

IMPLEMENTING THE PARTNERSHIP FOR WASHINGTON SQUARE PARK
IN DOWNTOWN KANSAS CITY, MISSOURI

by

CHASE JOHNSON

B.S., Texas Christian University, 2004

A REPORT

submitted in partial fulfillment of the requirements for the degree

MASTER OF REGIONAL AND COMMUNITY PLANNING

Department of Landscape Architecture/Regional and Community Planning
College of Architecture, Planning, and Design

KANSAS STATE UNIVERSITY
Manhattan, Kansas

2014

Approved by:

Major Professor
Professor Jason Brody

Copyright 2014, by Chase Johnson

Abstract

The use of partnerships between the public and private realm have become increasingly popular. This is due to today's challenges of declining public resources to fulfill the social and physical needs of urban environments. This dilemma has placed a heightened emphasis on executing creative and collaborative redevelopment projects. Downtown Kansas City has an opportunity for such a project.

Washington Square Park in downtown Kansas City, Missouri has a unique opportunity to stand as a catalyst project that would reconnect the urban fabric of the city, increase the population within downtown, and create an unsurpassed gateway into the greater downtown area. The public realm alone cannot accomplish this undertaking. Therefore, implementing the redevelopment of the park

through public private partnerships is a natural choice.

This study explores the intricacies of implementing the proposed Washington Square Park redevelopment project through the use of public private partnerships. It draws from a body of literature and precedents to provide background material, context and principles that are applied to the Washington Square Park project. The study employs site, market, and stakeholder analyses to assess the current economic environment, property ownership, power relationships and influences relating to the redevelopment project.

These methods determined that as the value of Washington Square Park increases so will adjacent property; existing economic incentives are critical for project implementation; multi-family and retail real estate markets are strong while office trends

are improving; current zoning allows for very high density with no height limitations; and several “key players” hold the attributes for establishing a conservancy for Washington Square Park.

These findings reveal the symbiotic relationships between Washington Square Park and the surrounding context which provides the rational basis for project implementation through public private partnerships. Overall, this document informs the various stakeholders and decision-makers of pertinent information pertaining to the Washington Square Park redevelopment project and propositions a scenario for project implementation through the use of public private partnerships.

Acknowledgments

I would like to give a special thanks to my Master's Committee Members Jason Brody, Gary Stith, and Vladimir Krstic for their assistance in developing, revising, and editing the work presented in this document. In addition, I would like to thank the many faculty and staff members in the Department of Landscape Architecture and Regional Community Planning that helped prepare and guide me through my academic pursuits.

Lastly, I would like to thank my family for their unwavering faith in my ability and encouragement throughout my academic journey. A special thanks goes to my wife Shalaun and son Brock.

Their support during this time has taught me the true meaning of sacrifice. This journey would not have been attainable without them by my side.

Table of Contents

I. Introduction	1
II. Background	11
III. Site Analysis	49
IV. Stakeholder Analysis	85
V. Market Analysis	97
VI. Implementation Scenario	139
VII. Conclusions	151
References	157

List of Tables

Table 3.1:Fair Market Value of Property within Project Boundary	53
Table 4.1:Stakeholder Analysis	94
Table 5.1:Residential Demand Indicators	110
Table 5.2:Forecasted Primary Market Area Multi-Family Residential Demand	112
Table 5.3:Projected Primary Market Area Office Demand	115
Table 5.4:Office Market Demand Indicators	118
Table 5.5:Projected Primary Market Office Demand	121
Table 5.6:Projected Change in per Capita Expenditures	123
Table 5.7:Retail Market Area Demand Indicators	128
Table 5.8:Washington Square Park Redevelopment Site Projected Retail Demand	130
Table 5.9:Preliminary Program Demanded by Market	134

List of Figures

Figure 1.1:KCDC’s Conceptual Design for the Redevelopment of Washington Square Park	4
Figure 2.2:Millennium Park	35
Figure 2.3:Pre-Post Office Park Above Ground Parking Garage	38
Figure 2.4:Post Office Square Park	39
Figure 2.5:Discovery Green at Night	42
Figure 2.6:Public Art Serves as the Exits for the Underground Parking Garage	43
Figure 3.1:Property Ownership	52
Figure 3.2:City of Kansas City Vacant Lot Parcels	55
Figure 3.3:Pershing Road TIF	66
Figure 3.4:22nd & Main TIF	67
Figure 3.5:The Entire Project Boundary is Located within an Enterprise Zone	68
Figure 3.6:Small surface parking lot is located within the 20th & Main URA	70
Figure 3.7:Properties located within the Grand Ave South URA	71
Figure 3.8:Entire area north of the railroad lines is located within the PIEA Area	73
Figure 3.9:The entire project area is within the TDD District	74

Figure 3.10:Project area zoning	77
Figure 3.11:Barriers to Access	80
Figure 3.12:Pedestrian bridge connecting Union Station with Freight House	82
Figure 4.1:Stakeholder Analysis Attributes Diagram	87
Figure 5.1:Primary Market Area	104
Figure 5.2:Secondary and Primary Market Area	105
Figure 5.3:Market Analysis Diagram	106
Figure 5.4:Multi-Family Residential Construction Pipeline within the Primary Market Area	109
Figure 5.5:Residential Demand Indicators	111
Figure 5.6:Office Market Demand Indicators	119
Figure 5.7:Retail Supply Market Area	126
Figure 5.8:Retail Market Demand Indicators	128
Figure 6.1:Implementation Scenario	141
Figure 6.2:Grand Blvd Streetscape Plan Section	146

“The promise of the new public/private partnerships is that they will remain flexible and open to new approaches-constantly reinvigorated by their mix of governments, businesses, charitable and stakeholder groups, and nonprofit consultants. Such partnerships present the greatest hope of the urban parks movement.”

— Alexander Garvin & Gayle Berens

I. Introduction

The use of partnerships between the public and private realm have become increasingly popular throughout the United States. While public private partnerships have been forming for well over a century, today's challenges have placed a significant responsibility on the shoulders of local government for creative and collaborative redevelopment projects. As practicing planners and designers in today's environment, it is important to understand this increasingly complicated process.

There are many reasons for this requisite of understanding. Many local municipalities are finding their budgets deficient and neighborhoods in deterioration. Declining public resources to fulfill social and physical needs while increasing pressure for more accountability in financial investments stand to be significant challenges. At the same time private developers are facing challenges to obtain viable funding due to the current financial markets.

Neither public nor private can afford to pay for the cost of more infrastructure and additional facilities. A better understanding of these partnerships can assist planners in developing strategies to take on these challenges and help fill the gaps between today's urban environments. For this reason, I am interested in generating a proposal for potential public private partnership opportunities to assist in the redevelopment of Washington Square Park in Downtown Kansas City, Missouri.

An ongoing investigation to reconnect the urban fabric of Kansas City is well underway. In the past few years Kansas City has worked with students from the Kansas City Design Center (KCDC) to help generate ideas and designs for the green and civic spaces within Downtown Kansas City, Missouri. Analysis has identified several resources and deficiencies within the Greater Downtown Kansas City area. The largest gap identified in the

overall fabric of downtown is the lack of a grand civic space. Washington Square Park is a key component of the current analysis and is identified in the KCDC visioning plan as a catalyst project. Located in the core of the city, the five acre park is bounded by two principal city streets, Main Street to the west and Grand Boulevard to the east. Currently underutilized, Washington Square Park possesses a significant potential as the central civic space for Downtown Kansas City (KCDC, 2013).

KCDC's conceptual design for Washington Square Park consists of three primary redevelopment phases. Phase one of the project is set to redesign the site where Washington Square Park currently resides. Phase two proposes to cap the existing parking lot to the north of the park and extend Washington Square Park over the rail lines into the Crossroads District. The third phase consists of the implementation of the infrastructural rail park to the north of the current

park site. "Washington Square Park and the Rail Park will create a unique and unprecedented urban space which will capitalize on its location and dramatic visual and functional connection to the downtown" (KCDC, 2013). In light of the conceptual design for the redevelopment of Washington Square Park, seen in Figure 1.1, there are several stakeholders that are scheduled to be involved with the planning, design, and implementation process. These will most certainly be the surrounding businesses and property owners around Washington Square Park. Because this pluralism complicates the process, the beginning point of a successful partnership is for all potential partners to gain a full appreciation of, and respect for each other as they relate to the Washington Square Park redevelopment project.

The Kansas City Parks and Recreation Department has issued a request for qualifications (RFQ) in accordance with city staff and KCDC. The RFQ's



Figure 1.1:KCDC's Conceptual Design for the Redevelopment of Washington Square Park (KCDC, 2012)

objectives are to identify a consultant team that is able to analyze Washington Square Park and develop a master plan that is adoptable by the Board of Parks and Recreation Commissioners. Cohen & Partners and their associated design team have been identified as the consultant team for Washington Square Park. The document calls for the Washington Square Park plan to be a compliment to the already adopted Grand Boulevard Plan and act as a catalyst project to help fulfill the Kansas City Greater Downtown Area Plan (GDAP) (Parks and Recreation Department, City of Kansas City, Missouri 2013).

