Taxes
 - Earning Tax
 - Sales Taxes
 - Personal Property Taxes
 - Corporate Taxes

Potential Sources of Savings

- Reduced City expenditures on:
 - General Law Enforcement
 - Incarceration
 - Code Enforcement
 - Demolition and Board-Ups
 - Public Infrastructure Maintenance

Priority Area Revitalization Scenarios – Overview

General Description

The successful implementation of the KC-CUR Strategy should have definitive and positive effects on the Priority Areas and the Study Area as a whole. Each Priority Area has its own opportunities and challenges, so the Consultant Team has created summaries of the projected results of the real estate, infrastructure, urban design and placemaking investments recommended by the Strategy. **We call these summaries of the projected outcomes in the Priority Areas “Revitalization Scenarios.”** The Revitalization Scenarios give stakeholders a snapshot of the projected results of the implementation of the four Strategic Tactics of the Implementation Strategy.

Key Assumptions.

Each recommended real estate development investment, urban design intervention or programmatic initiative necessary to achieve the Revitalization Scenario for a KC-CUR Priority Area has a cost. The Consultant Team has projected development program costs for each Revitalization Scenario solely for the purposes of illustrating, on an order-of-magnitude basis, the potential scale of funding and resources necessary to achieve the Revitalization Scenario. Please note

that the “cost” of a projected real estate development, for the purposes of each Revitalization Scenario, is the funding “gap” as estimated by the full development feasibility analyses for each key site found in the Appendix. The “gap” is the difference between the revenues generated by the development scenarios and the cost of construction.

The Consultant Team has included unit cost estimates for the key components of the recommended urban design and placemaking interventions since it is beyond the scope of this effort to fully design and cost out the urban design interventions proposed. More detailed urban designs for and around each Key Site, including the boundaries and extent of corridor and other proposed public space improvements, would need to be produced to reasonably estimate aggregate urban design intervention costs.

Troost Corridor Revitalization Scenario



Strategic Goals

- **Create a vibrant and stable mixed-use commercial corridor with neighborhood serving retail**
- Compliment Public Sector Infrastructure Investments
- Spur Additional Private Sector Commercial Investment
- Support Small Business Development & Job Creation
- Revitalization Impact Timeline: 3-5 Years

To achieve the 3-5 year revitalization of the KC-CUR Strategy, the Troost Corridor Priority Area urban design strategy calls for a series of targeted public realm improvements to enhance walkability, improve neighborhood aesthetics and marketability, and foster local-serving commercial services.

For the commercial blocks fronting Troost between 30th and 33rd Streets, the strategy calls for standard commercial corridor urban design enhancements such as pedestrian-scale lighting, street trees, street furniture, and commercial façade

and building improvements. These interventions will make the area attractive and transit and pedestrian-user friendly, and are vital to attracting neighborhood-serving retailers and shoppers back to the corridor.

Coordinated realm improvements east-west along 31st Street will visually and physically connect the Troost commercial node to Troost Park, and the residents of Beacon Hill-McFeters and Boston Heights-Mt Hope. These improvements will also leverage concentrated residential 'model block' infill and rehab activity occurring in those neighborhoods. The KC-CUR urban design committee members view the 31st St as the key priority E-W corridor for their area. The City's area plans and Comprehensive Plan also support an upgraded street section in order to calm traffic, provide shade for pedestrians, and make neighborhood connections safe and attractive for all users.

Key Activities and Interventions*

1 Better Troost & 31st Streetscapes

Troost: support the revitalized commercial node and improve north-south connectivity for people walking, biking, and riding the bus: street furniture, street trees, pedestrian-scale lighting, angle-in car parking, safer crossings.

31st: create connectivity between Troost Ave, Troost Park, and Boston Heights-Mount Hope by improving the experience for all travel modes. Wider sidewalks, green buffers, bus shelters, traffic calming, safer crossings, pedestrian-scale lighting.

2 Revitalized Retail Node

Create Community Improvement District, recruit local-serving retailers, implement small-business incubator program.

3 New & Improved Troost Park

Hold design competition to generate ideas, then implement with participatory process. Improve park visibility, build new recreational facilities and shared public spaces, pedestrian-scale lighting, active park patrols and park management.

4 Model Blocks

Concentrate home repair and infill construction on targeted blocks, then switch focus to adjacent block.

Key Development Sites

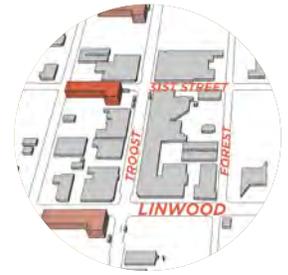
- A KCPS Headquarters - approx. five acres of underutilized land zoned for high-intensity commercial, office, and/or residential uses.
- B Existing Proposal: Mixed-use, 30k sq.ft commercial, 80 apartments
- C Key Infill Site - underutilized land owned by Operation Breakthrough
- D KC-CUR 'Catalytic' Development Proposal - five-story mixed-use, retail / office or retail / residential. Current owner: KCATA
- E Improved Public Plaza
- F Existing Proposal: Mixed-use commercial w/ apartments above, three-story. Current owner: PIEA
- G Key Infill Site - for-sale townhouse / stacked townhouse / duplex
- H Key Infill Site - three-story collonade-style apartments
- I Key Infill Site - for-sale townhouse / stacked townhouse / duplex

* The key development sites listed as "key infill sites" are sites where, to our knowledge, existing proposals for redevelopment do not exist. These sites are accordingly deemed "available" for recommended strategic interventions.





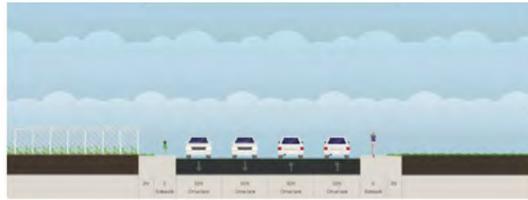
Proposed 31st and Troost Improvements



Section 1: 31st Street

Section 2: Troost Ave

Existing



Proposed



This development program consists of a 5-story, 72-unit mixed use building with first-floor commercial and a 0.67:1 parking ratio. The density of the building in this program is increased by building less parking spaces than the required 1:1 parking ratio.

Estimated Costs

(Key Development Site and Programs Only)

Each recommended real estate development investment, urban design intervention or programmatic initiative necessary to achieve the Revitalization Scenario for a KC-CUR Priority Area has a cost. The Consultant Team has projected high-level costs for each Revitalization Scenario solely for the purposes of illustrating, on an order-of-magnitude basis, the funding and resources necessary to achieve the

Revitalization Scenario. Please note that the “cost” of a projected real estate development, for the purposes of each Revitalization Scenario, is the funding “gap” as estimated by the development feasibility analyses found in the Appendix. The ballpark costs including in these Revitalization Scenario cost estimates are helpful to understand the scope of the challenge of funding the Revitalization Scenarios.

Investment	Investment Description	Estimated Investment Costs	Overall Estimated Costs
Real Estate Development Funding Gap	Moderate-scale, urban infill multi-family (M/F) apartment development along Troost, starting with the ATA site at the NW corner of 31st and Troost.	\$10M	\$10.1M
Urban Design/ Infrastructure/ Placemaking	Standard commercial corridor urban design enhancements, such as pedestrian-scale lighting, street trees, street furniture, and commercial façade and building improvements along Troost. Coordinated realm improvements and an upgraded street section along 31 st Street.	Unit Costs Included at end of Section	
Programmatic/ Policy/Other	Comprehensive brand creation and brand marketing strategy for Troost including engagement and creation process, new logo, tagline and materials. Mobile “Grocery Truck” idea; Create Community Improvement District (CID) for Troost Corridor.	\$100,000	

Ivanhoe Neighborhood Revitalization Scenario



Strategic Goals

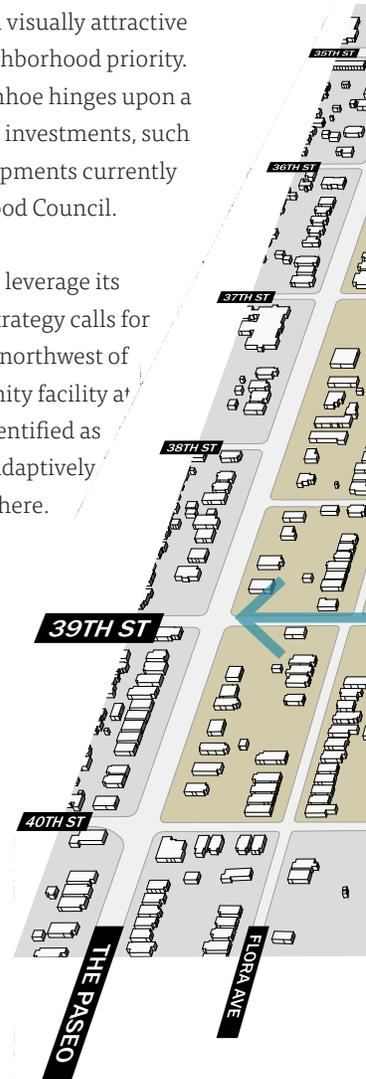
- **Stabilize residential neighborhood & catalyze market through rehabilitation of existing homes and strategic infill construction**
- Catalyze Functioning Real Estate Market
- Support Existing Community Efforts
- Support Small Business Development & Job Creation
- Revitalization Impact Timeline: 3-5 Years

To achieve the 3-5 year revitalization of the KC-CUR Strategy, the Ivanhoe Priority Area urban design strategy calls for a series of targeted public realm improvements to connect Ivanhoe east-west along 39th Street, support a focused ‘model block’ housing strategy, and provide much-needed community facilities and spaces.

To catalyze Ivanhoe’s property market and leverage its high-quality, historic housing stock, the KC-CUR Strategy calls for a targeted ‘model block’ program focused NW of 39th & Prospect Avenue.

The strategy prioritizes a road diet and improved street section the length of 39th Street between the Paseo and Prospect Ave. Improving 39th Street to make it safer and visually attractive for all users has been a long-standing neighborhood priority. The success of the KC-CUR Strategy in Ivanhoe hinges upon a better 39th Street to leverage existing new investments, such as Ivanhoe Gateway, and other new developments currently being planned by the Ivanhoe Neighborhood Council.

To catalyze Ivanhoe’s property market and leverage its high-quality, historic housing stock, the Strategy calls for a targeted ‘model block’ program focused northwest of 39th & Prospect. A new park and community facility at the 3700 block of Wabash Ave, recently identified as a planning priority by Ivanhoe residents, adaptively reuses a newly built but vacant structure there. These facilities will provide much-needed community spaces and amenities for residents.



Key Activities and Interventions

1 Better 39th Street Streetscape

Support revitalization investments by improving east-west connectivity for people walking, biking, and riding the bus: street trees, pedestrian-scale lighting, safer crossings, green buffers, bus shelters, and traffic calming.

2 Model Blocks

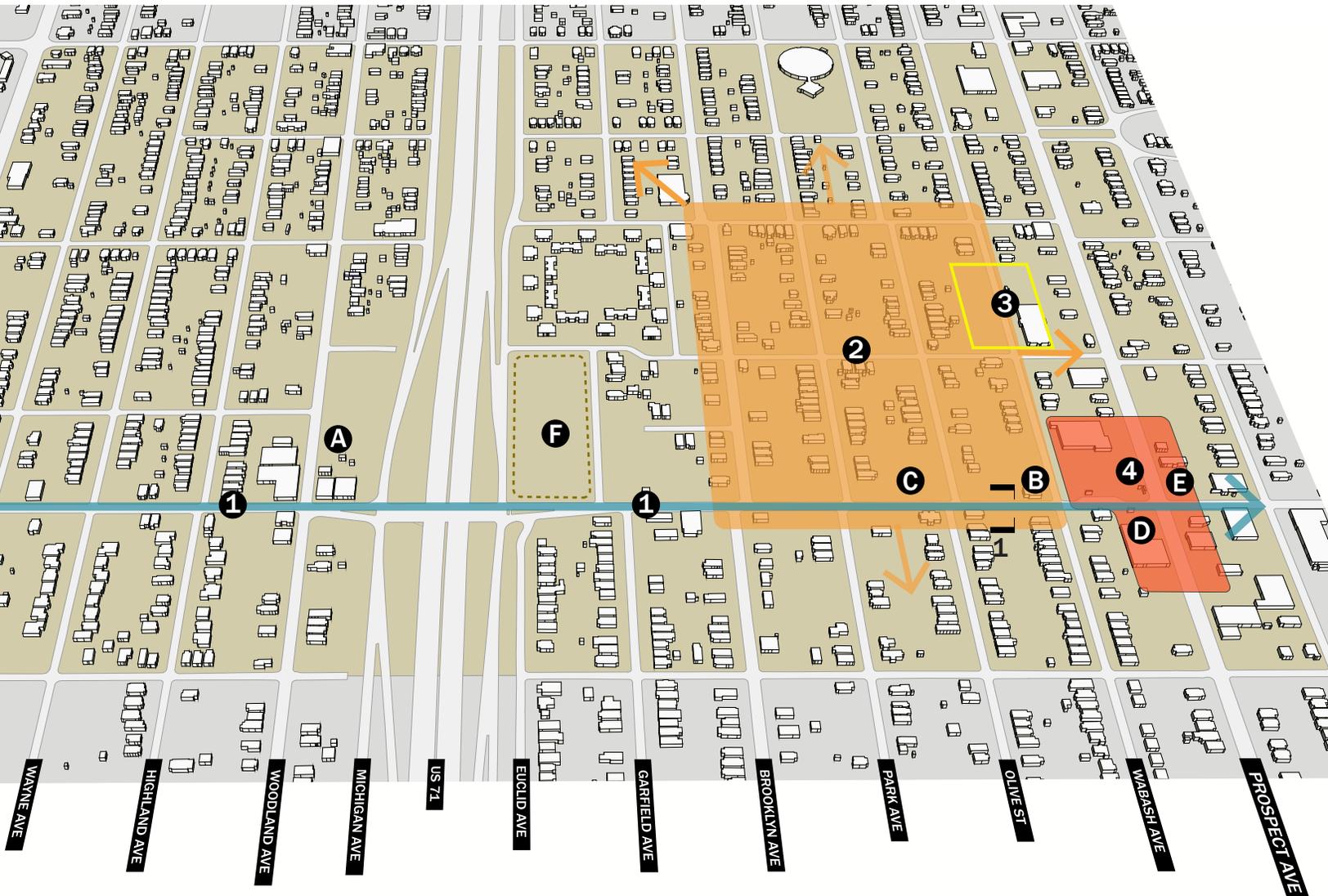
Concentrate home repair and infill construction on targeted blocks to achieve 'critical mass' of new / rehabilitated residential housing.

3 New Park & Community Building

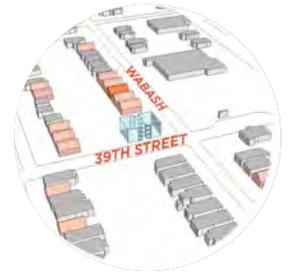
Modify existing structure and adjacent vacant lots for new recreation, community, and social spaces.

4 Revitalized Retail Node

Build upon the new Aldi grocery store to attract neighborhood-serving retail within walking distance of new housing choices.