In addition, the Downtown Streetcar Project is estimated to be completed by the summer of 2015. A center stop is planned to be located adjacent to Washington Square Park. The stop is located to the west of the park along Main Street, serving the Union Station and Crown Center area. Combined, these plans have the potential to help drive

enrichment into the Greater Downtown Kansas City area for generations to come. In collaboration with my masters project group, entitled H.E.R.D., it is my intent to assist with the efforts in creating a plan for the redevelopment of Washington Square Park. Each member of H.E.R.D. is investigating a different inquiry relating to the site. The individual projects will be used to support the consultant team in charge of the efforts for the redevelopment of the park. In addition, the other individual projects act as supporting documentation for this specific project.

Many cities are quickly applying the experiences with public private partnerships learned over the last several decades to refine how to most effectively combine the strengths and resources of both the public and private sectors (Corrigan, 2005). In 2004 alone, \$75 Billion was spent on urban redevelopment projects and economic development through public private partnerships. A few of these projects

have been located within Downtown Kansas City, which has witnessed \$5.2 Billion of economic development since 2000. Therefore, it is imperative for the interested parties and stakeholders relating to Washington Square Park to understand the elements of public private partnerships, as Downtown Kansas City continues to see redevelopment. While public private partnerships can often be more intricate to execute than other types of projects, the prize can be worth the extra effort. In many of these past examples, public private partnerships made completion of a project possible that would otherwise be impossible using more traditional methods of development. The above-mentioned components of the Washington Square Park project produces the following question:

How can public private partnerships help implement the Washington Square Park redevelopment project?

Due to the amount of stakeholders and interest groups that are involved, the process will certainly face complex challenges. These challenges will need to be seen as opportunities for civic partnership in order for the revitalization of Washington Square Park to be successful. Thus, the thesis is the application of public private partnerships can not only help the implementation of the Washington Square redevelopment project but also enhance the interests of key stakeholders. Because the Washington Square Park redevelopment project is a part of the larger downtown area plan and stands to act as a catalyst project for Kansas City, it is essential that this project also operates under the perspective of the bigger picture for the downtown area.

For this study, I am defining the geographical boundaries in accordance with the conceptual design for the Washington Square Park redevelopment project. Therefore, the physical boundaries for

this project will extend to include the parcels to the south of Washington Square Park up to 27th Street between Gillham Road and Main Street. The boundary to the east shall include the properties west of Gillham Road and will continue to 20th Street which sets the northern border for the project. The boundary will follow Main Street back south and continue along the rail lines to include the properties adjacent to the west of Union Station.

Located directly north of Washington Square Park are four parcels with three distinct ownership entities. The properties consist of an open parking lot that is divided into three separate parcels and an eight story office building. There is a significant drop in elevation from the park site to the parking lot to the north. To the east of Washington Square Park are three large parcels owned by a total of two separate entities. Crown Center is located to the south of the park with the majority of the parcels

being held under the same ownership. Located to the west of Washington Square Park are several large institutionally owned lots with the majority held under the Union Station Assistance Corporation.

Methodology

The objective of this study was to develop a report of critical information pertaining to the Washington Square Park redevelopment project and propose a scenario for project implementation through public private partnerships. The methods used in order to help answer the research question and achieve the project goals include a review of pertinent literature, precedent studies, site and stakeholder analyses, and a market analysis. The combination of the afore-mentioned methods allowed for a better understanding of how to answer the research question. Elaboration of each method applied will be presented in the following chapters.

From the fundamental project dilemma, an examination of background research and literature was conducted to gain the relevant knowledge and context needed to set project goals and address the research question. From there a series of analyses were performed to assess the physical, legal and economic conditions surrounding the redevelopment project. The findings from these analyses were then used to formulate a scenario for the implementation of the Washington Square Park redevelopment project through the use of public private partnerships.

Project Goals & Objectives

- Partner with the stakeholders that are identified as “key players” for the implementation of the Washington Square Park redevelopment project
- Capitalize on the existing economic development incentives
- Utilize existing city owned property
- Increase residential density in downtown
- Create a stronger gateway and connection with surrounding downtown districts
- Capitalize on the adjacent streetcar route

Personal Goals for the Project

- To create a valuable document for the consultant team and stakeholder groups as the Washington Square Park redevelopment project progresses.
- To gain a depth of understanding of the theory and application of public private partnerships that I can apply in future professional projects.
- To develop a thorough understanding of Kansas City, Missouri in regards to urban planning and economic development.
- To create a masters project that will exhibit the skills and knowledge I have gained through my academic and professional pursuits.

II. Background

In order to achieve the project goals established for this project, some objectives will need to be met through research and investigation. This chapter explores the necessary background and history as it relates to the Washington Square Park redevelopment project to gain a better understanding of the project. The following objectives were produced for this inquiry:

1. An understanding of the historical context surrounding Washington Square Park and the Crown Center/Union Station district.
2. Knowledge of Kansas City in terms of area plans and relevant documentation.
3. An understanding of the theory and history of public private partnerships.
4. Knowledge of relevant precedent studies.

Washington Square Park

In 1921, the property that is known today as Washington Square Park was acquired by the Board of Parks and Recreation Commissioners. This acquisition was a part of the condemnation of property that eventually became Pershing Road. The following year, funds were raised by the Patriots and Pioneers Memorial Foundation for a statue of George Washington to be located in Kansas City. The Municipal Arts Commission recommended that the statue be placed on the parkway located on the north side of Pershing Road and that the statue be sited to face the south. This recommendation was followed and the statue was dedicated in 1925 with a total cost of \$30,000. During this time the park did not have an official name until after it was referenced in a Kansas City Star newspaper article as “Washington Square”. The site officially became Washington Square Park in January, 1926.

Washington Square Park is deeply embedded in the history of Kansas City having survived various contextual transformations including fluctuations to the adjacent railroad infrastructure, widening of arterial streets, and the development of the Crown Center District. The Crown Center area had been Hallmark's home base since 1922. The company moved into its present building in the 1950s when there was growing concerns about the neighborhood. Mr. Hall was specifically concerned about the area known as "Signboard Hill", located opposite of Union Station. As visitors arrived at Union Station, they were greeted with unattractive billboards in a deteriorating neighborhood. Hall started acquiring properties and began the creation of an experimental city within a city, known today as Crown Center (Kipp, 1995). Mr. Hall had three primary objectives for the Crown Center project. First, he wanted to contribute to Kansas City not only by revitalizing a decaying neighborhood,

but also by establishing a catalyst to additional downtown development.

Second, Mr. Hall strived to alleviate some of the migration to the suburban areas surrounding Kansas City by offering an urban alternative. With the added alternate, he hoped that new investments and an increased tax base for the city would follow. Last, he hoped that Crown Center would inspire other companies across the nation to think twice before relocating away from their downtown core districts. These were noble aspirations.

Crown Center realized these goals as developments sprung up around Washington Square Park including several institutional office buildings. The area became a new business and cultural district as companies and visitors gravitated to the region. While the district was vastly enhanced, Washington Square Park became a forgotten green. The users of

the park were primarily office employees, leaving the area after the “9-5”. As the “Link” was constructed in order to connect pedestrians to the vast buildings and attractions within the Crown Center district, the amount of users for Washington Square Park was reduced by taking them off of the traditional sidewalks. The many visitors, travelers and employees have been disconnected from engaging the park due to this urban morphology.

By understanding its original purpose as a connection to Union Station, it can be said that the park has been disconnected from its intent (KCDC, 2013). The park was originally intended to beautify downtown Kansas City by connecting it with the rest of the Kessler Park system, while providing a relaxation area for train travelers. Today, as the streetcar project is being implemented and through the goals of the GDAP, Grand Boulevard Streetscape Plan and the other downtown area plans, the intent

and conditions surrounding the redevelopment of the park have similar characteristics.

Crown Center/ Union Station District

The Crown Center/Union Station area has been described as being second only to the Downtown Loop in its importance to Kansas City’s Central Business District. Significant reinvestment has taken place during the last two decades, including the restoration of the historic Union Station and its extensive rehabilitation several years later for the addition of Science City. The recent series of redevelopment projects in downtown Kansas City involving public private partnerships in many ways began in the mid-1990s to fund the restoration of Union Station. These types of redevelopment projects have grown dramatically through the use of partnerships which have brought the addition of the

new library and the Power and Light Entertainment District.

Improvements within the Crown Center/Union Station district will likely continue into the near future with the Downtown Street Car Project being implemented. The parking lot north of Washington Square Park was identified in the 1997 Forging Our Comprehensive Urban Strategy (FOCUS) Plan as a critical building opportunity for an office, hotel or other similar type of development (City of Kansas City, MO 1997). This underutilized opportunity is again recognized in the Main Street Corridor Plan and once again in the current GDAP (City of Kansas City, MO 2003). The visioning work completed by KCDC has established a new perspective on Washington Square Park. In the second phase of the vision, the design proposition is to extend Washington Square Park into the crossroads district over the underutilized surface parking lot to the

north. The Washington Square Park redevelopment project offers a chance for Kansas City to attain a downtown civic space that is second to none. For the implementation of this vision, partnerships will need to be fashioned between the public and private realm.