38th and Wabash St Improvements



Section 1: 39th Street

Proposed

Existing



- Sidewalks
- Circulation Zones
- Grass
- Single Family Residence
- Multi-Family
- Existing Structures

Estimated Costs

(Key Development Site and Programs Only)

Investment	Investment Description	Estimated Costs	Overall Estimated Costs
<p>Real Estate Development Funding Gap</p>	<p>A targeted 'model block' program focused on a four block area (3700 & 3800 blocks of Wabash, 3700 and 3800 Olive). There are approximately 100 homes in the model block area that could be a part of a model block:</p> <ul style="list-style-type: none"> • vacant / blighted single-family (gut rehab candidates): 7 • vacant lots (new single-family candidates): 54 • occupied single-family (light remodel candidates): 39 <p>As a demonstration project one small scale 3-story, 12-unit multi-family development would also be built in the Ivanhoe neighborhood.</p>	<p>\$7M for Single Family</p> <p>\$1.5M for Multi-Family</p> <p>Total: \$8.5M</p>	<p>\$8.7M</p>
<p>Urban Design/ Infrastructure/ Placemaking</p>	<p>Series of targeted public realm improvements to connect Ivanhoe E-W along 39th Street; Road diet and improved street section the length of 39th Street between The Paseo and Prospect Ave; A new park and community facility at the 3700 block of Wabash Ave.</p>	<p>Unit costs Included at end of Section</p>	
<p>Programmatic/ Policy/Other</p>	<p>Comprehensive brand creation and brand marketing strategy for Ivanhoe neighborhood residential neighborhood and the key 39th Street corridor including engagement and creation process, new logo, tagline and materials. Mobile "Grocery Truck" idea; Extend urban gardens activities and support in area with better equipment, land improvements and marketing funds.</p>	<p>\$200,000</p>	

Strategy Outcomes

Prospect Corridor Revitalization Scenario



Strategic Goals

- **Create a vibrant and stable mixed-use commercial corridor**
- Coordinate Public and Philanthropic Investments
- Spur Future Private Sector Investments
- Explore Job Creation and Workforce Development Opportunities
- Revitalization Impact Timeline: 5-10 years

General Approach.

The KC-CUR Strategy recommendations for the Prospect Corridor Priority Area differ somewhat from the other two Priority Areas in that we recommend a specific, larger-scale and more impactful intervention at the Linwood Shopping Center site rather than focusing all along the entire Prospect corridor. This approach is designed to align with the significant investments made and about to be made by the City in the Linwood Shopping Center site, and to synchronize with future transportation investments to be made by the City and KCATA along the Prospect Corridor. It also attempts to better utilize the redevelopment opportunity

presented by the Linwood Shopping Center site by proposing a denser, mixed-use development program that should increase the catalytic effects of redeveloping the site. The recommended development program will also better recognize and leverage the Bluford Library (corner of 31st and Prospect) as a major community asset and center of activity.

Multi-Phase, Mixed-Use Development Program.

The overall development program would be built out in phases, with the projected redevelopment of the grocery store as a centerpiece of the first phase. The overall proposed development program can be found on the Summary Table. The first phase would consist of the construction of an approximately 39,000 square foot grocery store, a 4-story, mixed-use multi-family building with 45 residential units and 13,300 square feet of ground floor commercial space. The first phase will also include the build out of 125 shared parking spaces.

Key Activities and Interventions



Leverage City and Federal Investments in the Corridor

The City and Federal government have focused a number of new transportation, smart city infrastructure and transit-oriented development policies and initiatives on the Prospect Corridor. The Strategy must promote and suggest additional investments that build upon and compliment these existing efforts by the City and Federal government.

Identify Opportunity Sites or Clusters

Near Current Investments

The sites with the most feasible opportunities will be those near sites where recent investments have occurred (e.g. East Patrol Campus/Crime Lab). Other opportunity sites will be located where significant investments are happening in the near future (e.g. Linwood Shopping Center). Opportunities for redevelopment will also exist in locations where multiple properties are owned by one or a few owners where those sites could be assembled into one larger parcel where larger-scale development could happen.

Make Strategic Infrastructure and Placemaking Investments

Infrastructure and placemaking investments are a key starting point to set the stage for future small business and real estate development in the Priority Area. The key is making those investments in places along Prospect that compliment existing investments made by the public and private sector.

Recommend Policy and Zoning Changes to Set Stage for Future

The Priority Area must have zoning, land use laws and policies that support the redevelopment vision for the the Priority Area. A deeper land use policy and zoning regulations audit must be done to assess the current policies and regulations to see if they both support and incentivize the redevelopment vision desired for this portion of Prospect Avenue.

Create Focused Implementation Plan for the Priority Area

Although there are a few past planning efforts that cover parts of the Priority Area, there needs to be a new implementation plan created that focuses solely on this section of Prospect Avenue, and incorporates all of the new and projected investment activity and initiatives of the public, private and non-profit sectors. The effort must also engage new stakeholders and organizations that now focus on this portion of Prospect Avenue.

Development Program



brought up closer to Prospect for better visibility and to reduce the negative impact on the urban environment of the large parking lot. Large street facing parking lots tend to be unsafe for pedestrians, create a heat island effect and are generally unattractive. With the main entrance of the grocery store on the corner of the building, this provides easy access for both pedestrians and drivers coming to shop. The existing retail along Wabash remains and the overflow parking lot between the two commercial buildings could be used as a multi-use, hybrid parking lot area.

Townhomes line Olive St in order to scale down the density into the most single family residential neighborhood, whose residents want to maintain the current scale and density of these areas. Sidewalks and landscaping enforce a campus approach where the buildings relate to one another and edges are softened with trees and plantings – making Wabash a friendly and inviting street to walk down – connecting residents from the nearby neighborhoods. Prospect becomes a strong urban edge. Local-serving retail and services would be recommended – including a Wifi hotspot café, that allows students and residents to use this service in order to do their homework or work in a safe, comfortable environment.

Urban Design Philosophy.

Prospect Avenue is one of the most travelled public transportation routes in the City and the City is implementing a bus rapid transit line, with free Wifi. Thus this initial design scheme reflects urban design principles that promote the use of transportation options, walkability, and the space for community amenities – all of which are supported by increased housing density along Prospect. The Grocery is

Summary of Development Program

Program Detail	Overall Program	Phase I	Phase II	Phase III
Estimated Development Cost:	\$43M	\$19M	\$20M	\$4M
Residential Units-Multi-family (4 Story Mixed-Use Building)	105	45 Units	60 Units	N/A
Residential Units-S/F Infill Homes	21	N/A	N/A	N/A
Shared Parking Spaces	235	125	110	N/A
Mixed-Use Building Commercial (On Ground Floor)	30,700 sq. ft	13,300 sq. ft	N/A	N/A
Grocery (Standalone Grocery Store)	39,000 sq. ft	39,000 sq. ft	N/A	N/A
Standalone Retail (Rehabilitation of Existing Retail)	29,000 sq. ft	N/A	29,000 sq. ft	N/A

Estimated Costs

(Key Development Site and Programs Only)

Investment	Investment Description	Estimated Costs	Overall Estimated Costs
<p>Real Estate Development Funding Gap</p>	<p>Phase I is a multi-building development consisting of a 4-story, mixed-use building with 45 residential units and 13,300 square feet of ground floor commercial space. The Phase will also include the build out of 125 shared parking spaces, and a 39,000 square foot standalone grocery store.</p>	<p>\$19M for Phase I</p>	<p>\$19.2M</p>
<p>Urban Design/ Infrastructure/ Placemaking</p>	<p>Coordinated realm improvements near Linwood Shopping Center development and near Bluford Library</p>	<p>Unit Costs Included at end of Section</p>	
<p>Programmatic/ Policy/Other</p>	<p>Create focused Implementation Plan for the Prospect Priority Area that incorporates all of the new and projected investment activity and initiatives of all sectors, and engages new and old stakeholders and organizations to create a comprehensive and coordinated vision for Prospect Avenue between 25th and 33rd Streets.</p> <p>Create branding and marketing strategy for the selected portion of the Prospect Avenue corridor. Quarterly weekend community clean-up of key sites on or visible from the Prospect Corridor.</p>	<p>\$200,000</p>	

Revitalization Scenario – Unit Costs

The Consultant Team has included unit cost estimates for the key components of the recommended urban design and placemaking interventions since it is beyond the scope of this effort to fully design and cost out the urban design interventions proposed. More detailed urban designs for

and around each Key Site, including the boundaries and extent of corridor and other proposed public space improvements, would need to be produced to reasonably estimate aggregate urban design intervention costs.

Type	Unit	Unit Cost	Source
Street Tree (tree only)	(each)	\$500	Local experience
Street Tree (tree + well)	(each)	\$1000	Local experience
Bench	(each)	\$1650	Local experience
Trash Receptacle	(each)	\$900	Local experience
Bicycle Rack	(each)	\$800	FWHA
Pedestrian-scale Lighting	(each)	\$16,500	Local experience
Curb Extension	(each)	\$12,000	FWHA
Curb Radius Reduction	(each)	\$27,500	FWHA
Small (e.g. parking restriction) street sign	(each)	\$200	FWHA
Large (e.g. “Yield”) street sign	(each)	\$300	FWHA
Continental Sidewalk (thermoplast)	(each)	\$1,000	FWHA
Road Diet (restriping only)	Linear mile	\$35,000	FWHA
Advanced Stop Line	(each)	\$350	FWHA
Concrete Pavers	Square foot	\$17	Local experience
Curbs	Linear foot	\$22	Local experience
Sidewalk	Square yard	\$50	Local experience
ADA Ramp	(each)	\$1,000	Local experience
Bus Shelter	(each)	\$12,000	FWHA
Landscaping (topsoil, native plantings / turf)	Square foot	\$11	Local experience

Estimated Costs of the Revitalization Scenarios

(Key Development Sites and Programs Only)

Key Assumptions.

Each recommended investment or programmatic initiative necessary to achieve the Revitalization Scenario for a Priority Area has a cost. The Consultant Team has projected development program costs for each Revitalization Scenario solely for the purposes of illustrating, on an order-of-magnitude basis, the potential scale of funding and resources necessary to achieve the Revitalization Scenario. The estimated costs included in these Revitalization Scenarios are helpful to understand the general scope of the challenge of funding each of the Revitalization Scenarios. These projected costs are also helpful as a general target for capital raising. The aggregated Revitalization Scenario cost projections on the right can help the KC-CUR Partnership, stakeholders and potential investors understand the magnitude of funding needed to help implement the Strategy in a Priority Area. More detail on the development program, urban design interventions, and programmatic initiatives for each Priority Area, and the estimated associated cost with those items, can be found later in the Report.

KC-CUR Priority Areas – Estimated Aggregate Cost of Troost, Ivanhoe & Prospect Revitalization Scenarios

Real Estate Development Funding Gap	\$34.5M *
Programmatic/Policy/Other	\$500,000
Total Estimated Costs	\$35M

* Estimate limited to proposed 31st and Troost; Ivanhoe Model Block; and Linwood Shopping Center Developments

Implementation & Implementation Tools

Introduction

There have been dozens of planning and visioning efforts completed in the Study Area. All of these plans contain great insights and information, and so the Consultant Team reviewed them all. Unfortunately, many of the recommendations of these plans haven't been implemented. So a fundamental question we needed to answer in our research and analysis was:

"What is the difference between plans and strategies that fail to get executed and those that are executed and are successful?"

Our best practices and case studies research, along with our local and national experience as a Consulting Team, all led to the same clear answer:

The Revitalization Strategies that are Successfully Implemented Leverage Specific Implementation Tools.

Accordingly, the KC-CUR Strategy includes as its fourth Strategic Tactic a recommendation to leverage certain implementation tools as a key element of the Strategy. The three Implementation Tools to be leveraged by the KC-CUR Strategy are:

1. A new Implementation Entity that will work with local organizations to lead and execute the Implementation Strategy;
2. A new fund that will help finance investments and programs recommended by the KC-CUR Strategy, and potentially initially support the operations of the Implementation Entity; and
3. A 100-Day Action Plan and Implementation Matrix that give specific directives on priorities to execute or explore within the first 100 days of commencement of implementation of the Strategy.

The following sections describe in further detail each of the Implementation Tools above, the research and analysis that led to those recommendations, and the specific ways each Implementation Tool should be used.

KC-CUR Fund Analysis

The KC-CUR Partnership recognized the need for a source of sufficiently “patient” capital that would support the investments proposed by the Strategy. A source of capital is “patient” if the timeline for payback of the capital is longer than the typical payback timeline offered by conventional private funding sources. As an implementation tool for the KC-CUR Strategy we have recommended, based on extensive research and analysis, a framework for a fund (the “KC-CUR Fund” or “Fund”) that would provide patient capital for certain KC-CUR Strategy investments in the Study Area.

The Consultant Team, in order to inform its recommendation of the appropriate framework for the KC-CUR Fund, performed the following work:

- Assessed, at a general level, the current funding sources being leveraged in the Study Area;
- Identified the key capacity requirements needed by the Fund to support the KC-CUR Strategy;

- Identified, through research, the key differentiators between different funds that focus on investing in urban neighborhood projects and programs; and
- Performed case study research and a SWOT Analysis on four possible Fund frameworks.

KC-CUR Fund Framework Recommendation

The most appropriate fund framework would be a fund with the characteristics shown in the chart below.

The KC-CUR Partnership should implement a phased strategy to execute on the recommended fund framework. This phased framework is consistent with the practices of existing funds and is prudent considering the current market and investment climate in the KC-CUR Study Area. The recommended phased capital raising strategy will also lay the appropriate groundwork for attracting non-local corporate, philanthropic, state and federal sources of funding.

KC-CUR Fund Framework Recommendation

Initial Founders/ Funders	Fund Size	Administrator	Geographic Reach	Range of Investments	Funding Types	Other
Foundations, City of Kansas City and Corporate Organizations	\$25-40M	Select an existing High Capacity Non-Profit, such as CFDI, with a track record and capacity	Multiple Neighborhoods within the Study Area only	Full Range, including real estate (all product types) and non-real estate projects and programs	Loans and Grants	Collaborative partnership with City & local orgs

KC-CUR Fund Analysis, cont.

Phased Capital Raising Strategy

	Structuring & Due Diligence	Seed Funding	Project & Program Pipeline Development	Final Capital Raising Phase
Main Activities In Phase	<ol style="list-style-type: none"> 1) Determine Initial Roles & Responsibilities of KC-CUR leadership organizations; 2) Engage with City political and governmental leadership; 3) Identify initial philanthropic potential partners; 4) Identify any investment ready projects or programs in line with KC-CUR Strategy; 5) Identify and fund any additional analysis or business planning needed vis-à-vis equity fund; and 6) Identify local partner(s) to initially administer funds 	<ol style="list-style-type: none"> 1) Fundraise for initial seed funding for: <ol style="list-style-type: none"> a) Existing smaller investment-ready pipeline projects; b) Organizational resources for local administrative partners' further development of equity fund; c) Activities that will occur in Project and Program Pipeline Development Phase; and 2) Fundraising initially focused on local corporate, philanthropic and individual investors 	<ol style="list-style-type: none"> 1) Identify investment-ready catalytic projects and programs that fit the goals, tactics and recommendations of the KC-CUR Strategy in the Priority Areas; 2) Identify the local partner organizations who will sponsor, lead or oversee those projects and/or programs; and 3) Develop, underwrite and detail those projects and programs to create a pipeline of projects that could be an investable portfolio for the future equity fund 	<ol style="list-style-type: none"> 1) Obtain larger (\$1M+) commitments from local corporate, philanthropic and public sources; 2) Explore obtaining commitments from non-local philanthropic, corporate and public sources (e.g. Knight Foundation out of Florida, or US Bank out of St. Louis); and 3) Explore project and program specific investments from sources focused on specific topics or interventions (e.g. a source who will fund only childhood-related projects like Skillman from Detroit, or a local healthcare foundation in KC)
Estimated Size of Funds Raised /Needed for Phase	\$50,000 - \$100,000	\$250,000 - \$1M	\$1M - \$5M	\$20M-\$40M

KC-CUR Fund Analysis, cont.

Key Capacity Requirements of the KC-CUR Fund

The KC-CUR Fund must be able to fund or support the investments and initiatives proposed as part of the KC-CUR Strategy, including the initial operations and activities of the final Implementation Delivery System.

Key Differentiators between Revitalization Equity Funds

There are three key differentiators between the focus, structure and investment operations of most funds focused on the revitalization of urban neighborhoods:

- **Geographic Reach.** Geographic reach is the geographic area in which investments can be made from the Fund's capital. The geographic area is usually determined by the physical location of the project or program, not the location of the corporate entity receiving the funding. In our research most urban revitalization funds had a geographic reach that fell into one of three categories:
 - Citywide (Investments could be made anywhere within the city limits)
 - Multiple Neighborhood (Investments could only be made within specific neighborhoods)
 - Commercial Corridor (Investments could only be made in a specific commercial corridor)
- **Range of Investments.** The range of possible investments of all funds focused on urban neighborhood revitalization is extensive. However, the types of investments made by most of these funds fall predominantly into the following key categories:
 - Real Estate Development (Predevelopment, Construction and Permanent) (“Real Estate”);
 - Smaller-Scale Neighborhood Revitalization Projects (“Neighborhood Projects”);
 - Public Infrastructure (“Infrastructure”);
 - Small Business Funding and Training (“Small Business”);
 - Planning and Urban Design (“Planning”) and;
 - Local Non-Profit and Individual Capacity Building and Technical Assistance (“Capacity Building”).
- **Funding Type.** The investment made by a fund can come in many forms, but they predominately are made in the form of either a grant (an investment that does not require repayment) or a loan (an investment that requires repayment of the loaned funds and some amount of interest). There are some funds that make in-kind investments (providing free office space, as an example), but those are less frequently-used funding mechanisms.

The Consultant Team identified seven different funds focused on the revitalization of urban neighborhoods in contexts similar to the KC-CUR Study Area. That case study analysis, along with a discussion of fund framework options and an associated SWOT analysis, can be found in the Appendix.

Implementation Entity

Background

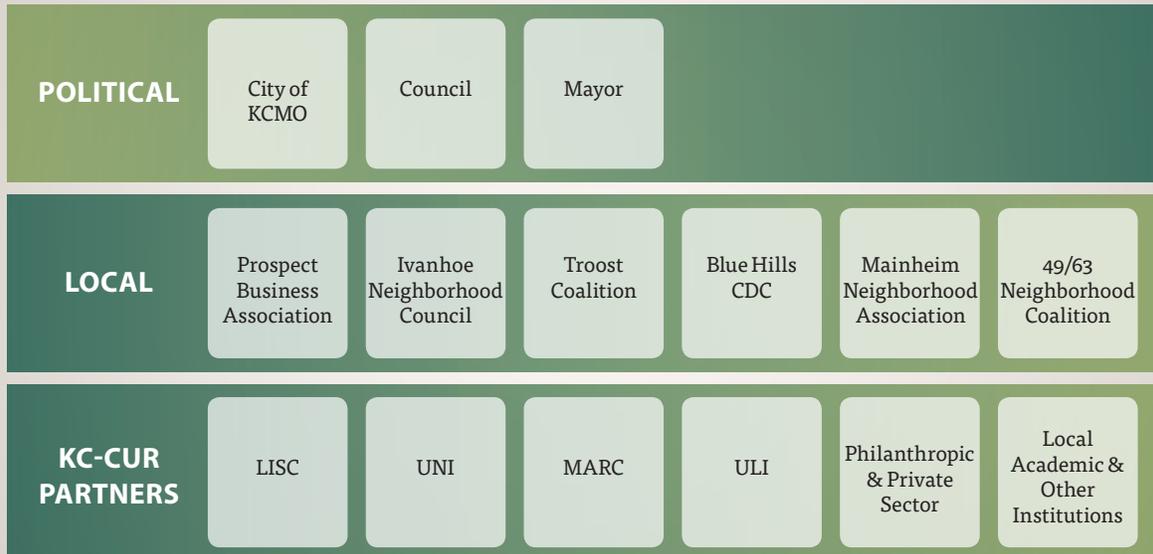
A hallmark of the KC-CUR Initiative was its original focus on creating a revitalization strategy that was implementable within a short (1-5 year) time horizon. Therefore, one of the Initiative’s goals for the KC-CUR Strategy was to recommend an appropriate entity or group of entities to lead the KC-CUR Strategy. The entity or group of entities (called herein an “Implementation Delivery System”) must have sufficient capacity and commitment to lead the implementation of the KC-CUR Strategy.

The Consultant Team, in order to inform its recommendation of the appropriate Implementation Delivery System, performed the following work:

- Assessed, at a general level, the current Delivery Systems being leveraged in the Study Area;
- Identified the main types of Implementation Delivery Systems being utilized around the country;
- Reviewed Implementation Delivery System best practices from around the country;
- Performed case study research and a SWOT Analysis on Delivery Systems used in applicable contexts; and
- Discussed the Delivery System options with a variety of public, private & community stakeholders.

A summary of the KC-CUR delivery system options considered, and our case study research on delivery systems can be found in the Appendix.

Ecosystem of Existing Organizations, Leaders & Stakeholders*



*List is not final or exhaustive

Implementation Entity, cont.

Existing Ecosystem of Local Organizations

In the Study Area, there is an existing ecosystem of local organizations and leaders with a variety of missions, geographic priorities and capacities. They each work tirelessly to improve the quality of life of residents in the Study Area. The recommended Implementation Delivery System should be structured to work collaboratively with each of these organizations, and in many cases these existing organizations will be the entities that carry out parts of the KC-CUR Strategy, not the Implementation Entity itself.

Delivery System Capacity Needed to Implement the KC-CUR Strategy

The delivery system selected for the KC-CUR Strategy will need to have **the capacity to champion, coordinate, support and/or implement a wide range of investments, activities and collaborations.** The chosen Implementation Delivery System must be able to help, or must have:

1. The capacity & capital to **acquire, maintain, and transfer properties** for redevelopment
2. The balance sheet, staffing and experience sufficient to **qualify for and receive millions of dollars of competitively-distributed funding** from local, state, federal, corporate and philanthropic sources
3. The ability, balance sheet and experience to **underwrite, administer and monitor loans and grants**
4. The ability to oversee, fund and monitor a **wide range of investments, programs and initiatives**

5. Coordinate **physical neighborhood improvements** including infrastructure, design and placemaking
6. Seed **job opportunities and training opportunities** for residents derived from Strategy activities
7. Provide **small business development assistance & opportunities** from Strategy activities
8. The ability to **engage and collaborate successfully with resident and local organizations**
9. The ability to help **build greater capacity in local community organizations** to help implementation

The first three capacities above should be the key capacities, priorities and working activities of the new Implementation Delivery System. The delivery system must also be able to complete many of these activities simultaneously, in multiple neighborhoods, and through multiple and concurrent larger-scale real estate development, infrastructure and urban placemaking projects.

Implementation Entity, cont.

Summary of Recommendations

Based on our review of applicable best practices and our assessment of successful delivery system options in other cities, we make the following initial recommendations:

Recommendation #1: A New Organizational Entity is Strongest Option.

Our research and analysis indicate that the strongest option for an Implementation Delivery System for the KC-CUR Strategy is to foster the creation of a new organization. The new entity can demonstrably meet the capacity needs of the Implementation Delivery System, and will oversee and coordinate the implementation of the KC-CUR Strategy. To succeed, the new organization must have a geographic focus that covers multiple, non-contiguous neighborhoods and a broad mission and experience that is more than housing-based. A key role of the organization will be to act as a collaborative partner with existing neighborhood organizations and neighborhood funding partners. Successful examples around the country show that this delivery system would have the necessary capacity, focus and multi-sector backing to implement the KC-CUR Strategy.

Although the focus above is on the creation of a “new” organization, a subsidiary or affiliate of an existing organization could also be an appropriate selection. That subsidiary or affiliate must be able to fulfill the capacity needs of the KC-CUR Strategy, and must be able to quickly transition into the new roles and responsibilities required for implementation of the KC-CUR Strategy. For example, a subsidiary or affiliate of the Urban Neighborhood Initiative (UNI) might, with appropriate structuring, partnering and resource allocation, be an existing organization that could meet the capacity needs of the KC-CUR Strategy.

A more detailed discussion of our Implementation Delivery System case study research and analysis, the capacity needs of the new organizational entity or affiliate, the recommendation options we explored, and our Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of those options, can be found in the Appendix.

Recommendation #2: Four Primary Factors for Organizational Success.

There are four primary factors that will determine the success of a new community revitalization organization within the Study Area:

1. A strong mission;
2. Organizational competence;
3. Political backing; and
4. Adequate funding.

Recommendation #3: Success Cannot Be Achieved Without Multi-Sector Support.

Every successful delivery system option we reviewed leveraged the resources, support and approval of each of the public, private, non-profit and philanthropic sectors, including high-level support from elected officials in its jurisdiction. The delivery system for implementation of the KC-CUR Strategy must have multi-sector support to be successful and sustainable.

100-Day Action Plan

The 100-Day Action Plan is an Implementation Tool used by the KC-CUR Strategy to continue the momentum created by the extensive community and stakeholder engagement performed during the development of the KC-CUR Strategy. The 100-Day Action Plan is also intended to help bridge the gap between the finalization of the Implementation Strategy and the moment when an entity is created to lead the Strategy. The 100-Day Action Plan does not include action items for the continued exploration and potential creation of the recommended Implementation Entity or KC-CUR Fund since the immediate action items for those Tools are more detailed and are included in the KC-CUR Strategy section.

We should also note that the “100-Day” timeframe is in some ways just a metaphor for “Start doing small things now! And “Galvanize stakeholders immediately!” Accordingly the 30-40 day increments and overall timing in the 100-Day Action Plan shouldn’t be taken as hard and fast rules, but should be used as guideposts to focus interim implementers of the Strategy on low-hanging fruit or key near-term action items.

Table continues next page

Timing	Troost Priority Area
Days 1- 30	<p>Real Estate: Engage with KCATA regarding redevelopment of its site at 3100 Troost. Conduct a preliminary historic resources survey to facilitate tax credit applications for historic structures with rehabilitation potential.</p> <p>Policy: Engage with the City of KCMO to eliminate policy and funding barriers to the public realm improvements identified in the area’s urban design strategy. This includes creating new street design standards and Major Streets plan typologies, increasing staff capacity for infrastructure inspections and routine maintenance, improving administrative project management and project approval procedures, and passing a Complete Streets ordinance.</p> <p>Infrastructure: Submit PIAC requests for public infrastructure improvements implementing the area’s urban design strategy.(Urgent: Submission deadline is August 31st)</p> <p>Programmatic: Bring the ‘Rollin’ Grocer” to 31st & Troost. Provide additional financial and administrative support to accelerate the formation of the Troost Avenue CID.</p> <p>Programmatic-Workforce/Small business development. Identify programs or resources which can help local entrepreneurs assess their ability to open “pop-up” retail booths or stores in currently vacant storefronts along Troost. Survey current owners of vacant retail storefronts on Troost for interest in pop-up retail opportunities.</p>
Days 30-60	<p>Policy: Convene all Troost Corridor stakeholders to create a unified and comprehensive branding and marketing strategy reflecting the mixed-use nature and future of the corridor, including existing and planned retail, commercial and residential. Final brand and tagline must be jointly supported and used both by the retail, office and non-profit tenants and owners on the Corridor. The brand and strategy must also be supported by private developers currently planning or developing new projects on or near the Prospect Corridor.</p> <p>Programmatic-Workforce/Small business development. If programs and resources exist, convene vacant storefront owners and interested entrepreneurs to start Pop-Up Retail Working Group.</p>
Days 60-100	<p>Real Estate: Continue discussions with KCATA on potential redevelopment of its site; If viable set timeline for development solicitation creation and public distribution and marketing.</p> <p>Placemaking/Place Management: Continue progress on creating a CID for the Troost Corridor with Troost Coalition and existing stakeholders working on that initiative.</p> <p>Policy: Finalize joint marketing and branding strategy for the Corridor.</p> <p>Programmatic-Workforce/Small business development. Continue progress on organizing Pop-Retail Working Group; identify specific Troost storefront pop-up opportunities; begin matching specific entrepreneurs with specific storefront sites</p>

100-Day Action Plan, cont.

Timing	Ivanhoe Priority Area	Prospect Priority Area
Days 1- 30	<p>Real Estate: Convene key stakeholders to discuss options for an appropriate cluster of properties to explore the KC-CUR's recommended Ivanhoe multi-block rehabilitation strategy. Compare geographic clusters based on current land use, ownership, adjacencies and scale of potential impact.</p> <p>Policy: Engage with the City of KCMO to eliminate policy and funding barriers to the public realm improvements identified in the area's urban design strategy. This includes creating new street design standards and Major Streets plan typologies, increasing staff capacity for infrastructure inspections and routine maintenance, improving administrative project management and project approval procedures, and passing a Complete Streets ordinance.</p> <p>Programmatic-Workforce/Small business development. Perform inventory of City and non-profit training programs for trade skills necessary for small-scale single family home rehabilitations (rehabs). Perform survey of Ivanhoe residents to ascertain number of residents interested in training. Identify business training programs for small-Scale rehabbers.</p>	<p>Urban Design/Placemaking: Explore creation of a quarterly weekend community clean-up of key sites on or visible from the Prospect Corridor. Begin to discuss with interested stakeholders about options for project leaders, volunteers, and sponsors. Identify best sites where clean-up would be visibly impactful to residents and passersby.</p> <p>Programmatic: Convene full breadth of Prospect Avenue stakeholders (residents, business owners, City and non-profit staff) to explore creation of a succinct Priority Area vision and associated market-based implementation strategy for the Priority Area through an ongoing visioning and strategy creation process.</p> <p>Programmatic-Workforce/Small business development. Perform inventory of City and non-profit training programs for trade skills necessary for small-scale single family home rehabilitations (rehabs) and new multi-family and grocery store construction. Perform survey of residents and small businesses near Prospect corridor to ascertain number of residents interested in training. Identify business training programs for small-scale rehabbers and local businesses who could provide services to multi-family and grocery store developers.</p>
Days 30-60	<p>Policy: Continue to discuss potential marketing and branding strategy. Final brand and tagline must be jointly supported by strong existing neighborhood organizations and other key stakeholders. Convene existing stakeholder to explore creating a comprehensive branding and marketing strategy that takes into account current family and youth-friendly residential brand of area. There is also a "green" brand in the neighborhood relating to locally grown produce, and sustainability features currently proposed in the neighborhood.</p> <p>Programmatic-Workforce/Small business development. If applicable programs exist, and interest is high enough, begin enrolling residents and small-scale rehabbers into training programs.</p>	<p>Placemaking: Set dates and obtain sponsors and volunteer commitments for quarterly weekend community clean-up of key sites on the corridor. Leverage convened stakeholder group to organize, sponsor and market cleanup effort.</p> <p>Real Estate: Conduct ownership and land use audit and update on all sites bordering Prospect Avenue within the Prospect Priority Area. Create map of Land Bank and City owned properties and any clusters of privately owned properties and identify any useful opportunity clusters.</p> <p>Programmatic-Workforce/Small business development. If applicable programs exist, and interest is high enough, begin enrolling residents and applicable small-scale businesses into training programs.</p>
Days 60-100	<p>Real Estate: In concert with KC-CUR Strategy recommendations, select clustered multi-block area where a large-scale, multiple property, single-family or multi-family set of rehabs could take place. Strategy infill could also be considered. Begin to seek resources to move possibilities forward.</p> <p>Policy: Finalize joint marketing and branding strategy for the Ivanhoe Priority Area and key intersections and corridors. Begin process to create and pass by ordinance neighborhood architectural design standards.</p> <p>Programmatic-Workforce/Small business development. Continue progress on enrolling residents and small-scale rehabbers in applicable programs; identify specific rehabilitation opportunities based on model block location decisions; begin matching skilled Ivanhoe tradesman and small scale rehabbers oath specific rehab job and business opportunities.</p>	<p>Infrastructure: Discuss with KCATA its Prospect MAX plans and begin to identify potential locations for pedestrian-oriented investments. Start preliminary selection process for key corners or locations (e.g. Bluford Library) for pedestrian sidewalk, crosswalk, lighting or similar infrastructure investments by the City and or KCATA.</p> <p>Programmatic: Begin creation of succinct vision and associated implementation strategy for Priority Area; Consider initial branding and marketing opportunities for existing assets on or near the Prospect Corridor.</p> <p>Programmatic-Workforce/Small business development. Continue progress on enrolling residents and small businesses in applicable programs; identify specific work and business opportunities based on actual Prospect Priority Area development activity; begin matching skilled local tradesman and local small businesses with specific job and business opportunities.</p>

Implementation Matrix

	Strategic Action	Expected Impact	Resource Intensity	Lead Organization	Supporting Organizations
1	Create a collaborative of funders who are interested in the KC-CUR strategy	High	Low	LISC	UNI, City of KCMO, MARC
2	Pursue ArtPlace Placemaking Grant for Troost Node within Troost Priority Area	High	Low	LISC	Foundations, Troost Coalition, Private Owners, Arts Organizations
3	Solicit Development Proposals on KCATA Site within Troost Node Priority Area	High	Medium	KCATA	City of KCMO, Troost Coalition, MARC
4	Create detailed Strategic Implementation Plan with engagement process for the Prospect Priority Area (Master Planned Development District?)	High	Medium	City of KCMO	Foundations, LISC, UNI
5	Coordinate and organize business interests within Prospect Priority Area	Medium	Low	Prospect Business Association	UNI
6	Select initial rehab model block within Ivanhoe Priority Area	Medium	Medium	Ivanhoe Neighborhood Council	LISC, UNI, City of KCMO, Land Bank
7	Redesign of 39th Street corridor right of way and pedestrian infrastructure within Ivanhoe Priority Area	Medium	High	City of KCMO	Ivanhoe Neighborhood Council

Appendix

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Appendix: Overview and Review of Past Plans

This Appendix contains executive summaries and excerpts from a variety of analyses performed by the Consultant Team that support the findings and recommendations in this Implementation Strategy Report. Full copies of the underlying documents may be obtained from members of the KC-CUR Partnership.