Literature Review

This review of literature has been divided into two wide-ranging categories: Theory in regards to public private partnerships and the significant planning documents and related projects for the Downtown Kansas City area. Each category includes related subcategories that will be well defined and explored in greater detail in this section. After the breadth of exploration on the theory behind public private partnerships and the relevant planning documents, further opportunity for connecting how public private partnerships can help implement the

Washington Square Park redevelopment project shall begin to formulate.

Planning Documents

The significant planning and project documents that relate to this proposal are the Greater Downtown Area Plan, The Grand Boulevard Streetscape Plan, the Main Street Corridor Plan, The Downtown Streetcar Plan, The five-year Capital Improvement Plan (CIP), the Economic Development Plans, the Kansas City Design Center's Conceptual Design Plan for Washington Square Park, and the Washington Square Park Request for Qualifications/Proposal (RFQ/RFP). For this project these planning documents will be used to identify key elements that relate to Washington Square Park, the Union Station/Crown Center District, and the economic development related goals and objectives. The following section will outline the overall purpose

and goals of each plan and discuss the key elements that were identified from the documents.

Greater Downtown Area Plan

The GDAP is a strategy for the future development, redevelopment, and public investment within greater downtown Kansas City, Missouri. The GDAP defines the goals of the city through community input and is a blend of community values and technical analysis. The GDAP is an area plan that implements the policies of the previous FOCUS Plan, recommends strategies that are implementable and provides a framework to guide public policy on land use, housing, infrastructure, community development and public services (City of Kansas City, Missouri, 2010).

Several key elements were identified in the GDAP. The plan identified both the Union Station and Crown districts as activity centers and provided

recommendations for these areas. The GDAP states that both of the activity centers near Washington Square Park need stronger connections with adjacent districts and both need to develop a more cohesive identity. The GDAP also identifies that community building through development incentives should improve the surrounding physical environment and assist in making connections between districts. In addition, the GDAP outlines an economic development strategy that includes identifying the roles, responsibilities and partnerships in economic development, to direct public investments and marketing to lead private investment and to establish new cultural destinations in Union Station. All of these elements identified in the GDAP encourage the use of public private partnerships for the Washington Square Park redevelopment project.

Grand Boulevard Streetscape Plan

The Grand Boulevard Streetscape Plan describes a vision for the street through creating an iconic downtown corridor to connect the River Market, Central Business District (The Loop), Crossroads District, and Crown Center. The chief principles developed by the community for the plan are:

- To define the community's vision for Grand Boulevard.
- To redevelop an economically robust commercial corridor with new at grade retail, mixed-use, office and housing development.
- To develop Grand as a livable downtown complete with multi-modal movements.
- To promote livable, safe and attractive neighborhoods.
- To create a framework for the consistent application of streetscape elements.
- To develop Grand Boulevard as a model for future urban streets.

The plan for Grand Boulevard also identifies design guidelines and strategies for implementation. Washington Square Park is identified as a site that is underutilized and in need of redevelopment including the parking lot adjacent to the north. In addition, the plan recommends that the Grand Street project be implemented using a public-private partnerships format (City of Kansas City, MO 2012).

Downtown Streetcar Plan

The Downtown Streetcar Plan outlines the proposed transit routes for the new streetcar system along with supporting design guidelines and technical reports. The selected corridor for the project was once home to streetcar service in the early to mid-1900s and is well-positioned for a transit renaissance (City of Kansas City, MO, 2013). Both public and private investments over the last 10 years in downtown Kansas City have given the area a reemergence as the

true cultural center of the greater Kansas City area. Kansas City, Missouri is positioning this renaissance by promoting the creation of a vibrant, livable, mixed-use downtown. This promotion can be seen in the supporting downtown area plans and policies.

The addition of the streetcar is primed to have a substantial impact for the Washington Square park redevelopment project. Over 70% of the project is being funded through an established Transportation Development District (TDD). The Downtown Streetcar TDD will act as a funding source through special assessments on real property and a 1% sales tax within the TDD's environs. The Downtown Streetcar Plan outlines additional economic incentive districts that lie within this proposal's boundary, including Tax Increment Financing (TIF) districts, the Planned Industrial Expansion Authority (PIEA) district and Enterprise Zones. These will

be discussed below in the section covering the Economic Development Plan.

Main Street Corridor Plan

The Main Street Corridor Plan serves as a guide for residents, property owners, developers, staff, the City Planning Commission and the City Council in making good decisions along the Main Street Corridor (City of Kansas City, MO, 2003). The plan outlines the current corridor conditions at the time of adoption and future recommendations for neighborhoods within the Main Street corridor. Partnerships between the public and private sectors are encouraged for both the development of entry points between adjoining neighborhoods to enhance connectivity and to establish gateway elements that create a sense of arrival to Main Street. The Washington Square Park redevelopment project holds the characteristics of both of these goals of the

Main Street Corridor Plan, being framed by Main Street to the west and the Cross Roads District to the north.

Washington Square Park RFQ/RFP

The Washington Square Park RFQ/RFP serves as a guidepost for what the city and community wants from this project. The RFQ/RFP also outlines in detail the parks background, history, and the scope of services for the project. The document describes the four phases the consultant could possibly assume for the project (Parks and Recreation Department, City of Kansas City, MO, 2013). During the first phase the consultant will perform site inventory and analysis, a community outreach process, and conceptual plans with programmatic elements. The second phase calls for the consultant to produce schematic designs, programming options for the park, cost estimating, potential funding options,

maintenance plans, and project scheduling. The first two phases shall be funded through Public Improvement Advisory Committee (PIAC) funds initiated by the Downtown Council. The final two phases are not included with the initial RFQ/RFP and is dependent on future funding. These two phases include the production of construction drawings, the management of the bidding process, and finally construction administration. KCDC will assist the consultant with the service work required under the RFQ/RFP. In coordination with KCDC, the members of H.E.R.D. will assist with the RFQ/RFP through their collective masters report projects.

Kansas City Design Center's (KCDC) Conceptual Design Plan

The KCDC Conceptual Design Plan is an analysis of the existing conditions of the green and civic spaces in the greater downtown area and an investigation

of existing urban development patterns. The plan identified a need to create a comprehensive vision plan to implement a cohesive system of related and complementary elements. The visioning plan proposes three main categories of parks (anchor, corridor, and infill) to prioritize goals and objectives which, overall, is the reconnection of Kessler's original park system (KCDC, 2013). Washington Square Park is identified as an anchor park for the greater downtown Kansas City. KCDC's conceptual design for Washington Square Park consists of three primary redevelopment phases. Phase one of the project is set to redesign the site where Washington Square Park currently resides. Phase two proposes to cap the existing parking lot to the north of the park and extend Washington Square Park over the rail lines into the Crossroads District. The third phase consists of the implementation of the infrastructural rail park to the north of the current park site.

KCDC's conceptual plan for the Washington Square Park redevelopment project was inspired by several of the relevant planning documents including the GDAP. Emphasis is placed on connecting the downtown districts in a "green", "livable" and "vibrant" fashion. The first two phases of the conceptual design will be the primary basis for this project.

Five Year Capital Improvements Program Plan

The 5-year Capital Improvements Program Plan addresses the capital improvements that are being undertaken by the separate entities of the City. It focuses on the expenditures of operating capital used to fund the pay-as-you-go portion of the capital improvements budget but not the debt financed portion (Kansas City, MO, 2011). It is important for the CIP to be in coordination with the GDAP to enhance both of the plans effectiveness and

efficiency. For this project it will be important for the CIP to be used in conjunction with the PIAC funding documentation in order to understand the phasing of certain planning projects. For instance, the cost allocated for the Grand Boulevard Streetscape Planning Study done in 2012 was \$100,000. In addition, improvements to the Turkey Creek/Central Industrial District basin combined sewer system is scheduled. For this reason the assessment of the planned capital improvements provided insights for the Washington Square redevelopment project.

Economic Development Plans

The City of Kansas City, Missouri, contracts with the Economic Development Corporation (EDC) of Kansas City to implement economic development services. Under the EDC there are six agencies that are managed and staffed by the corporation. These

include the Tax Increment Financing Commission, the Downtown Economic Stimulus Authority, the Land Clearance for Redevelopment Authority, the Enhanced Enterprise Zone Boards, the Port Authority and the EDC Loan Corporation (City of Kansas City, MO, 2004). The EDC's overarching goals are to retain and expand existing businesses, support development of disadvantaged and opportunity areas, promote workforce development and job growth, promote entrepreneurship, recruit new business investment, market Kansas City, Missouri, and maintain committed leadership.