Use of this Report, Estimates and Analyses.

The Consultant Team used their independent professional judgment and skills in good faith, subject to the limitations, disclosures and disclaimers herein. The findings in this Appendix and this Report, and any of the referenced additional analyses are not to be used by any outside party other than the KC-CUR Partnership, and should not be the sole source of information to inform decision-making related to site design, infrastructure, urban design or placemaking investments, financing, disposition, or any form of real estate development or investment activity.

Review of Past Plans

This section of the Report summarizes pertinent City land use and development planning policy in the KC-CUR Study Area. The purpose of the summary is:

1. To assist the KC-CUR stakeholders with making urban redevelopment decisions fitting with existing City land use and development policy.
2. To leverage the significant investment of time and capital resources invested in these plans by neighborhood residents, institutions, and the City.
3. To enable decision-making with due consideration of the public interest, as these plans were created with significant public input to reveal and reflect community-identified needs and priorities.
4. To capitalize on the findings and recommendations of pre-existing plans, rather than risk repeating past planning steps and exacerbate perceptions of 'planning fatigue' within the Study Area. According to the project scope of work, one of the project's principle goals is to "move appropriate recommendations in many previous plans forward to implementation.

Key Finding 1: Common Themes

Sixteen planning documents in total were reviewed. Six key themes were identified that reflect the most consistently cited issues, future goals, and/or recommended implementation strategies for future urban development within the KC-CUR Study Area. These are:

1. Create complete neighborhoods with identifiable centers that host a diverse and complete array of local retail, commercial, social and cultural amenities, housing and transportation choices.
2. Preserve existing character and cultivate sense of place that leverages heritage and other existing assets to increase place identity and unique character, use historic preservation tools, and reinvest in existing neighborhoods.
3. Create transportation alternatives that increase the viability of modes other than private vehicle by investing in mass transit, bicycling, and walking infrastructure.
4. Target, zone, and incentivize dense, mixed-use development along key nodes and transit corridors through coordination of land use, transportation, and economic development incentive programs and decisions, rezoning, and new development programs and policies.
5. Develop neighborhood capacity to champion redevelopment through the creation of BIDs, CIDs, and CDCs. Coordinate with neighborhood groups to coordinate and implement policy recommendations.
6. Coordinate City investment and departmental program activities to ensure public improvements reinforce and complement each other

The Consultant Team believes that the consistency of these themes throughout reviewed plans indicate they are a robust reflection of community-identified needs, future aspirations and expectations. The team therefore has confidence that the

Appendix: Review of Past Plans and Market Scan

first three themes (complete neighborhoods, existing character and place, transportation alternatives) provide a robust strategic framework that accurately reflect citizens' collective goals and future 'vision' for their communities, and that the latter three themes (targeted mixed-use nodes, development champions, and coordinated City investment and program activities) represent credible implementation-oriented strategies that all stakeholder groups understand and support. This provisional conclusion will be revisited as the Consultant Team proceeds with its assessment of the Study Area's existing conditions, trends, and recent investment and development activity.

Key Finding 2: Common Target Areas

These plans consistently advocate for 1) focused, dense mixed-use development along major corridors and intersections 2) preserving the low-density, predominantly single family character of existing residential neighborhoods. Troost, Prospect, and Linwood-31st are the most commonly identified target corridors. Key nodes are identified as the major intersections of Troost and 31st-Linwood, Prospect and 31st-Linwood, and the other major intersections with Troost and Prospect that generally occur every ½-1 mile north to south: at 27th St., Armour Blvd., 35th St., 39th St., Cleaver II Blvd, and 55th St.

Key Finding 3: Implementation Challenges

The team's confidence in this Report's provisional findings is tempered, partly, by the methodological weaknesses evident in many of the plans. This negatively impacts the usefulness and credibility of many plan recommendations. This summary has also revealed potential barriers to catalytic, place-based redevelopment within the City's development policy framework; namely, conflicting and/or inconsistent zoning, uncoordinated City incentives and public improvement programs, and limited support for neighborhood-scale community development activities. These issues should be given further consideration as the project proceeds.

Market Scan

The biggest takeaway from the Market Scan's analysis and findings is the need to first put in place the proper infrastructure to eventually spur market-based catalytic neighborhood revitalization and redevelopment.

That short-term infrastructure should include lower-scale and less capital intensive rehabilitation and infill redevelopment activity, coupled with longer-term strategic investments. The current income demographics and population trends in the Study Area are challenges that can be overcome with the appropriate combination of shorter-term tactical investments and longer-term infrastructure building.

We understand that one of the longer-term goals of the KC-CUR project (in addition to other people and place-based goals) is to spur the development of a larger scale, mixed-use, mixed-income transformative project. Although many past planning efforts have attempted to achieve this goal, the majority of these plans have not come to fruition. We must take a different approach to sustainably achieve Study Area revitalization and market-based redevelopment at scale. Accordingly, priority must be first given to putting in the infrastructure necessary to support this type of large-scale development and incentivize the market to deliver it.

Our scan of existing market conditions of the Study Area, led to **three Market-Scan based recommendations:**

- In the near-term (~2016-2021), focus on rehabilitation ("rehab") and strategically located new construction infill projects.
- Prioritize the support of denser, walkable, mixed-use developments on key transit corridors.
- Coordinate place-based efforts, built environment in the Study Area with corresponding people-supportive strategies.

Appendix: Market Scan, cont.

We believe these recommendations have significant potential to catalyze and transform the Study Area into an attractive, productive and vibrant area by building on existing development momentum and leveraging existing resources towards community needs.

The Market Scan contains substantial detail on our findings with respect to the income demographics, housing stock and retail context in the Study Area. Find below a quick summary of the key findings and data points in each of those categories.

Income Demographics

The project Study Area is located just south and east of downtown Kansas City, and, at nearly 4 square miles in size, includes multiple neighborhoods including Beacon Hills/Wendell Phillips, 18th and Vine, Mount Hope, Key Coalition, Center City, Squier Park, Ivanhoe, Eastern 49-63, and Blue Hills. There are 13,209 residents in the Study Area. However, the Study Area population has declined by over 4,000 since 2010. Neighborhood residents are predominantly lower-income, and the median household income (\$20,500) is less than half of the city-wide median income (\$43,600). The Study Area is predominantly residential in nature, marked by single family homes. Home values are less than half of the city average, and the housing stock is 30% vacant. Once-vibrant retail corridors along Troost and Prospect Avenues are now also marked by high vacancy in local-serving retail spaces and run-down buildings.

Housing

There are numerous risk factors for developers considering building new housing within the neighborhood, including stagnant home values, very high vacancy, and an aging housing stock in need of repair. As such, there is a limited market opportunity for new housing development. However, existing affordable housing stock and readily available housing supply may also be an asset by providing an opportunity for lower-income households to own a home. There may be an opportunity for the City to support local residents in purchasing and rehabilitating existing vacant homes, bringing new investment to the neighborhood and enabling disadvantaged/lower-income populations to build equity.

Retail

The loss of population and growing poverty rate in the Study Area also hinders the ability to bring in new local-serving retail as there are no longer enough shoppers or purchasing power to support such uses. On the other hand, inexpensive land, available housing supply, a central location with good transit connectivity to downtown, significant recent and upcoming public investment, and coordinated efforts among stakeholders to help revitalize the neighborhood can all play a strong role in helping to support local economic development.

Appendix: Existing Conditions Assessment

The Study Area has a number of assets and liabilities that will impact the viability of the Implementation Strategy:

Land Use & Vacancy

From 1950-2010, the Study Area's population decreased by 76.7%, from 72,608 to 16,737 people. Demand for residential and commercial land uses has fallen with its population. Consequently, 30% (561 acres) of all Study Area land is vacant. Vacancy is least prevalent in the neighborhoods bordering Troost Avenue, likely due to close proximity to Midtown's (stable) neighborhoods, institutions, and employers (see graphic "Vacancy by Census Block"). This indicates redevelopment efforts may be more successful in these neighborhoods. However, long-term forecasts also indicate the Study Area population overall will decline for several more decades, limiting the overall scale of redevelopment.

Built Environment

The vast majority of the land use in the Study Area is residential (see graphic "Current Land Use"). The area's traditional street grid and original architectural fabric along its commercial nodes and corridors are valuable assets for leveraging greater density and adaptive reuse opportunities. Successful redevelopment will require changes to the zoning code to ensure new development is compatible with existing development, and achieves the density required to support walkable urban places.

Transit

The Study Area has good transit access and a high proportion of transit-dependent residents. Eleven bus lines bisect the Study Area, including the City's two highest-ridership lines (the Troost MAX, at 8,500 riders / day, and Prospect's Route 71, at 6,000 riders / day). These assets connect people to jobs and could leverage transit-oriented development, improving transit access further and attracting new residents to the Study Area.

Job Accessibility

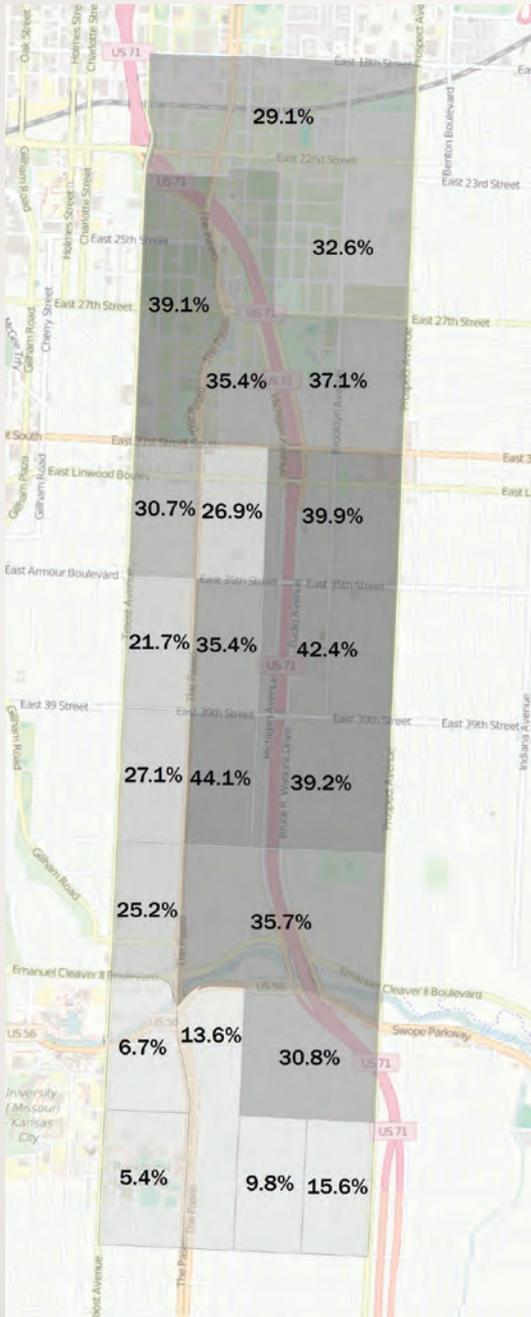
Kansas City's downtown is an important employment center, with 101,600, or 11.5% of the metro's total jobs, within a short distance of the Study Area. Many metro-area jobs, however, are located in Kansas City's suburbs, making many employment opportunities hard to reach for many Study Area residents who rely on public transit. Proximity to jobs is a significant asset, and will facilitate housing demand for new residents who wish to live close to work.

Neighborhood Governance

The Study Area has strong neighborhood organizations, but not all neighborhoods within the Study Area are equally serviced by existing organizations. Powerful redevelopment approaches, such as Commercial Improvement Districts / Neighborhood Improvement Districts and historic districts, are available but underutilized in the Study Area. These 'off-the-shelf' strategies could fund organizational capacity, public-realm improvements, and close funding gaps, enabling revitalization to occur organically at the neighborhood scale.

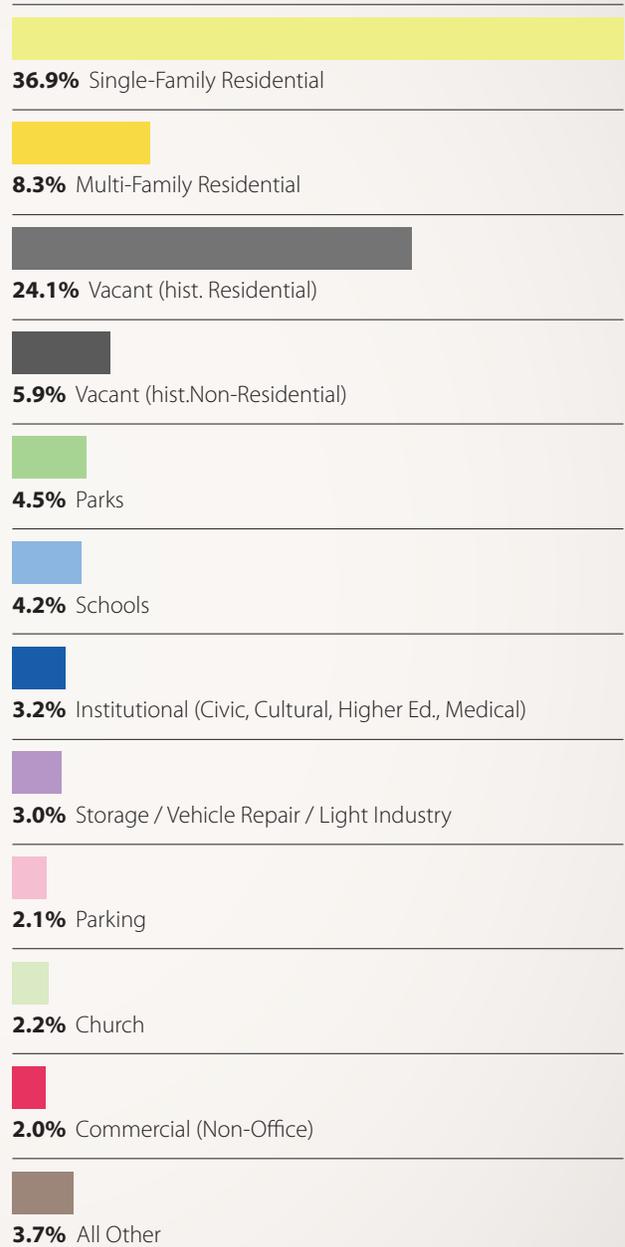
Study Area Land Use and Vacancy

VACANCY BY CENSUS BLOCK



Source: US Census Bureau

CURRENT LAND USE



Source: City of Kansas City, MO

Appendix: Cultural Asset Maps

What is Cultural Asset Mapping?

Cultural Asset Mapping is defined as a systematic approach to identifying, recording, classifying and analyzing a community's cultural resources.

Why Map Cultural Assets?

Identifying and mapping the three KC-CUR Priority Area's cultural assets will provide a key knowledge base for current and future creative placemaking efforts.

These assets can also, in turn, be:

- 1) Leveraged as economic development opportunities as part of the overall KC-CUR strategy;
- 2) Incorporated into proposed urban design interventions to enhance sense and pride of place; and
- 3) Increase awareness and access to social, cultural, and educational program opportunities that already exist within or near the KC-CUR Priority Areas.



Cultural Asset Inventory Categories

Intangible

Stories
Place Names
Oral Histories
Neighborhood Histories
Folklore

Cultural Spaces and Facilities

Cultural Facilities
Cinemas
Religious Institutions
Performing Arts Venues
Galleries & Studios
Libraries
Museums
Parks & Plazas
Public Art
Community Gardens

Creative Individuals

Performing Arts
Music
Theater
Folk and Traditional Crafts
Pottery & Ceramics
Sculpture
Artisan (metalwork, jewelry, furniture)

Cultural Heritage

Historical Sites
Heritage Structures
Neighborhood
Monuments
Cemeteries
Architectural and Urban Design

Community Arts/ Cultural Organizations

Arts Organizations (crafts, visual art, dance)
Arts Education
Cultural / Ethnic
Immigrant
Community Bands and Choirs
Horticultural
Historical Societies
Libraries
Religious

Festivals & Events

Gallery and Studio Tours
Art Fairs
Recreation & Sports
Street Festivals
Music Festivals
Food & Wine Festivals

Creative Industries

Publishing
Film & Video
Photography
Digital Media
Art Galleries
Book Stores
Antique Dealers

Troost Corridor Priority Area Cultural Assets

- CULTURAL SPACES & FACILITIES
- FESTIVALS & EVENTS
- CULTURAL HERITAGE
- CREATIVE INDUSTRIES
- POTENTIAL PLACEMAKING SITE
- CREATIVE INDIVIDUALS
- COMMUNITY ARTS & CULTURAL ORGANIZATIONS
- INTANGIBLE
- * KEY KC-CUR CREATIVE STRATEGY ASSET



Ivanhoe Priority Area Cultural Assets

- CULTURAL SPACES & FACILITIES
- FESTIVALS & EVENTS
- CULTURAL HERITAGE
- CREATIVE INDUSTRIES
- POTENTIAL PLACEMAKING SITE
- CREATIVE INDIVIDUALS
- COMMUNITY ARTS & CULTURAL ORGANIZATIONS
- INTANGIBLE
- KEY KC-CUR CREATIVE STRATEGY ASSET



'flea' artist and outdoor market (1 of 2 poss. sites)

35TH ST

WABASH AVE

PROSPECT AVE

Richardson
Early Learning
Center

'Joe's Grocery was at 39th & Prospect, together with a five and dime, and a five cent hamburger place at 39th and Wabash. The existing building on the SW corner of 39th and Prospect, now a Bail Bonds place, was a cleaners and seamstress shop which had been open since the 1920s or maybe even earlier. The neighborhood was integrated by the early 1960s, and the neighborhood became an epicenter for black families migrating to the area. Most of the stores were white owned.'

39TH ST

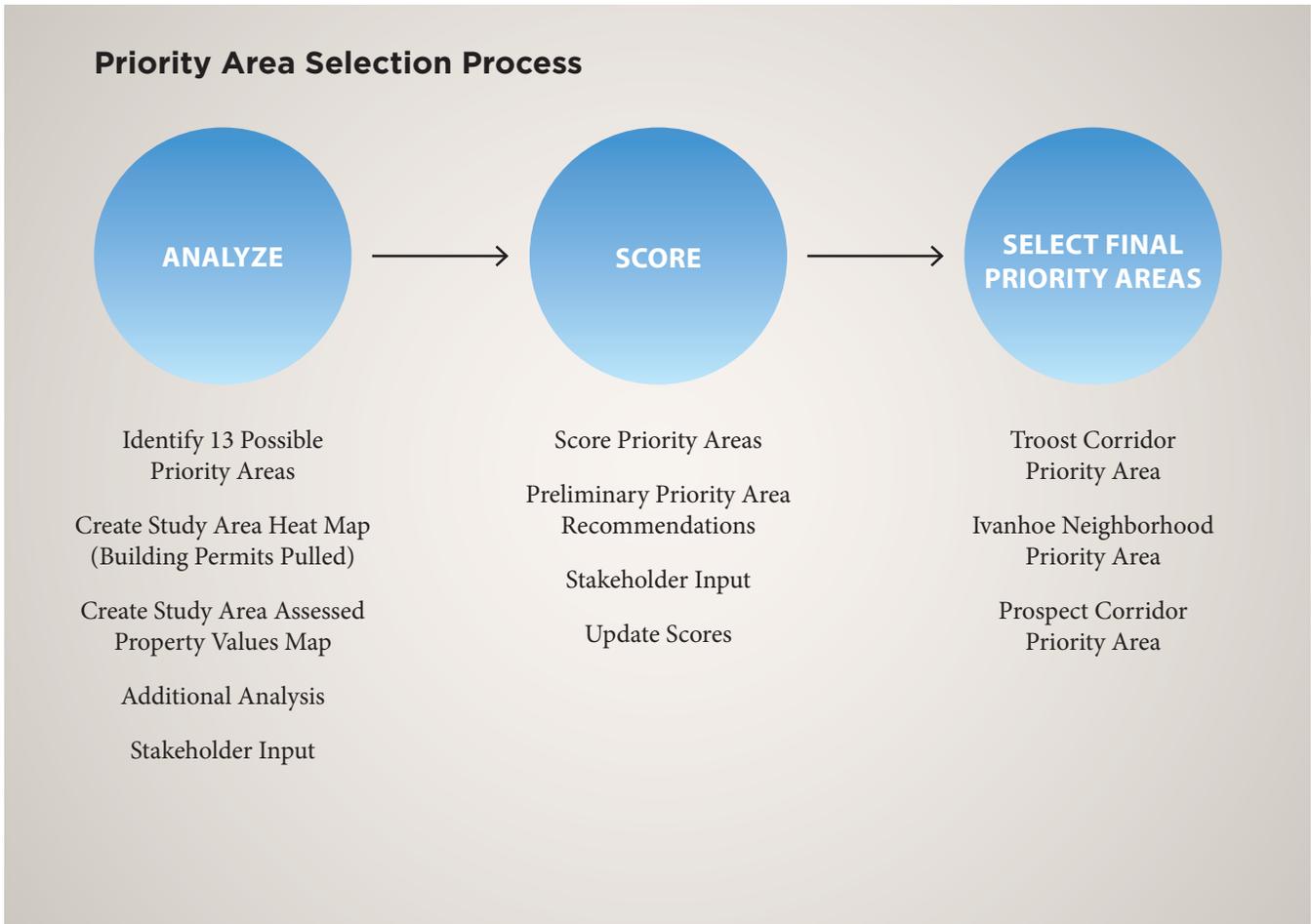
'flea' artist and outdoor market (1 of 2 poss. sites)

Ivanhoe Park
Celebration

Black Vine
Artist live-work
space *

Mural
"Then and
Now"

Appendix: Scoring and Selection of Priority Areas



The Consultant Team’s case study and best practices research strongly showed that synchronized comprehensive investments in specific geographic areas has proven to help build functioning real estate markets and provide access to job and business opportunities to local residents. The Consulting Team created an objective, rigorous selection criteria and selection process to select Priority Areas for the KC-CUR Strategy.

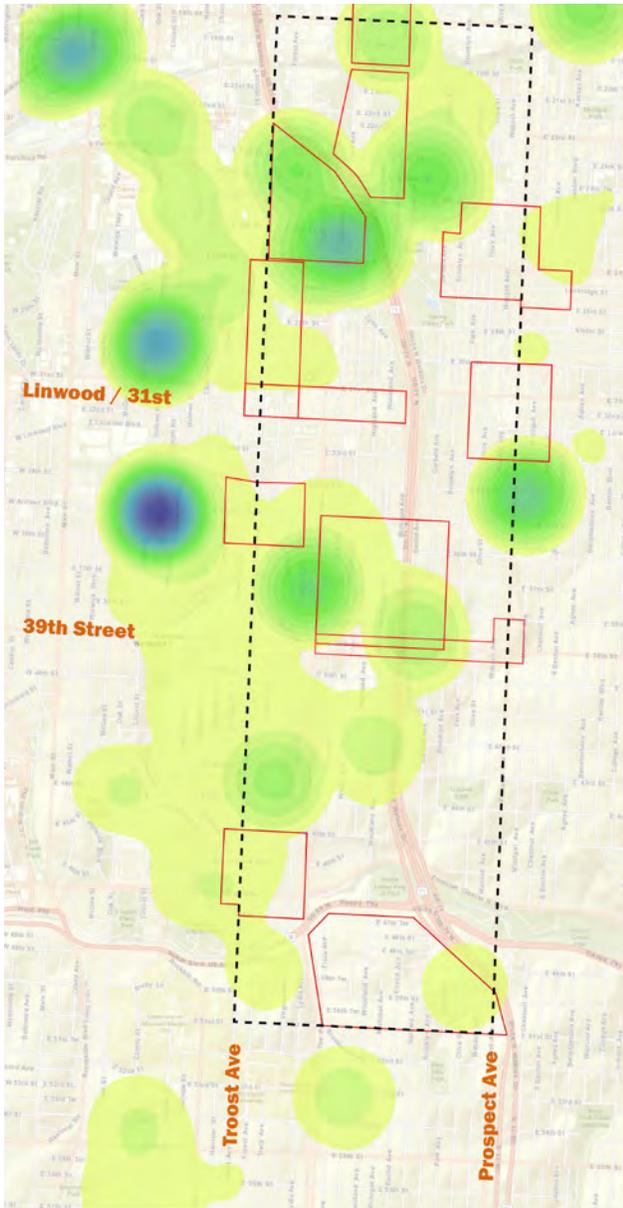
Our Priority Area selections were supported by the data we compiled that showed higher assessed property values, and building activity (as approximated by the number of building permits pulled), could already be found in certain portions of the Study Area. This data is graphically depicted on the Study

Area Heat Map and Assessed Property Values Map on the following page. Potential Priority Areas that showed higher assessed property values and more building permit activity were given higher scores under the “Existing Investment or Investment Activity” scoring criterion.

The selection of these Priority Areas doesn’t mean that the other areas within the Study Area are not worthy of continued improvement efforts. The City and local stakeholders should continue their great work and investments in those areas. The Priority Areas were selected because they already have the most coordinated momentum of activities, and boast the best possibility for Catalytic and Ripple Effects to occur if coordinated investments are made in those areas.

Appendix: Scoring and Selection of Priority Areas, cont.

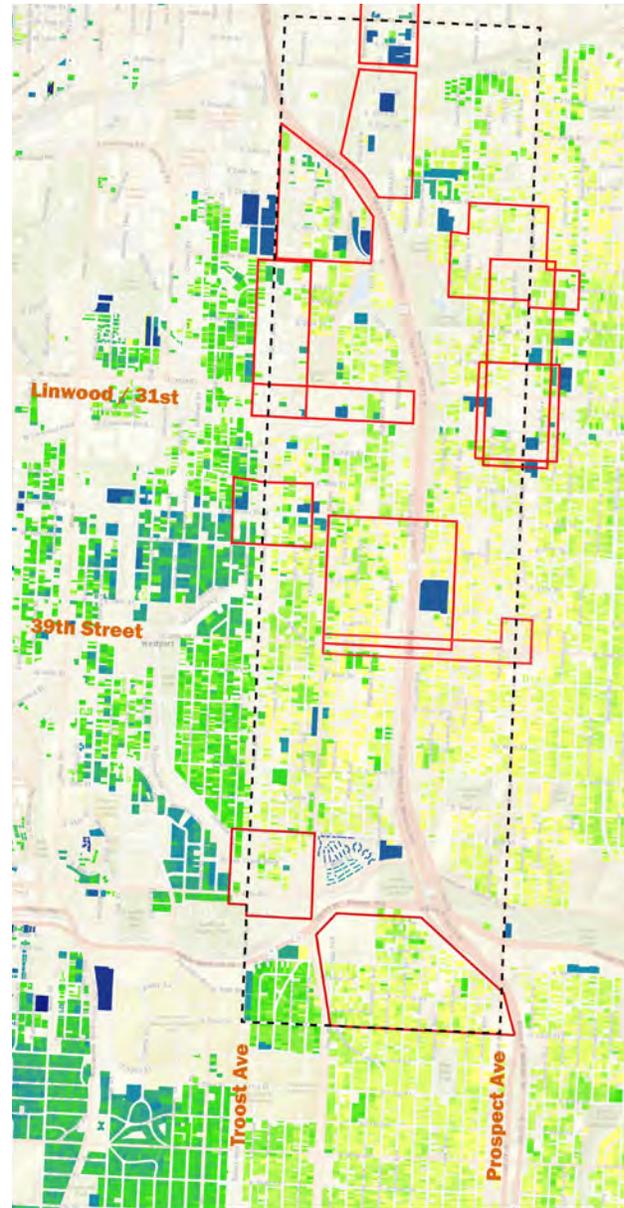
Study Area Heat Map (Building Permits Pulled)



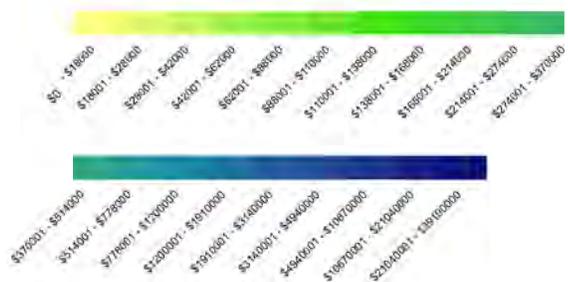
2010-15 Building Permit Value Heatmap
Data Source: City of KCMO



Study Area Assessed Property Values



2014 Residential Property Values
Data Source: Jackson County



Appendix: Scoring and Selection of Priority Areas, cont.