These agencies are relevant to the Washington Square Park redevelopment project due to the economic incentives they provide. There are several of these incentives within the boundaries of the Washington Square Park redevelopment project that will be impactful due to their addition in financial feasibility for development projects. As it relates

to this research project, additional discussion and analysis will be provided in the site analysis section.

Public Private Partnerships

History

An all-encompassing definition of a public private partnership is "The close collaboration of a public entity(s) and a private entity or team to structure, negotiate and implement the finance, design, development, construction and operation of building(s)" (Stainback, 2000). Robert Beauregard defines public private partnerships as participation in activities that apply both public and private resources to carry out specific tasks. These relationships are often very intricate and comprised of unique scenarios. For this reason public private partnerships have evolved over time to accommodate the shifting dynamics of individual projects.

Public private partnerships have taken on quite a few forms. In fact, a public private partnership is just a new label for relationships that have been forming between the public and private segments for over the last 150 years. During the colonial and mercantile eras, the divide between what was considered public and private was unclear due to the economic structure of the times. Political leaders typically emerged from the commercial sector leaving the public, professional and philanthropic realms indistinguishable (Pierre, 1998).

During the industrial city era political machines started to influence governance by employing patronage partnerships. These partnerships were formed through providing contracts to specific private businesses that were willing to give kickbacks to elected officials. Beginning in the 1890s groups began to challenge the political machines in order to reform government operations. Under this reform,

partnerships began to take on more of a booster type relationship. This reigns true for Kansas City as well. At the turn of the century, Kansas City was blessed with civic leaders that were also supporters of parks. August Meyer and William Rockhill Nelson, in particular, were two businessmen that helped lead the political battles in favor of financing and developing parks. For this reason George Kessler was able to develop a plan for a parkway and open space system. When other cities were rejecting proposals for parks, Kansas City appropriated \$15 million to implement Kessler's parkway plan (Harnik, 2000). This parkway financing was secured through bonding future tax revenues secured by boulevard frontage fees. These fees live on today through an annual \$1 per linear foot per year fee.

Across American cities, the business elites started to take an interest in city planning due to the increases in congestion and inadequate infrastructure. These

insufficiencies impacted business and proposals for improvements were made by business clubs, mainly to enhance trade. The proposals were typically made in the form of city beautiful plans. These plans were designed to improve transportation in order to enhance industry and to build civic centers that signified a healthy commerce. Several cities, including Kansas City, adopted these plans in which private parties affiliated with their local government (Wilson, 1990). One of the most well-known plans of the 20th century is the 1909 Plan for Chicago. Sponsored by the Chicago Commercial Club, which was made up of the corporate elite, the 1909 plan brought together the talents and resources of both public and private to improve commerce and civic life.

While Kansas City had its successes in regards to its parks, the City experienced its fair share of setbacks as well. During the early 1920s Kessler's plan to

purchase park land near the Missouri River was rejected by voters. A few years later the mayor at the time, Tom Pendergast, controlled Kansas City as a corrupt politician, forcing his own businesses into government agreements. This included hiring his privately owned cement company to channelize Brush Creek as the Parks and Recreation Commission stood powerless. Falling complacent to the political situation, the Parks and Recreation Department found itself isolated and communication with the public was significantly reduced. As a result, most of the parks and boulevards overseen by the department were deteriorating.

Several of these forms of public private partnerships remained in place throughout the nation until the late 1940s. In the 1950s, public private partnerships became more popular as cities experienced financial distress. This caused local government to take on the role of entrepreneur (Urban Land Institute,

1990). Redevelopment partnerships were a response to disinvestment to the central cities due to suburban sprawl. These partnerships were dominant throughout the 1950s and 1960s and represented the purest form of public private partnerships during the 20th century (Pierre, 1998). Similar to the commercial clubs of the early 1900s, these partnerships comprised of business leaders and local governments establishing redevelopment authorities. The Crown Center district was developed using this form of legislative act and is often cited as a prime example of what the land clearance law was intended to achieve.

These mutually beneficial partnerships were well developed allowing local governments to increase its tax base while subsidizing private investment opportunities. Due to the clearance nature of these redevelopment projects, there were significant amounts of opposition. Neighborhood-based groups

were often formed making redevelopment projects difficult to complete. The groups' opposition proved to deter private collaboration and redevelopment partnerships based in urban renewal legislation regressed in the 1970s.

Non-profit development corporations became the partnership of choice after the downtown renewal era. Battery Park City in New York is an example of a project completed with this form of public private partnerships. Battery Park City is a 92-acre planned community located in lower Manhattan in New York City. The development is owned and managed by the Battery Park City Authority (BPCA), a public-benefit corporation which is a type of non-profit organization, created under the authority of the Urban Development Corporation (Garvin, 2002). Non-profit partnerships are especially growing in popularity for the redevelopment of parks, trails and greenways (Walker, 1999). Kansas City has seen this

recently with the improvements to Penn Valley Park. A partnership was formed between Kansas City Parks and Recreation and MainCor CID to negotiate funding for the Penn Valley Park improvements.

Theory

Public private partnerships are described as a four legged stool that includes government, private for-profit interests, private non-profit organizations, and stakeholders (Corrigan, 2005). Every component plays different roles within the partnership. Public partners should understand that the private partners need to produce a profit while the private partners need to understand that public agencies do not tend to move quickly and have constituents to address. It has been found that successful projects utilizing public private partnerships demonstrate joint planning, mutual trust, preservation of leadership, open communication, and a reasonable sharing of

costs, risks, and economic returns (Corrigan, 2005). For this reason the beginning point of a successful public private partnerships is for all potential partners to gain a full appreciation of, and respect for each other. This can be accomplished through a stakeholder analysis which is included in this document.

The public partner generally sets the table for the formation of a public private partnership. The public partner must approve a project's purpose to serve the public before participation can be considered. Once this is validated the public entities either purchases land, offers write downs, prepares the site for development, expedites the development approval process, builds public facilities, or undertakes necessary infrastructure improvements such as sewers, and roads. Several tools can be used as incentives for private developers including tax abatements, tax increment financing

(TIF), and even land clearance using the power of eminent domain. These tools have been used in the past within downtown Kansas City, Missouri including the initial procurement of Washington Square Park. TIFs, Enterprise Zones, and TDDs are a few tools that are used frequently today and are active incentives within the geographical boundaries of this project (City of Kansas City, MO 2004). For-profit private partners often can put together a development, structure the financing, bring in expertise, construct a project, and move into operation. Because private partners are in the business to make a profit, they will typically need a quicker and higher return on their investment, unlike the public sector partners.

Non-profit partners typically include neighborhood organizations, faith-based institutions, community development corporations, advisory boards, and philanthropic foundations. These partners

sometimes act as negotiators between public and private for-profit partners. Non-profits can often assist private partners in finding opportunities to participate in community development projects. In addition, the non-profit partners can sometimes assist in closing the gaps for project financing or access funding that might not otherwise be available for a project (Madden, 2000).

Urban parks are especially good arenas for partnership between local government and non-profit organizations (Madden, 2000). The non-profits are more efficient and flexible to the changing needs of parks. They also provide advocacy and many times carry the freedom and political will to speak out for increases to budgets. Non-profits form partnerships in wide variety of ways that fluctuate with their involvement in the park. Some act as assistance providers helping the parks department with volunteer work. These types of partnerships

are typically formed with smaller nonprofits. Newer parks are often pushed by non-profit partnerships that act as catalysts to initiate projects and provide financial support. These kinds of partnerships tend to be transitional with changing roles after projects are completed. Some non-profits act as co-managers with the parks department, sharing responsibilities of park planning, design, capital construction, and in some instances maintenance by holding manager or staff positions. Others act as partners with the objective to assist in city-wide greening projects (Madden, 2000).

According to Stainback (2000) there are three basic types of partnerships between public and private entities. In addition to the types of public private partnerships, there are three basic project delivery concepts and six basic ownership and investment scenarios (Stainback, 2000). These public private partnership typologies will be used to help identify

the possible scenarios for the Washington Square Park redevelopment project.

Three Basic Types of Partnerships

1. Major Private Developer Participation with Minimal Public Partner Involvement.

The private developer is primarily responsible for all aspects of the project. This type of partnership is typically a commercial development with little to no public facilities or improvements. The public partner may provide capital or non-capital investments, like reduced parking requirements or other incentives. The land for the project may be provided by the public partner.

2. Traditional Public Private Partnership.

A fair and reasonable sharing of costs, responsibilities, risks and returns is structured between the public and private sectors. The issuances of bonds by the public sector combined with private equity are the traditional forms of financing under the traditional model. Ownership of the project is usually divided between the public and private entities.

3. Public Partner is Primarily Responsible for the Project with Outsourcing Selected Tasks to the Private Sector

The public partner is the owner of the project and is primarily responsible for the project financing. The design, development, construction and/or management are contracted out to the private sector. The cost and risks associated with ownership stay with the public partner.