Summary of Priority Area Scoring Criteria, Weightings and Methodology

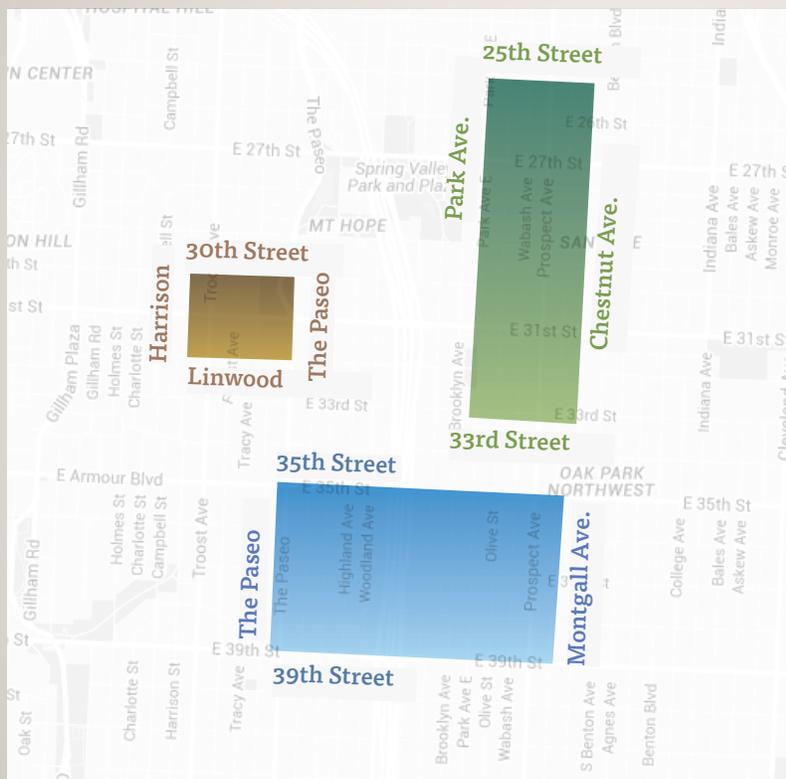
Scoring Criteria Title and (Weighting Percentage)	Summary Description of Criterion and Scoring Methodology
Existing Investment or Improvement Activity (25%)	<p>There are existing physical or financial investments or improvements being made in the potential Priority Area, and that activity is likely to continue. The more sectors (i.e. public, private, non-profit, and philanthropic) involved in the existing activity, and the greater the level of activity or investment, the higher this criterion should be scored.</p>
Proximity to Key Transportation Corridors (15%)	<p>The potential Priority Area contains or is within ¼ mile walking distance to key transportation corridors in the KC-CUR Study Area that create strong connections to local and regional job sectors, or which are important corridors for general public transit activity. The closer the transportation options to the potential Priority Area, and the more modes of transportation that are available to that potential Priority Area, the higher this criterion should be scored. The following corridors within the Study Area are considered “key transportation corridors” for the purposes of this criterion: 1) Troost Avenue; 2) Prospect Avenue; 3) Linwood Boulevard; and 4) 39th Street.</p>
Community / Stakeholder Support and Capacity (15%)	<p>The potential Priority Area has existing community and stakeholders with capacity to support some of the investments or interventions that would be made in the proposed Priority Area. The community members or stakeholders would preferably be located in or very near the proposed Priority Area, but may also be stakeholders who demonstrate interest and capacity but are located outside of the proposed Priority Area.</p>
Site & Programmatic Opportunities for Investment or Intervention (15%)	<p>The potential Priority Area contains a significant number of sites and/or nodes in a definable area with a small geographic radius where real estate development, urban design, urban planning, placemaking, transportation, infrastructure or other investments or improvements could be made. A number of factors contribute to identifying “opportunities for investment,” particularly a verifiable market basis for investment and opportunities for public infrastructure investment.</p>
Catalytic Opportunities for Investment or Interventions (30%)	<p>Investment on sites in the potential Priority Area that can be reasonably projected to:</p> <ul style="list-style-type: none"> • Spark investments or interventions by other actors in nearby areas (i.e., cause a “ripple effect”) <ul style="list-style-type: none"> – Potential “ripple effect” metrics in a potential Priority Area could include increased property values, increased property transaction activity, decreased vacancy, increased household incomes, decreased unemployment, improved property conditions, and increased business activity. • Support nearby existing developments, projects or potential developments or on-going businesses • Spark or support near-term investments that will lay the groundwork for future activity • Incentivize or support new job creation, job readiness and/or small business support or expansion • Have a larger-scale impact (3-5 year time horizon) that expands beyond the immediate potential priority area

Appendix: Scoring and Selection of Priority Areas, cont.

The initial result of this scoring process was the selection of three Priority Areas for the KC-CUR Implementation Strategy:

Discussions with the Client, Project Steering Committee, Stakeholder Advisory Group members and individual stakeholders, all led to generalized agreement that the Priority Areas below were appropriate for the Strategy.

Three KC-CUR Priority Areas



- TROOST PRIORITY AREA
- PROSPECT PRIORITY AREA
- IVANHOE PRIORITY AREA

Appendix: Key Site Development Feasibility Analysis

Analytical Approach

The KC-CUR Strategy has an *implementation-orientation* - i.e. the focus was creating a strategy that can be actually executed because it is feasible based on market conditions, best practices and stakeholder support. Our Market Scan and Existing Conditions Assessment gave the team a great sense of market realities. Our local and national case study research gave us insights on best practices. Our community and stakeholder engagement, along with our review of most past planning efforts in the Study Area, gave us a sense of what development and investments might be supported by stakeholders. We leveraged all of that information to do a general assessment of a variety of sites in each Priority Area and to then pick one site or set of sites in each Priority Area (“Key Sites”) for further feasibility analysis. Each Key Site was chosen because a redevelopment of that site or area could have Catalytic Effects in that Priority Area, and that redevelopment activity could ultimately cause Ripple Effects throughout the Study Area.

The draft feasibility analyses for the three key sites are static (created as a snapshot of a moment in time) and must continue to be refined through discussions with local developers and housing rehabilitation experts. The final feasibility estimates are likely to change, but this draft provides a starting point for discussion purposes and illustrates the financial feasibility implications of the proposed redevelopment of the Key Sites in the Priority Areas.

The KC-CUR team created development prototypes for each Key Site. EPS then drew from past project experience and developer interviews to estimate the development costs and key market and financial factors such as supportable market rents, vacancy rates, and the capitalization rate used to value the income streams from the project prototypes.

Summary of Feasibility Findings

Overall, there is a significant financing gap that would need to be closed to redevelop any of the Key Sites in the Priority Areas. However, the team believes that the redevelopment of these sites, as recommended, could be catalytic and start the kind of Ripple Effects necessary to begin the revitalization of the entire Study Area.

Short of being able to achieve higher rents, the financing gap could be reduced in a number of ways, all of which have their own challenges:

- Low cost financing – Finding a source of very low interest rate financing reduces the amount of cash flow needed to cover the construction financing.
- Patient Capital – A community-minded investor or other entity (e.g. non-profit, foundation, etc.) that is willing to take risks without the same level of financial return (compensation) can help to bridge a feasibility gap. Some of these types of investors look for returns in other ways, such as in broader community benefits. Grant funding and tax credit programs such as the Low Income Housing Tax Credit, New Market Tax Credit, and Historic Tax Credit programs are additional sources.
- Land Costs – The examples presented here do not include land costs, as the projects cannot bear any additional costs. Finding very low cost or free land could be an important strategy.
- Construction Costs – Any way of reducing costs, whether through fee waivers, donated professional services, discounted materials costs (but still meeting code), or other strategies, will help to improve project feasibility.

A combination of the four approaches above, and other tools discussed in the Implementation Section of this Strategy, could cause the projects to be more feasible, or at least reduce the financing gaps to a more manageable level.

Appendix: Key Site Development Feasibility Analysis, cont.

Troost Priority Area Key Site

After visiting and assessing all of the sites on the Troost Opportunity Sites Map, and reviewing all of our previous market, stakeholder and best practices research, the team chose the site labeled #6 on the Troost Opportunity Sites Map for a specific development feasibility analysis. The Troost Key Site is located at 3100 Troost Avenue, at the corner of 31st and Troost. It is a KCATA-owned lot with a park-and-ride surface lot fronting on Troost Avenue. Based on the site's location on the Troost corridor with a Troost MAX line, general market trends, and the potential to provide a walkable urban experience to residents, there is an opportunity to do a small-to-mid scale multifamily rental building with a small amount of neighborhood-serving retail on the ground floor.

Development Program

Moderate-scale, urban infill multi-family (M/F) apartment development along Troost, starting with the ATA site at the NW corner of 31st and Troost. The development program consists of a 5-story, 72-unit mixed-use building with first-floor commercial and a 0.67:1 parking ratio.

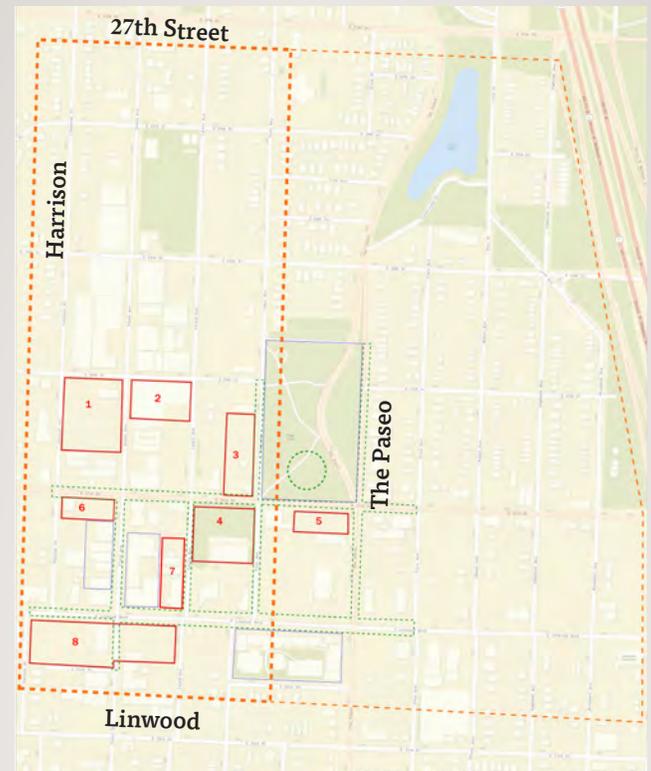
Pro Forma Analysis

Overall, this development program has a large financing gap, summarized in Table 1. For the program on this site, the development has a per-unit value of almost \$23,000, and a per-unit cost of \$166,000, leading to a feasibility gap of \$143,000 per unit – a total project gap of \$10.3 million. This large gap and a return on cost of only 1.1 percent, well below the typical 7 to 12 percent range a developer might look for, indicates that additional funding sources or strategies would be required to make construction of this project feasible.

Table 1. Key Site 1 Feasibility Gap

	Site 1
Value per Unit	\$22,689
Cost per Unit	\$165,758
Feasibility Gap	(\$143,069)

Troost Opportunity Sites Map



Troost Key Site: ATA Site



Appendix: Key Site Development Feasibility Analysis, cont.

Ivanhoe Priority Area Key Site

After visiting and assessing all of the sites on the Ivanhoe Opportunity Sites Map, and reviewing all of our previous market, stakeholder and best practices research, the team chose the site labeled #13 on the Ivanhoe Opportunity Sites Map for a specific development feasibility analysis. The Ivanhoe Key Site is located at 3848 Wabash Ave, at E 39th St and Wabash Avenue. It is a privately owned vacant lot, and is representative of the opportunity to do small scale infill multifamily rental development in the Ivanhoe Priority Area.

Development Program

A targeted ‘model block’ program focused on a four block area (3700 & 3800 blocks of Wabash, 3700 and 3800 Olive). There are approximately 100 homes in the model block area that could be included as part of a model block approach:

- vacant / blighted single-family (gut rehab candidates): 7
- vacant lots (new single-family candidates): 54
- occupied single-family (light remodel candidates): 39

As a demonstration project one small scale 3-story, 12-unit multi-family development would also be built in the Ivanhoe neighborhood.

Pro Forma Analysis

The financing gaps for this project are summarized in Table 2. The multifamily development has a per-unit value of \$36,000 and a per-unit cost of \$154,000, leading to a feasibility gap of \$118,000 per unit – a total project gap of \$1.4 million. The single family infill development has a per-unit value of \$95,000 and a per-unit cost of \$188,000, leading to a feasibility gap of \$93,000. These large gaps and a return on cost of only 1.8 percent for the multifamily development and 4.0 percent for the townhome development, well below the typical 7 to 12 percent range, indicate that additional funding sources or strategies would be required to make construction of these projects feasible.

Table 2. Key Site 2 Feasibility Gap

	Site 2: Multifamily	Site 2: Single Family Infill
Value per Unit	\$35,892	\$95,100
Cost per Unit	\$154,201	\$187,950
Feasibility Gap	(\$118,310)	(\$92,850)

Ivanhoe Opportunity Sites Map



Ivanhoe Key Site: 39th and Wabash



Appendix: Key Site Development Feasibility Analysis, cont.

Prospect Priority Area Key Site

The Prospect Priority Area is different than the Troost and Ivanhoe Priority Areas in that it has a large number of sizeable vacant sites throughout the area, and a large-scale development investment already being proposed and funded by the City of Kansas City. The City of Kansas City has proposed a multi-million dollar investment in the Linwood Square Shopping Center site, and we believe that the Linwood site is at a catalytic location in the Priority Area. There was simply no other site in the Priority Area that combined the possibility of being catalytic with such existing public and private investment activity. Accordingly, the team did not do an assessment of multiple sites in the Prospect Priority Area, and chose the Linwood Shopping Center site, located at 3110 Prospect Avenue, for a specific development feasibility analysis. The Prospect Key Site, Linwood Square Shopping Center, is a large-scale site and has the potential to be a major catalyst for the area. This underutilized site could become a significant community focal point, bringing both additional neighborhood-serving retail and new residents to the area.

Once we selected the Prospect Key Site, we performed an analysis to identify the current zoning and land use constraints on the site to see what would be the maximum possible amount of development allowed on the site based on the current zoning.

Development Program

Phase I is a multi-building development consisting of a 4-story, mixed-use building with 45 residential units and 13,300 square feet of ground floor commercial space. The Phase will also include the build out of 125 shared parking spaces, and a 39,000 square foot standalone grocery store.

Pro Forma Analysis

The financing gaps for these projects are summarized in Table 3. The overall development of this site has a per-unit value of \$82,000 and a per-unit cost of \$340,000, leading to a feasibility gap of \$258,000 per unit – a total project gap of \$32.5 million.

Broken down by phase, the feasibility gap is largest for Phase I, due to the large amount of retail and the inclusion of grocery retail, and progressively smaller for each additional phase. Phase I has a per-unit value of \$71,000 and a per-unit cost of \$420,000, a feasibility gap of \$348,000 – a total gap of \$15.7 million for the phase. The higher cost and lower value for this phase are partially due to the inclusion of the grocery store, which commands lower rents than other retail.

Phase II of this development has a per-unit value of \$85,000 and a per-unit cost of \$333,000 – a feasibility gap of \$248,000 per unit, or \$14.9 million for the phase.

Phase III, consisting of only townhomes, has a per-unit value of \$95,000 and a per-unit cost of \$187,000, a gap of \$92,000 per unit or \$1.9 million for the phase.

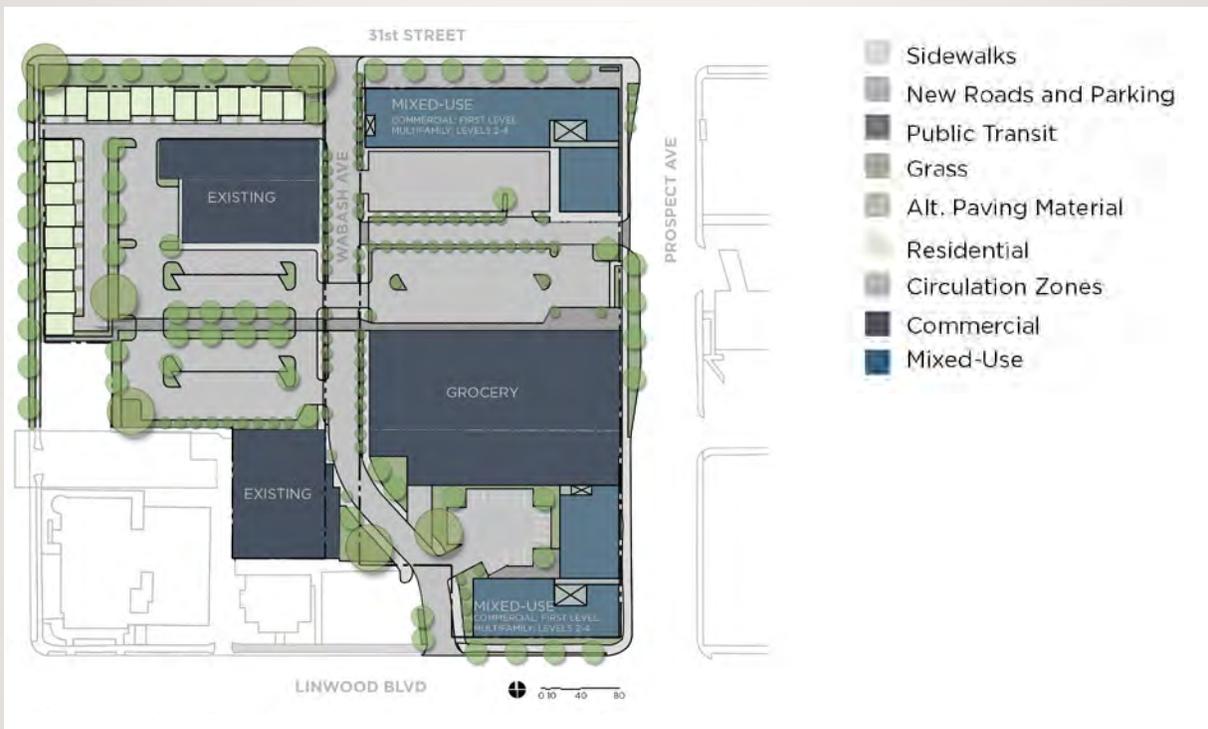
Although the per-unit feasibility gap varies by nearly \$250,000 depending on the phase of development, these gaps are all large, with a return on cost of 1.3 percent for Phase I, 2.0 percent for Phase II, and 4.0 percent for Phase III. These values are well below the typical 7 to 12 percent range, indicating that additional funding sources or strategies would be required to make construction of this proposed Prospect Key Site development program feasible.

Appendix: Key Site Development Feasibility Analysis, cont.

Table 3. Key Site 3 Feasibility Gap

	Site 3: Phase I	Site 3: Phase II	Site 3: Phase III
Value per Unit	\$71,389	\$85,158	\$95,095
Cost per Unit	\$419,589	\$332,784	\$187,474
Feasibility Gap	(\$348,200)	(\$247,626)	(\$92,379)

Prospect Key Site: Linwood Shopping Center



Appendix: KC-CUR Fund Case Study & SWOT Analysis

KC-CUR Fund Case Study Analysis

Key Facts	Westside Neighborhood Prosperity Fund	Catalyst Fund (Central Corridor)	Woodward Corridor Investment Fund	Detroit Neighborhoods Fund*	Chase Invest Detroit	Neighborhoods Rising	Kresge Innovate Projects: Detroit Fund
Location	Atlanta, Georgia	Minneapolis-St. Paul, Minnesota	Detroit, Michigan	Detroit, Michigan	Detroit, Michigan	Kansas City, Missouri	Detroit, Michigan
Founded	2014	2007	2013	2014	2014	2015	2014
Fund Size	\$15M	\$12M	\$30M	\$40M	\$40M	\$100K	\$5M
Funds Committed	\$8.35M	\$11.96M	TBD	TBD	TBD	\$76K (2015)	\$3.1M
Main Funders	Blank Foundation	14 Foundations ¹	Kresge Foundation & Capital Impact Partners	JPMorgan Chase Foundation & Capital Impact Partners (CDFI)	JPMorgan Chase Foundation & Invest Detroit (CDFI)	3 Foundations ²	Kresge Foundation
Administrator	Georgia Center for Non-Profits	Central Corridor Funders Collaborative	Capital Impact Partners	Capital Impact Partners	Invest Detroit	CCF and LISC KC	Kresge Foundation
Geographic Reach	Multiple Neighborhoods (three)	One (1) Commercial Corridor	One (1) Commercial Corridor	Multiple Neighborhoods*	Multiple Neighborhoods*	Citywide	Citywide
Range of Investments	*Neighborhood Projects *Small Business *Capacity Building	ALL TYPES	ALL TYPES	Real Estate Projects (Multi-family & Mixed-Use only)	*Real Estate Projects (Residential, Commercial & Retail) *Small Business	*Neighborhood Projects *Capacity Building	*Neighborhood Projects *Planning
Funding Type	Grants Only	Grants Only	Loans Only	Loans Only	Loans Only	Grants Only	Grants Only

* JPMorgan Chase, as part of a citywide \$100M commitment in the City of Detroit, invested \$40M into two CDFIs to create two separate stand-alone equity funds to finance real estate and other activities. Capital Impact Partners created the "Detroit Neighborhoods Fund" with its Chase funding, and Invest Detroit created the "Chase Invest Detroit Fund." JPMorgan Chase also invested a total of \$10M into the two CDFIs (\$5M each) for organizational capacity of the two entities.

1 The 14 Foundations are: Annie E. Casey Foundation, Bush Foundation, Ford Foundation, F. R. Bigelow Foundation, Jay and Rose Phillips Family Foundation of Minnesota, John S. and James L. Knight Foundation, Living Cities, Inc., McKnight Foundation, The Minneapolis Foundation, Northwest Area Foundation, Otto Bremer Foundation, The Saint Paul Foundation, Surdna Foundation, and the Travelers Foundation.

2 Funding for the 2015 grant year came primarily from three key funders: William T. Kemper Foundation, H&R Block Foundation, and the Hallmark Corporate Foundation. Those initial funds were supplemented by additional funders, including AltCap, Hall Family Foundation, Sosland Foundation, the Dunn Family Foundation, and Commerce Bank.

Appendix: KC-CUR Fund Case Study & SWOT Analysis, cont.

Insights from Case Study Analysis

There are a number of insights that can be taken from our analysis of the studied equity funds. First and foremost, there is no one-size-fits all solution to the funding of revitalization projects in challenged urban neighborhoods. As a matter of fact, it's just the opposite: The ability to provide a variety of funding solutions – for projects and programs of varying types, sizes and audiences – is a key approach to be considered when thinking about an appropriate framework for the KC-CUR Fund.

Case Study Research and Analysis Key Insights:

- **Management and Administration.** In almost all cases these types of urban revitalization funds are managed and administered by a high-capacity CDFI or non-profit rather than the organizations from which the capital was raised. The high-capacity manager must have the capacity, balance sheet and focus to underwrite and make grants, loans or equity investments in the projects or programs targeted by the fund. Six out of seven of the funds we studied leverage a local non-profit or CDFI to administer their funds.
 - **Creation of the Fund.** Most funds are founded by multiple corporate and philanthropic organizations in close collaboration with public sector or private (non-philanthropic) entities. The public sector is usually a key supporter and collaborator with the fund. In the ideal scenario the public sector in Kansas City will align their investments and resources to work together with the new fund.
 - **Geographic Reach.** There is no hard and fast rule to the geographic reach of successful funds focused on urban revitalization. There seem to be three main strategies – make investments citywide to ensure representation across all political districts; focus on a couple of specific neighborhoods to leverage the coordination of finite resources; or focus on a specific mixed-use corridor with important transit access.
- The KC-CUR Strategy recommends focusing coordinated investments, resources and political will within three Priority Areas to start the catalytic ball rolling. Those three Priority Areas encompass multiple neighborhoods, and each contains at least one key commercial corridor. The Fund's geographic reach must, at a minimum, allow the funding of projects and programs in multiple neighborhoods and on the commercial corridors within them.
 - Long-Term Fund Size. The amount of initial equity raised by funds focusing on the revitalization of urban neighborhoods varies greatly. There isn't a set rubric for the size of the fund, except funds that intend to finance larger-scale real estate projects (e.g. multi-family buildings, mixed-use projects, or the acquisition of properties to support those types of projects) tend to have capital committed of at least \$20-\$30M. Funds that focus solely on funding smaller-scale, neighborhood revitalization projects and programs (or the analysis to support real estate projects but not the projects themselves), tend to be smaller (between \$5M and \$15M initial equity committed). All in all, whether smaller-scale or larger scale projects and programs are the focus, it is clear that a fund must have millions (if not tens of millions) of dollars committed upfront to be successful.
 - Since the KC-CUR Strategy calls for the funding of larger-scale real estate projects AND smaller-scale programs and projects that directly benefit local residents and small business owners (i.e. a "People + Place" approach), it is likely the KC-CUR Fund's final capital amount needs to be somewhere in the range of \$25-\$40M to adequately to meet both of those goals.

Appendix: KC-CUR Fund Case Study & SWOT Analysis, cont.

Four Main Equity Fund Framework Options

Given the existing context in the KC-CUR Study Area, the goals of KC-CUR, and the insights gained from our equity fund research discussed above, the KC-CUR Consultant team

has identified the best four possible equity fund frameworks, summarized in the chart below. Irrespective of the chosen fund framework, the Fund's investments would still initially be made in one or more of the KC-CUR Priority Areas identified in the KC-CUR Strategy.

	Option 1:	Option 2:	Option 3:	Option 4:
Metric	<i>Corridor Fund</i> (Fund a Broad Range of Projects & Programs-solely on a commercial corridor)	<i>Study Area Fund</i> (Fund Real Estate Projects and Investments Only)	<i>Study Area Fund</i> (Fund Community-Scale Revitalization Projects & Programs Only)	<i>Study Area Fund</i> (Fund a Broad Range of Projects & Programs, including real estate, community scale projects, and people-focused programs)
Geographic Reach	One Commercial Corridor	Multiple Neighborhoods within the Study Area	Multiple Neighborhoods within the Study Area	Multiple Neighborhoods within the Study Area
Range of Investments	Full Range	Real Estate Only	Community Scale Projects & Programs Only	Full Range
Funding Type	Loans and Grants	Loans Only	Grants Only	Loans and Grants
Analog/ Illustrative Example Fund	Woodward Corridor Investment Fund; Catalyst (Central Corridor) Fund	Detroit Neighborhoods Fund; Chase Invest Detroit Fund	Westside Neighborhood Prosperity Fund; Neighborhoods Rising Fund	Hybrid of Funds

Appendix: KC-CUR Fund Case Study & SWOT Analysis, cont.

Fund Frameworks SWOT Analysis and Initial Recommendation

At right is a chart that summarizes the strengths, opportunities, weakness, and threats (SWOT) associated with each of the four potential equity fund frameworks. The column “Overall Strength of Fund Framework” column takes into account not only the SWOT Analysis below, but also the potential framework’s potential ability to best fulfill the goals and needs of the KC-CUR, the KC-CUR Strategy and the Implementation Delivery System.

	Framework Strengths and Opportunities
<p>Option 1:</p> <p>Corridor Fund (Fund Broad Range of Projects & Programs-solely on a commercial corridor)</p>	<ul style="list-style-type: none"> • Focuses all investments in a very defined manner-higher likelihood of catalytic & ripple effects • Potentially easier to identify near-term investment targets and partners where geographic reach is limited • May be easier to fundraise for a narrowly-defined area like a commercial corridor • Would allow for a broad range of investments including “People + Place” investments
<p>Option 2:</p> <p>Study Area Fund (Fund Real Estate Projects and Investments Only)</p>	<ul style="list-style-type: none"> • Focuses all investments in a way which may maximize the fund’s effect on the local real estate market • Simplifies the mission, staffing needs and goals of the Fund by focusing solely on real estate-related investments
<p>Option 3:</p> <p>Study Area Fund (Fund Community-Scale Revitalization Projects & Programs Only)</p>	<ul style="list-style-type: none"> • Focuses all investments in a way which may maximize the fund’s perceived effect on everyday residents and stakeholders • Simplifies the mission, staffing needs and goals of the Fund by focusing solely on these type of investments
<p>Option 4:</p> <p>Study Area Fund (Fund a Broad Range of Projects & Programs, including real estate, community scale projects, and people-focused programs.)</p>	<ul style="list-style-type: none"> • Addresses the full range of challenges and opportunities in the Study Area – real estate and non-real estate related • May garner the broadest support – the wide range of possible of investments could appeal all sectors and stakeholders • Could create more short-term wins through small grants and loans to accompany larger impact (but longer-term) investments

	Framework Weaknesses and Threats	Overall Strength of Fund Framework
	<ul style="list-style-type: none"> • Many of the key needs and opportunities in the KC-CUR Study Area are not on commercial corridors (e.g. Ivanhoe and general Study Area S-F rehabs) • Many of the commercial corridor needs in the Study Area are extensive—corridor-only investments may not generate near-term (3-5 year) impacts • Most corridor funds only focus on one corridor-may have to pick one corridor out of the three priority areas-which may be a political non-starter 	<p><i>Stronger Opportunity:</i></p> <p>Although a corridor-focused fund would mirror other impactful fund models in other areas, it would likely not address many of the key needs and opportunities in the KC-CUR Study Area. Conversely, this framework would have a chance to have catalytic impact if it was focused on one corridor with the most near-term possible investment opportunities, but that approach may not politically palatable or feasible</p>
	<ul style="list-style-type: none"> • Infrastructure, placemaking, land-use policy, organizational capacity and quality-of-life challenges also challenge the area. A real estate-focused fund may fail to address these other factors and counter intuitively limit its chances for success • A real-estate focused fund may garner less support from community stakeholders and organizations. • Would require a larger initial raise of funds 	<p><i>Weaker Opportunity:</i></p> <p>May exacerbate “island” effects of one-off real estate projects with no Catalytic or Ripple Effects. May also be politically contentious. May also be difficult to galvanize the Study Area-wide ownership, commitments and support necessary to implement the framework.</p>
	<ul style="list-style-type: none"> • May not create any catalytic or ripple effects in either the priority areas or in the Study Area at large • May have little to no positive effects on the local real estate markets • May unnecessarily overlap or duplicate the work of existing funds 	<p><i>Weaker Opportunity:</i></p> <p>Has the least likelihood of helping to create functioning real estate markets in the Study Area. May result in a series of nice-to-have projects that don’t create longer-term Catalytic and Ripple Effects throughout the Study Area.</p>
	<ul style="list-style-type: none"> • Requires the largest amount of fundraising to create a fund that has the fund size to cover both the geographic reach and scope of projects and programs covered • May require increased start-up costs and planning process • Is the most ambitious approach-will require more staffing, oversight, coordination and resources to create and implement effectively 	<p><i>Strongest Opportunity:</i></p> <p>Creates best possibility of garnering broad multi-sector stakeholder support. Best supports the Strategy’s contention that real estate is not the only problem to be solved or addressed, and that a People + Place strategy, throughout the Study Area, has the best chance for long-term catalytic success.</p>