Three Basic Project Delivery Concepts

1. Design/Build (DB)

In this type of partnership a single contract is awarded to a private partner for the design and build of a project. The primary advantage for this type of project is that there is only one point of contact for the design and construction which usually accelerates the project delivery.

2. Design/Build/Operate (DBO)

In a DBO project a single contract is delivered to a private partner to design, build, and operate the finished project. Traditionally, a public project operates under the responsibility of the public partner or contract is awarded to the private sector under a separate operations agreement. The DBO

can facilitate private sector financing of public projects that are supported by user fees.

3. Design/Build/Finance (DBF)

In this type of project the delivery is the same as DBO except that the private sector is also responsible for securing the required financing for the project.

The private sector typically obtains ownership of the project, unless equity returns and debt are satisfied.

Six Basic Ownership and Investment Scenarios

1. Public Partner as Sole Owner

Typically, under this structure the public partner is the sole owner of the project and a private developer completes a fee-based project. The public partner is 100% responsible for the financing, operation, and associated risks with the project but maintains control of all aspects of the process. The financing

is usually in the form of bonds secured by project revenues or secured through the local government's balance sheet and credit rating.

2. Public Partner as Sole Owner but Outsources Design, Development, and Operation

The public partner maintains sole ownership of the project but contracts the design, development and operation of facilities. The financing and risk associated with the project is the responsibility of the public partner while an operations agreement sets the standards for how the project is operated.

3. Public Partner as Controlling Interest in Partnership

Under this type of partnership the public partner provides at least 51% of the financing for the project but shares the burden with the private partner.

The private partner takes on the majority of the responsibilities of a DBO project.

4. Nonprofit as Owner

Nonprofits are formed to serve as the owner of completed projects. These entities are formed to reduce the cost of financing and to incur the responsibilities of ownership and operations. Often the nonprofit partner is affiliated with the primary public partner in order to secure favorable financing.

5. Private Partner Bears Risk Burden

The structure of this partnership represents the traditional public private partnerships, in which the public and private partners share the risks, responsibilities, costs, and returns. The ownership structure depends on contract negotiations but the private partner is generally the primary owner and

incurs most of the risk and costs associated with the project.

6. Private Developer as All-Encompassing Partner

The private partner is the owner, developer, and responsible for operations under this structure. The public partner acts as a passive investor, possibly providing the land required for the project. For this reason the public partner receives very little economic gain in return.

Advantages

There are various reasons why public entities would enter into a partnership. The reasons all relate to the advantages that the public partner would gain. These include: necessary action by both partners to proceed with a project, reduction of risk, generating private financing of a needed public

facility, monetizing government-owned assets, reducing the debt required from the public sector, reducing government issued debt, utilizing private partner expertise, and generating long-term private investment.

There are advantages for the private sector as well including: enhancing private partner's image with high profile civic projects, government-owned real estate assets are available for first time, elimination of land acquisition through long-term leases, reduction of private partner investment, enhancing cash-flow if the pro-forma doesn't pencil out, public partner helps to gain consensus with stakeholders, streamlined approval process, reduced risks and responsibilities (Stainback, 2000).

In addition to the overall advantages of public private partnerships, there are specific advantages of public private partnerships in park projects. These

include economic development, alleviating social problems, and environmental stewardship. The economic development benefits of public private partnerships in park projects are relatable to tourism, enhancing property values, and attracting businesses. These economic development benefits are relatable to the Washington Square Park redevelopment project due to its location within the Union Station/ Crown Center district. Identified as an activity center in the GDAP, there are specific benefits to property owners, businesses and other stakeholders that will be addressed with the completion of the stakeholder analysis component of this project (Crompton, 2001).

Precedent Studies

A collection of precedent studies were selected during the review of literature in order to apply the theory and background of public private partnerships to gain an in depth understanding of the studies. The selection criteria used was based on park redevelopment projects that were either similar in size or a similar type of project as the proposed preliminary design of Washington Square Park. There were three precedents identified during this process including Millennium Park in Chicago, Illinois; Post Office Park in Boston, Massachusetts; and Discovery Green in Houston, Texas.

An analysis was then conducted asking the following questions.

- Who were the partners involved?
- What type of partnership was formed?
- What were the characteristics for success?

- What did the partners gain through the public private partnership?
- What was the ownership structure?
- What incentives were in place?
- What lessons were learned from the public private partnership?

The information derived from the precedent studies was then analyzed and used in combination with the site, market and stakeholder analyses to develop the formation of a public private partnership scenario for the redevelopment of Washington Square Park.

Millennium Park -Chicago, Illinois

Seen in Figure 2.2, Millennium Park is located in Downtown Chicago, Illinois consisting of 24.5 acres. The park was funded by an extraordinary public private partnership that aimed at creating a one-of-a-kind park out of a disconnected area of the City that, due to transformations in the railroad infrastructure, remained an eyesore. Led by Mayor Daley, the city of Chicago committed \$270 million that was matched by the private sector with \$1 million minimum donations from 115 individuals, foundations, and corporations (NRPA, 2011). There were several partners involved in the park development project including the City of Chicago, the Chicago Department of Transportation, the Department of Cultural Affairs, Grant Park Conservancy, and Millennium Park, Incorporated. Millennium Park, Inc. is a private not-for-profit organization that was created to raise private funds to finance the

construction of the park and provide long-term management of park operations.

Millennium Park, Inc. raised private funds for the above ground amenities and improvements while the City of Chicago issued revenue bonds for a 4,000-car capacity-parking garage built underneath the park. Millennium Park Inc. operates the park and is responsible for maintenance and programming. Establishing a clear, contractual separation between public funded projects and those projects funded by private entities was critical in the implementation of Millennium Park (Bruner Foundation, Inc., 2009). By protecting private dollars from public influence, the park development project was able to attract major donor participation. This allowed for the completion of the project through several hardships, including pressure from local media groups.

Figure 2.2: Millennium Park (Chicago Public Library, 2004)



A 2005 study revealed that real estate located in proximity to Millennium Park substantial increased in value, generating over \$10 million more in annual property taxes and \$24 million more in sales taxes. In 2009, a similar study was completed that showed the park generated estimated annual revenues of \$2.6 billion in direct visitor spending and an additional \$78 million in tax revenue. The estimated total value of real estate development attributable to the park development is over \$1.4 billion. This added value combined with other economic impacts are set against a \$490 million project cost.

Key Findings:

- Presenting the park as a gift from the city and supporters helps in fundraising efforts.
 - Phasing the opening of park elements can boost public support before the entire park completion.
 - A separate entity to manage projects supported by private donors is vital in safeguarding their private participation and support.
 - Well-designed parks and public art projects can cause a major increase in property and sales tax revenue.
 - Underground parking structures can provide revenues to fund construction and operations of park projects
-
- Planning and management must be flexible enough to adapt to changes during the development project phases.
 - A creative design process can attract donors and higher profile designers looking to create a dynamic places.

Post Office Park-Boston, Massachusetts

Post Office Park is a 1.7-acre park developed over a 1,400-space parking garage, led by a partnership between the Friends of Post Office Square (FOPOS) and the City of Boston. Originally home to an above ground parking structure, seen in Figure 2.3, the property was seen as blighted to the surrounding business community. With construction and renovation going on all over the downtown area, a group of civic leaders petitioned the city to buy out the current parking structure lease in order to implement the park project. As a result, the Friends of Post Office Square was established. The city retained ownership of the land, while FOPOS leased the property to develop the site.

To raise the capital necessary to fund the underground parking garage, Friends of Post Office Square offered stock in the newly developed

commodity. Businesses and individuals were sold shares of stock in the structure for \$65,000 a share, which including the rights to a parking spot. In addition, an 8% dividend was assured to all shareholders after all debt has been paid. The entire supply of 450 shares was sold in an astonishing six weeks raising approximately \$29.25 million. The public private partnership arranged for the city of Boston to receive all profits from the garage after the debt has been paid.

Seen in Figure, 2.4, no expense was spared in the development of the park and garage as amenities are full of design elements such as fountains, sculptures, granite walls and landscaped borders. The underground parking facility includes clean restrooms, a shoeshine station, a car wash and an automated checkout system for drivers (Project for Public Spaces, n.d.).

Figure 2.3: Pre-Post Office Park Above Ground Parking Garage (Friends of Post Office Square, 2008)



Figure 2.4: Post Office Square Park (Bonsen, n.d.)



Despite the extremely high costs due to site excavation and issues with the buyout of the previous above ground garage lease, the park is a major anchor for the business district. Post Office Park satisfied both a need for public space and a need for parking. The surrounding property owners and businesses gained increases to property value and sales due to the presence of the park. The project turned a liability into a true asset for the downtown community.