Appendix: Implementation Entity Analysis

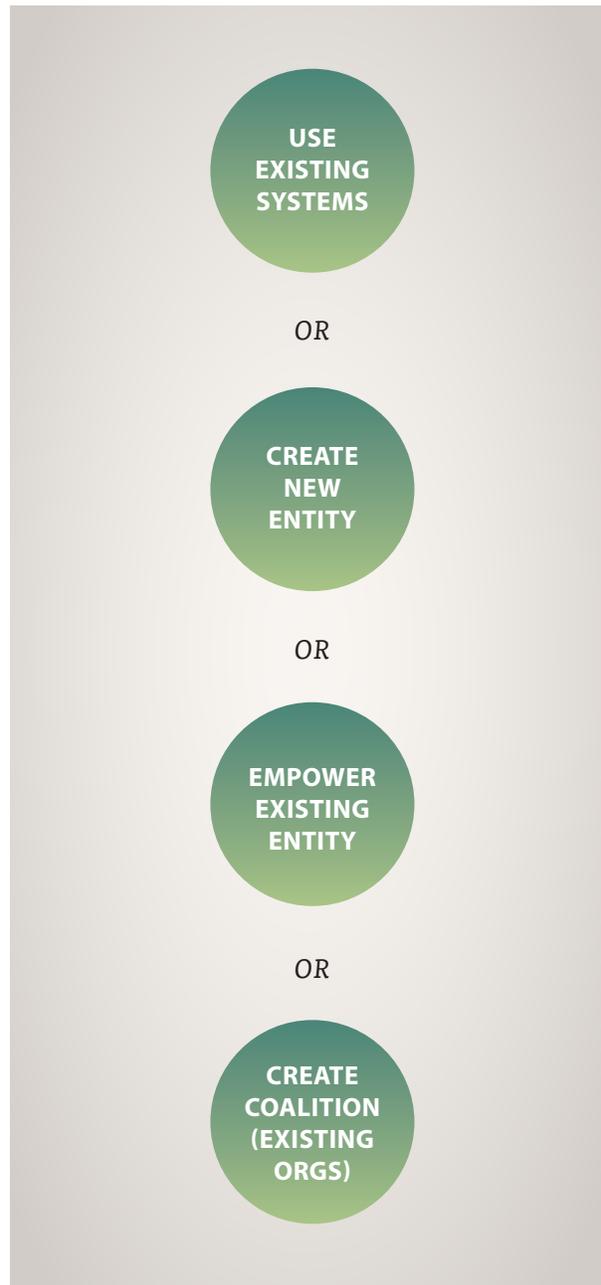
Preliminary Implementation Delivery System Recommendation

Based on all of our best practices and case study research, analysis of the needs of the KC-CUR Strategy and the Study Area, and discussions with local stakeholders, our recommendation is that **a new organization should be created to work with existing organizations and to lead the implementation of the KC-CUR Strategy.** A new organization will have the greatest likelihood of having the capacity, experience and capital necessary to successfully implement the KC-CUR Strategy, and help revitalize the Study Area.

The new implementation entity must allow existing local organizations to help implement components of the Strategy which align with their current capacity and experience, in order to help build their capacity in the near future. Further discussion with the Client will be needed to recommend a specific leadership and organizational structure for the new entity, its roles and responsibilities vis-à-vis the Strategy, and the allocation of roles and responsibilities for KC-CUR strategy components between the new organization and existing organizations.

Delivery System Structural Options

Given the existing context in the KC-CUR Study Area, the consultant team has identified four potential delivery system structural options, summarized in the chart below.



Appendix: Implementation Entity Analysis, cont.

Leadership, Governance & Organizational Questions

If New KC-CUR Implementation Entity is Created

Governance Structure	Will there be a Board of Directors? Advisory Committee that reports to the Board? Other oversight?
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Board Member Appointment	If a Board, who will appoint the Board Members? What will be their terms?
---------------------------------	--

Board Composition	How many Board members should there be? Will there be “ex-officio” seats? Do potential board members have to be residents of the Study Area?
--------------------------	--

Board Qualifications	What will be the qualifications necessary to be eligible for appointment to the Board? Potential qualifications could include geographic or residency requirements, technical and work experience, organizational affiliation, and/or demographic group represented.
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Key Staff	Will there be a chief executive of the new entity? Who will select the executive? How large should the initial staff be? What are the roles of the key initial staff members, and what experience should they have?
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Appendix: Implementation Entity Case Study & SWOT Analysis

Case Studies

The team identified five implementation delivery systems in cities and neighborhoods that face applicable conditions and needs to the KC-CUR Study Area in Kansas City.

	3CDC	Evergreen Cooperatives Corporation
Location	Cincinnati, OH	Cleveland, OH
Geographic Reach	4 Square Miles, 11,000 residents	Covers 6 low-income neighborhoods
Date Created	2003	2008
Formation Process	Created by the Mayor along with members of the corp. community	Launched by working group of City officials and major local university, hospitals, and foundation
Programs and Responsibilities	<ul style="list-style-type: none"> • Real estate development • Asset management • Mgmt. of 2 private investment funds • Mgmt. of public parks and plazas 	<ul style="list-style-type: none"> • Creation of worker-owned, community-based enterprises to employ locals • Workforce training
Size of Staff	98	110 (inc
Ownership and Management	501(c)(3); Board primarily composed of local corporate leadership	501(c)(3)
Funding Sources	<ul style="list-style-type: none"> • Corp. contr. (33%) • Mgmt. fees (10%) • Events (7%) • Condo sales (9%) • Lease rev. (7%) • Other (14%) 	<ul style="list-style-type: none"> • Predominantly local philanthropic orgs. • Low-interest loans from cooperative development funds
Budget	\$10.8 million annual	Unavailable
Key Achievements	<ul style="list-style-type: none"> • \$843 million in redevelopment and new constr. • Restored 144 historic bldgs. • 373,000 SF of new/renovated commercial space 	<ul style="list-style-type: none"> • Establishment of three cooperatives • Employs 110 people • \$6.3 million in revenue • Creation of home ownership program for coop. members
Success Factors	<ul style="list-style-type: none"> • Successful land bank • Strategic use of catalytic sites • Use of public space as catalysts • Strategic relationship with City • Strong autonomy • Consistent vision • Large area of control 	<ul style="list-style-type: none"> • Partnership of local business community, university, and hospitals • Use of private anchor institutions as customers

	East Baltimore Development Inc.	Develop Detroit	United North
	Baltimore, MD	Detroit, MI	Toledo, OH
	2.3 Square Miles	4 Targeted areas (In process)	4.4 Square Miles, 25,000 residents
	2003	2016	2010
	Established by the City of Baltimore, Johns Hopkins Univ., & other philanthropic partners	Collaboration of Ford Foundation & Housing Partnership Network; backed by City & local philanthropic comm.	Merger of two existing CDCs; employs the admin. staffs of both orgs.
	<ul style="list-style-type: none"> • Manager of \$1.8 billion mixed-use revitalization project • Workforce devel. • Resident relocation • Case management of family services 	High-capacity mission-driven developer to assist in the revitalization of Detroit	<ul style="list-style-type: none"> • Home renovation • Business coaching and consulting • Employment and financial services • Community events • Coalition building
	11	To be determined	14
	501(c)(3); Board is mix of elected officials, residents, lawyers, & philanthropic leaders	Social enterprise, for-profit / nonprofit hybrid; Board is primarily local	Nonprofit; Board composed of residents and business leaders
	<ul style="list-style-type: none"> • City/state/Fed (44%) • Developer (24%) • Philanthropic (16%) • NMTCs (10%) • JHU (5%) 	Major banks and large local foundations	<ul style="list-style-type: none"> • Grants (51%) • Programs (35%) • Rental props. (11%) • Donations (13%)
	\$436 million tot. raised	\$10 mil. (est.) annual	\$2 million annual
	<ul style="list-style-type: none"> • Acquired 1,236 parcels, relocated 623 families • 216 affordable units • 5 for-sale units • 280,000sf new lab/office space • 46% MBE/WBE 	Organization was formed in May, 2016	<ul style="list-style-type: none"> • Estab. of a financial aid & employment services center • Pub. & priv.-funded Streetscape improv. • Personal tax assist. • Estab. of a business district association
	<ul style="list-style-type: none"> • Large-scale site acquisition • Use of public space as catalysts • University as anchor • Strong partnership: City, university, and philanthropic comm. • Consistent vision • Large area of control 	Still in process	<ul style="list-style-type: none"> • Successful and diverse community-building programs • Mix of social programs & physical improvements

Appendix: Implementation Entity Case Study & SWOT Analysis, cont.

Key Takeaways from Case Study Analysis

Each of the above case studies has some conditions similar to the KC-CUR Study Area, and some conditions that are very different.

Our review of the studied delivery systems reveals that the three most common characteristics of a successful implementation delivery system for an initiative similar to the scale of a KC-CUR are:

1. The capacity, experience and capital to acquire, hold, maintain, and dispose of larger-scale properties for future development
2. The balance sheet, staffing and experience sufficient to qualify for and receive millions of dollars of competitively-distributed funding from local, state, federal, corporate and philanthropic sources
3. The ability, balance sheet and experience to underwrite, administer and monitor loans and grants to be made from a multi-million dollar equity fund

For example, the case study entities were successful in developing a land bank to purchase and control large amounts of property with a very long-term investment purview. The opportunity exists in the Study Area to purchase and hold inexpensive blighted and vacant properties, direct reinvestment in key opportunity areas, and spread reinvestment in an organized and sequential process. These opportunities can only be seized if the Implementation Delivery System can meet the three criteria above.

Other Key Takeaways.

Multi-Sector Support is Key. In addition to the above, each of these organizations succeeded (or are in position to succeed) because of the support of a diverse range of partners, including city agencies and political leadership, local institutions, philanthropic organizations, and local developer knowledge and capacity. The KC-CUR implementation entity should enlist experienced leadership with a history of leading a successful neighborhood redevelopment organization.

Sufficient Staff and Budget. The new entity will need a full-time staff and a stable budget to support the staff as well as fund the reinvestment activity and programming. The exact size of the budget will depend on (a) available resources and (b) the type and extent of programming and projects.

Implementation Delivery System SWOT Analysis

The Consulting Team also performed an analysis of the strengths and weaknesses associated with each Implementation Delivery System option, and the opportunities and threats that would impact each option's success. Such analysis is commonly called a "SWOT Analysis". The column "Strength of Delivery System Opportunity" column takes into account not only the SWOT Analysis below, but also the best practices and case study findings discussed earlier.

Appendix: Implementation Entity Case Study & SWOT Analysis, cont.

	System Strengths	System Weaknesses	Strength of Delivery System Opportunity
<p>Option 1</p> <p>Empower or train existing entities to implement the strategy for Priority Areas that are located within their neighborhoods.</p>	<ul style="list-style-type: none"> Does not require exist-ing orgs. to collaborate with a new entity; reduces potential perception of loss of power and/or control May be a popular option among existing orgs. and easier to implement politically May require less start-up cost and a faster set-up time than creating a new org. 	<ul style="list-style-type: none"> Not all existing priority areas are located in the jurisdiction of active CDCs The existing CDCs don't have the necessary capacity, experience or capital to implement the strategy An outside org. would need to be utilized to train / build capacity for the existing CDCs, as well as coordinate and oversee them 	<p><i>Poor Opportunity:</i></p> <p>The existing CDCs do not have the capacity, capital or experience needed by the chosen Delivery System. It is unlikely that any of the current organizations could be enhanced enough to meet the needs.</p> <p><i>(Please see additional discussion of the weaknesses of this option below)</i></p>
<p>Option 2</p> <p>Enhance the capacity of an existing entity to implement the strategy for all of the Priority Areas.</p>	<ul style="list-style-type: none"> Provides support to an existing org. rather than creating new one May require less start-up cost and a faster legal/planning process to get started than creating a new org. 	<ul style="list-style-type: none"> Forces decision makers to choose between existing organizations Would have to expand existing org. capacity significantly to work There is a risk the org. would favor their original neighborhood(s) 	<p><i>Poor Opportunity:</i></p> <p>May be politically contentious and would be difficult to create the necessary capacity and area-wide ownership necessary to execute the Strategy.</p>
<p>Option 3</p> <p>Create a new entity to implement the strategy for all of the Priority Areas.</p>	<ul style="list-style-type: none"> Opportunity to create an org. that is best suited to implement the reinvestment plan Opportunity to bring in add'l expertise/capacity Eliminates political difficulty of choosing org. winners/losers Leverage existing orgs 	<ul style="list-style-type: none"> May require more start-up cost and planning than empowering an existing org. Creating a new org. may upset existing organizations which would then have to collaborate 	<p><i>Strong Opportunity:</i></p> <p>Creating a new entity has the best opportunity to develop a delivery system with the capacity & multi-sector support to effectively execute the KC-CUR Strategy.</p>
<p>Option 4</p> <p>Create a coalition of existing entities to collectively implement the strategy for all of the Priority Areas.</p>	<ul style="list-style-type: none"> Provides support to an existing orgs. rather than creating new one May require less start-up cost and a faster legal/planning process May be popular with CDCs, easier politically 	<ul style="list-style-type: none"> Does not address lack of capacity: would require training and additional leadership Difficult to coordinate/ oversee the coalition Orgs. might prioritize original neighborhoods 	<p><i>Moderate Opportunity:</i></p> <p>Would be difficult to implement and oversee, and would require significant capacity building. However, it best leverages existing resources and capacity.</p>

Appendix: Implementation Entity Case Study & SWOT Analysis, cont.

Additional Discussion of the Weaknesses in Choosing Most Existing Organizations as the Implementation Delivery System for the KC-CUR Strategy

The question of whether using an existing organization as the lead entity for the implementation of the KC-CUR Strategy is so important that we wanted to give further detail on our integrated findings based on our case study, best practices and SWOT analysis above:

Additional Reasons Most Existing Entities Will Not Have the Appropriate Capacity to be the New Implementation Entity

The **geographic focus** of the Implementation Delivery System for the KC-CUR Strategy must span multiple, non-adjointing neighborhoods in the Study Area which does not align with the current focus of existing organizations in the Study Area;

The **mission** of the Implementation Delivery System for the KC-CUR Strategy must be broad in order to be successful, including real estate development, infrastructure investment, small business programming, place management, property acquisition, holding and transfer, and capital raising. This mission will tend to be much broader, and need to be applied to a much broader geographic area, than most existing organizations.

The **current staffing and experience of local organizations** tends to be **mainly housing-focused**. The new Implementation Delivery System will need a much broader and much deeper set of skills, experience and staffing than what is generally found in local organizations currently.

There would be **significant institutional challenges** for an existing organization to broaden and change its mission, geographic focus and staffing to help implement the KC-CUR Strategy. Our case study research shows that in most cases a

new entity is formed to lead a revitalization strategy because these challenges are either insurmountable, or would create unnecessary turmoil and uncertainty in the local community.

Preliminary Implementation Delivery System Recommendation

Based on all of our best practices and case study research, analysis of the needs of the KC-CUR Strategy and the Study Area, and discussions with local stakeholders, our recommendation is that a new organization should be created to work with existing organizations and to lead the implementation of the KC-CUR Strategy. A new organization will have the greatest likelihood of having the capacity, experience and capital necessary to successfully implement the KC-CUR Strategy, and help revitalize the Study Area.

The new entity should be structured to work seamlessly and collaboratively with existing organizations. The new implementation entity must allow existing local organizations to help implement components of the Strategy which align with their current capacity and experience, in order to help build their capacity in the future. Further discussion with the Client will be needed to recommend a specific leadership and organizational structure for the new entity, its roles and responsibilities vis-à-vis the Strategy, and the allocation of roles and responsibilities for KC-CUR strategy components between the new organization and existing organizations.

Although the focus above is on the creation of a “new” organization to lead the implementation of the KC-CUR Strategy, a subsidiary or affiliate of an existing organization could also be an appropriate selection. That subsidiary or affiliate must be able to fulfill the capacity needs of the KC-CUR Strategy as described above and in this Report, and must be able to quickly transition into the new roles and responsibilities required for implementation of the KC-CUR Strategy. For example, a subsidiary or affiliate of the Urban Neighborhood Initiative (UNI) might, with appropriate structuring, partnering and resource allocation, be an existing organization that could meet the capacity needs of the KC-CUR Strategy.