Key Findings:

- Quality in design is the hallmark of a park redevelopment project.
- Programming and management is critical to a successful design.
- Support from the business community is essential

Discovery Green-Houston, Texas

Discovery Green, shown in Figures 2.5 & 2.6, was created through a progression of land acquisition and visioning that began in 2002. The city of Houston and philanthropic partners established a public-private partnership with the goal of creating a downtown green space that would benefit the community (Sheridan, 2008). The Discovery Green Conservancy is the public-private partnership established between local businesses, the City of Houston and several foundations including the Brown Foundation, the Houston Endowment, the Wortham Foundation, and the Kinder Foundation.

This partnership was established through the use of a joint development agreement between the City of Houston; the Houston Downtown Park Corporation, a local government corporation; and the Discovery Green Conservancy. The Discovery

Green Conservancy raised \$56 million during the initial capital stage through the combination of small-donor campaigns, naming rights and large contributions from the principal foundations. The City contributed the remaining \$69 million for the project through the donation of city-owned parking lots, street right-of-ways and the issuance of revenue bonds. The park ownership is held under the Houston Downtown Park Corporation while Discovery Green operates the park. The City Council mandated that the park project include a substantial public engagement process in the design and development.

Discovery Green Conservancy is responsible for on-going fundraising and managing the day-to-day operations while the city contributes a certain amount of funding each year to support maintenance. More than \$500 million in downtown development projects that specifically notes the

Figure 2.5: Discovery Green at Night (Sedona Lakes, 2011)



Figure 2.6: Public Art Serves as the Exits for the Underground Parking Garage (Coog Radio, 2013)



parks creation as an impetus has been the result of Discovery Green. An alternative way to think about the economic impact is to compare the investments with the economic return. For every dollar invested in Discovery Green, \$8 of downtown construction has resulted.

Key Findings:

- Build an operating model that relies on diverse revenue streams.
- Keep the decision-making group small.
- A dynamic leader is critical for the non-profit group.
- Engage the public early and often.
- Strive for excellence, it can be contagious.

Conclusions

Through research and investigation, the necessary background and history relating to the Washington Square Park redevelopment project is obtained. Today, the Washington Square Park redevelopment project holds similar characteristics of the intent that established the park in 1921. The need for connections between districts have been identified in the various planning documents and as the downtown streetcar is implemented, Washington Square Park looks to provide the grand civic space that provides a relaxation area for not only train and transit travelers but the entire downtown area.

The surface parking lot to the north of Washington Square Park has been identified as a prime redevelopment site by numerous planning documents and several development incentives are currently in place within the project boundaries. Several of these incentives have been utilized the

past few years in the formation of public private partnerships for redevelopment projects throughout downtown Kansas City, Missouri. The recent partnerships are additions to the city's long history of public and private collaboration, especially in regards to the development of the Kessler Park System. When other cities were rejecting proposals for park development, Kansas City's business and civic leaders advocated for the implementation of parks.

This type of advocacy and business leadership is present in all three precedent studies. Non-profit conservancies were established by surrounding businesses and foundations that formed public private partnerships with local governments. Forming public private partnerships for park redevelopment projects with these types of non-profit organizations have grown in popularity. This is due to the flexible structure they provide in

order to adapt to the changing dynamics during the development process.

The parks projects in the precedent studies were all developed using public private partnerships. While the sole development of these projects by the respective cities might have been feasible, the end product would not have achieved the level of successes they did through the formation of partnerships. The Washington Square Park redevelopment project displays similar characteristics of the precedent studies. The redevelopment of the Washington Square Park by the Parks and Recreation Department and the city alone may be feasible but the end product will not achieve the same level of success and value that public private partnerships would add to the project.

The key findings obtained during this background research has guided the completed analysis, which is outlined in the next few chapters. The site

analysis was performed to gain an understanding of the physical, legal, and financial aspects of the redevelopment project including the existing economic incentives. The market analysis was conducted to assess the economic conditions that surround the Washington Square Park redevelopment project. Since the private sector is market motivated and a primary redevelopment site has been identified by several planning documents, this is a pertinent component of the overall analysis. Finally, the lessons from the precedent studies drives the need for an understanding of the property owners surrounding Washington Square Park. This is completed by the use of a stakeholder analysis.

III. Site Analysis

From the review of literature and background material, a better understanding of the Washington Square Park redevelopment project has been absorbed. From this research, it has been determined that a critical component of this project is to analyze and understand the physical, financial and legal environments surrounding the Washington Square Park Project. In order to achieve this understanding a site analysis was utilized. This analysis consists of four elements including the identification of property ownership and value, in order to determine who the parties surrounding the project are and how much financial interest they hold in the area. Second, an analysis of the existing economic incentives was used to determine how these incentives could be utilized to encourage implementation of the redevelopment project. Next, a study of the current zoning regulations was conducted to obtain an understanding of the development potential for the site. The last element of the site analysis was considering the barriers that need to be resolved

in order to implement the redevelopment project. Applying all four elements in the site analysis expands the understanding of the redevelopment project.

Property Ownership + Market Value

In order to determine who the businesses and property owners are and how much property value they hold surrounding the redevelopment project, an analysis of parcel data was utilized. This identification of ownership will start to give the stakeholders that could potentially be involved in the redevelopment project an appreciation of, and respect for one another. With the addition of the stakeholder analysis outlined in the next chapter, this appreciation will be enhanced.

The process used for the identification of property ownership and value was completed using the City of Kansas City, Missouri's and Jackson County,

Missouri's Geographical Information Systems (GIS). Once the ownership entity was identified, the records were verified through referencing Jackson County, Missouri's property tax records. Most often, large or institutional grade real estate is held under a fictitious business name or in some cases a third party registered agent. In order to uncover the true legal ownership of each parcel of real estate, the State of Missouri's Business Entity Search engine was used. The ownership of parcels within the redevelopment project boundary is shown in Figure 3.1.

would affect the current assessed value. The market value of each parcel is shown in Table 3.1.

The value of each property was obtained from Jackson County, Missouri's property tax records. The appraisers office determines an assessed and market value on each parcel located within the County's boundaries. For this analysis, the market value was used in order to gauge the true fair market value outside of any tax abatements that

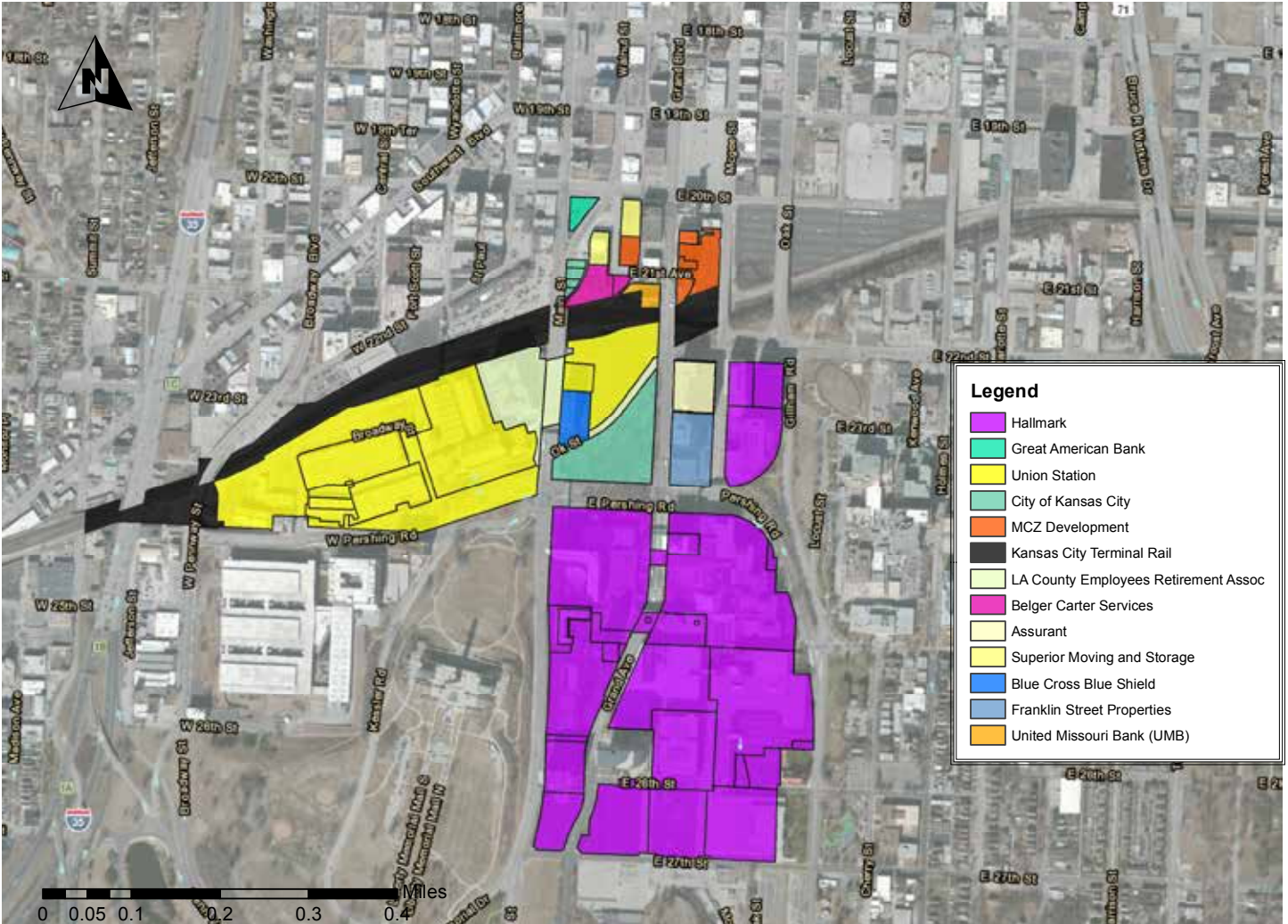


Figure 3.1: Property Ownership (Source Data: Jackson County, Missouri, 2013)

Owner	Total Market Value
Hallmark	\$117,000,000
LA County Employee Retirement Association	\$36,083,760
Franklin Street Properties	\$35,000,000
Union Station Kansas City, Inc	\$32,287,884
Assurant Employee Benefits	\$14,794,119
Blue Cross Blue Shield	\$8,401,600
City of Kansas City	\$6,111,940
MCZ Development	\$1,097,614
Superior Moving and Storage	\$1,041,000
Belger Carter Services	\$720,115
United Missouri Bank (UMB)	\$581,875
Kansas City Terminal Railway Company	\$136,350
Great American Bank	\$100,000

Table 3.1: Fair Market Value of Property within Project Boundary
 (Source Data: Jackson County, Missouri, 2013)

City of Kansas City

The Washington Square Park site is generally located north of Pershing Road between Main Street and Grand Boulevard. The park is approximately 4.8 acres and currently holds a market value around \$5.7 million. In addition to the park site, the City owns four contiguous lots within the boundaries of the redevelopment project. Seen in Figure 3.2, these lots are generally located adjacent to the Main-Walnut Viaduct and parcels owned by other entities, which are identified below. The set of parcels owned by the City are currently valued at \$383,940.

Union Station Kansas City, Inc.

Union Station is a 501(c)3 non-profit organization that strives to “be recognized as the region's finest educational and cultural resource committed to the preservation and interpretation of Kansas City's regional history and the promotion of innovation, research and discovery in science and technology through the development of collections, exhibitions and other educational programs for all citizens of and visitors to the Greater Kansas City metropolitan area” (Union Station, 2013). The organization was established in 1994 for the main purpose of holding ownership of the Union Station properties. The organization’s primary goals are:

- To develop and nurture successful and financially sustainable museums and attractions within Union Station Kansas City

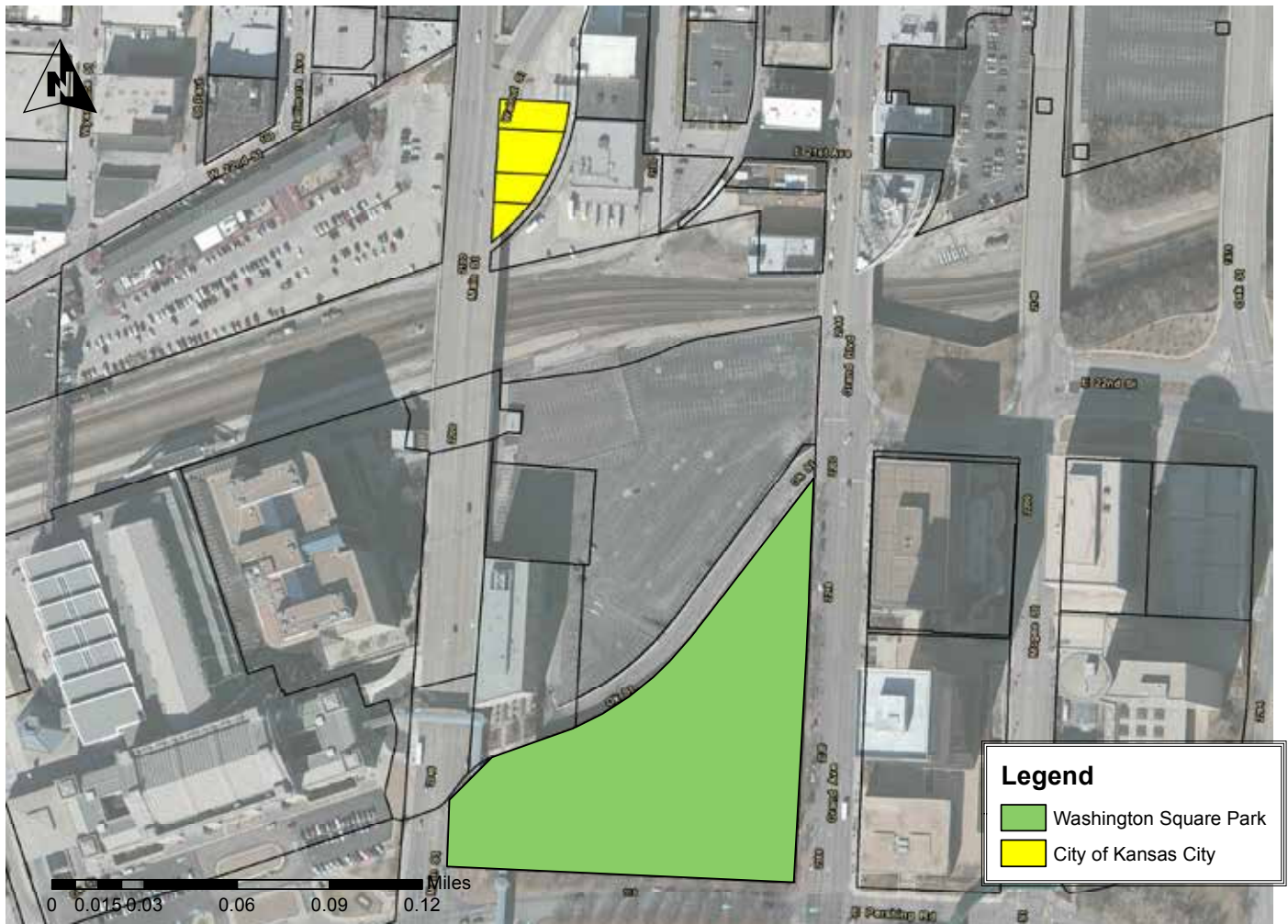


Figure 3.2: City of Kansas City Vacant Lot Parcels (Source Data: Jackson County, Missouri, 2013)

and to ensure those facilities serve as the destination of choice for local residents and visitors.

- To collect, preserve and interpret materials and artifacts that represent the broad scope of history within the diverse Kansas City metropolitan area, and to safeguard those collections for future generations.
- To embrace our role as stewards of two of Kansas City's historic and architectural landmarks: Union Station and Corinthian Hall, and to invite visitors to these landmarks and assist them in understanding the importance of historic preservation in contemporary society.
- To educate people of all ages in the area of Kansas City regional history and in the exploration of science, and to assist in experiencing old and new technologies affecting

our lives and inspiring others to become innovators in developing technologies for the future.

- To attract quality and diverse traveling exhibits for visitors of all ages.
- To ensure that Union Station Kansas City and their representatives always provide outstanding customer service in museum, entertainment, commercial, dining, and retail services (Union Station, 2013).

Union Station Kansas City, Inc. owns the surface parking lot located north of Washington Square Park. Consisting of approximately 4.87 acres, this parcel is currently valued at \$2.62 million. The proposed redevelopment design for Washington Square Park converts the existing surface parking lot into underground parking for the various users of

the redevelopment area. In addition to the parking lot, the organization owns over \$29.6 million worth of property comprising of approximately 28 acres located west of Main Street. This portfolio of properties are home to more than 30 tenants including corporate businesses and non-profit organizations, restaurants, retailers, a state-of-the-art theater, planetarium, and the U.S. Post Office. Amtrak also runs its operations from the Stations site (Union Station, 2013).

Hallmark

Crown Center Redevelopment Corporation owns and operates a commercial and residential complex for shopping, dining, and entertainment options. It is a condominium community for shops and restaurants, office space, hotels, cinemas, a visitor's center, Kaleidoscope, an outdoor ice-skating rink, summer concerts and festivals. The company was

founded in 1968 and is a subsidiary of Hallmark Cards, Inc. (Crown Center, 2013).

Hallmark owns a large supply of property generally located south of Pershing between Main Street and Grand Boulevard, and the properties north of Pershing Road between McGee Street and Gillham Road. This portfolio consists of approximately 66 acres valued at over \$117 million.

MCZ Development

MCZ Development is a real estate development Company based in Chicago, Illinois, that specializes in high-density, infill projects with a focus on adaptive re-use. Affordable luxury residential in revitalizing neighborhoods is their specialty (MCZ Development, 2013). The Western Auto loft conversion is a prime example of the type of project MCZ is focused on. Consisting of four parcels totaling 2.13 acres generally located between Grand

Boulevard and McGee Street, the Western Auto Loft project was redeveloped in 2004. Currently, the market value of the four parcels is approximately \$690,000. Since the project is a condominium conversion, the market value is based on the common area and parking lot owned and managed by MCZ Development.

In addition to the properties east of Grand Boulevard, MCZ owns an additional surface parking lot located at the corner of Walnut Street and East 21st Street. The lot consists of 0.45 acres and is currently valued at \$407,614. The parking lot serves the condominium owners and other users of the Western Auto building.

Kansas City Terminal Railway Company

Kansas City Terminal Railway Company is a joint venture of Kansas City Southern, Union Pacific and

four other railroad companies. It controls much of the railroad tracks located in the central part of the city (Kansas City Business Journal, 2013). Kansas City Terminal Railway Company owns a linear shaped parcel of vacant commercial land, dedicated to the rail lines that divide the Cross Roads neighborhood from the Crown Center district. This parcel is generally located north of the properties owned by Union Station and consists of approximately 13 acres valued at \$136,350. As mentioned in the previous chapters, these railroad tracks are a large part of the disconnect in the urban fabric within downtown Kansas City.

Los Angeles County Employee Retirement Association

The Los Angeles County Employee Retirement Association is a pension trust fund that provides defined retirement, disability, and death benefits

to eligible Los Angeles County employees. The association is the owner of Two Pershing Square, an approximate 514,000 square foot office building located on a 3.73 acres site. The property is generally located at 2300 Main Street and holds a current market value of \$35.65 million.

In addition to the office property, Los Angeles County Employee Retirement Association owns a parcel located between Washington Square Park and the Union Station Kansas City, Inc. owned parking lot. The parcel consists of a driveway that provides access to both the adjacent parking lot to the north and the underground parking lot to the west of Main Street. The driveway is used for various reasons catering to the surrounding buildings located within the redevelopment site. The parcel consists of 0.62 acres and is valued at \$432,760.

Belger Cartage Services

Providing crane services for over 90 years, Belger Cartage has a rich history with Kansas City. Now in its third generation of ownership, Belger Cartage's administrative offices are generally located at 2100 Walnut Street. Consisting of two lots totaling approximately 1.23 acres, the property is currently valued at \$720,115. Belger Cartage uses the building and adjacent parking lot for their daily operations.

Assurant Employee Benefits

Assurant is one of the largest providers of employee benefits focused on small to mid-sized employers in the United States. The office building generally located at 2323 Grand Boulevard is home to the benefits provider, which currently occupies much of the space within the building. Sitting on approximately 1.37 acres, the current market value of Assurant's property is \$14.79 million.

Superior Moving and Storage

Established in 1914, Superior Moving and Storage has been providing moving services for office and residential clients across the Kansas City area for a century. Superior owns and occupies two properties located within the project boundaries. The warehouse storage building generally located at 2020 Walnut Street consists of 0.53 acres and is currently valued at \$640,000.

Superior's second property is located at 2001 Walnut Street adjacent to their other property. The second warehouse building sits on 0.59 acres and has a current market value of \$401,000. Combined, these two properties make up over an acre of land and are valued above \$1 million.

Blue Cross Blue Shield

Blue Cross Blue Shield-Kansas City is a company that believes in giving back. For more than 70 years, Blue Cross Blue Shield has been active in the community, increasing awareness of the current issues affecting the people they serve. They strive to make Kansas City a healthy, vibrant place to live, work and play, "Because to us, being a good corporate citizen isn't optional" (Blue Cross Blue Shield, 2013).

Blue Cross Blue Shield owns and occupies the office building at 2301 Main Street. The office building is situated on 1.22 acres and currently has a market value of \$8.4 million. Blue Cross Blue Shield and the other tenants of 2301 Main Street utilize the adjacent surface parking lot under the ownership of Union Station Kansas City, Inc.

Franklin Street Properties

Franklin Street Properties Corporation is a real estate investment trust (REIT) focused on investing in value-add institutional quality office properties within major U.S. markets including Atlanta, Dallas, Denver, and Houston. Currently, the company owns and operates a portfolio of real estate consisting of 39 properties throughout their preferred markets.

Within the project boundary, they own the office building located at 2345 Grand Avenue. The property consists of 2.44 acres and has a current market value of \$35 million. The office building is located on the east side of Grand Boulevard, adjacent to Washington Square Park.

United Missouri Bank (UMB)

UMB, a subsidiary of UMB Financial Corporation, provides a comprehensive suite of banking products and services. The building located at 2110 Grand Boulevard is currently owned by UMB. This property totals approximately 0.49 acres and holds a current market value of \$581,875.

Great American Bank

Great American Bank is a local institutional bank committed to serving the financial needs of consumers and business owners in and around Kansas City. The parking lot located at 20th and Main Street was recently owned by and serving the downtown Hereford House restaurant. The 0.46 acre site is now owned by Great American Bank. The adjacent building to the west across Main Street was

owned and occupied by Hereford House until it was burnt down through a seeming act of arson.

Synthesis of property ownership

Seen in Table 3.1 and Figure 3.1, the biggest property owner within the project boundaries is Hallmark, the owner and user of Crown Center. With approximately 66 acres totaling over \$117 million in value, Hallmark has a significant vested interest in the area. Their place within the project boundaries has a long history, as discussed in Chapter 2 of this document, and holds property valued above the other owners by more than \$80 million. While Hallmarks current real estate holdings are not directly impacted in terms of the physical design for the Washington Square Park redevelopment project, the company's properties are still substantial affected by what happens with the project.

The second largest property owner in terms of market value is the Los Angeles County Employee Retirement Association. Totaling over \$36 million, the association's assets located within the projects boundaries are significant. For the proposed Washington Square Park redevelopment project to be implemented the driveway property owned by the association will need to be addressed. This will be discussed in depth later on in the Barriers to Project section within this chapter.

Franklin Street Properties (FSP) holds the third highest valued assets within the redevelopment site, totaling \$35 million. The office building is a valuable asset in FSP's investment portfolio of real estate located in specific strategic markets across the United States.

With a portfolio of property valued over \$32 million, Union Station Kansas City, Inc. is the

fourth largest property owner within the project boundaries. This organization holds a high stake in the project area due to their history and significant financial investments. In addition, the surface parking lot is a key component of the Washington Square Park redevelopment project. In order for the implementation of the park as designed by KCDC, agreements with Union Station Kansas City, Inc must be pursued.

Assurant and Blue Cross Blue Shield own the final two properties with the largest values aside from the City owned parcels. Assurant's assets are valued at approximately \$15 million, while Blue Cross Blue Shield holds around \$8.4 million worth of property. Both of these businesses are owner users, meaning they occupy at least some of the square footage within the building. While these properties are not impacted in terms of the physical design, both Blue Cross Blue Shield and Assurant hold significant

interest in the redevelopment project due to their tenure as owner users.

Through the identification of ownership and property value an appreciation and understanding of the potential stakeholders begins to form as they relate to the Washington Square Park redevelopment project. This formation will be furthered through the stakeholder analysis in the next chapter.

Incentives for Development

A primary goal of this project is to utilize the existing economic incentives that are within the redevelopment site boundaries. These incentives can encourage private development and help with feasibility in regards to implementing the Washington Square Park redevelopment project.

Therefore, the economic incentives were analyzed during the site analysis phase. There were five types of incentives identified during this analysis including, Tax Increment Financing (TIF) districts, Enterprise Zones, Urban Renewal Areas (URA), Planned Industrial Expansion Authority (PIEA), and the Transportation Development District (TDD). Each of these incentives is designed to enhance the feasibility for redevelopment projects and encourage private investment. For the Washington Square Park redevelopment project, they stand to help bridge the gap for implementation.

Tax Increment Financing District

A TIF is a public financing method that is structured to provide future property taxes generated by a new development to be used to pay for the construction of public infrastructure, site clearance and related project expenses (City of Kansas City, MO, 2004).

These districts encourage the development of blighted, substandard underutilized areas that would not be developed otherwise. Currently there are two TIF districts within the project boundaries, the Pershing Road TIF and the 22nd & Main TIF.

The Pershing Road TIF

The general purpose of the redevelopment plan associated with the Pershing Road TIF was for the redevelopment of the Post Office facility, parking garage, park development, retail and the necessary utility and infrastructure improvements (Kansas City, Missouri Tax Increment Financing Commission, 2003). The properties owned by Union Station are within this TIF district including the surface parking lot located north of Washington Square Park, seen in Figure 3.3. The improvements available through TIF methods are significant to the project. Substantial infrastructure improvements will be warranted by the redevelopment design including

the park expansion bridge, parking garage structure, and possible storm water improvements associated with the turkey creek basin combined sewer system.

22nd & Main TIF

The purpose of the redevelopment plan affiliated with the 22nd & Main TIF was for the redevelopment of the Freight House building. Currently, the Freight House building has been completely redeveloped and is occupied by several well-known restaurant establishments. The parking lot owned by Great American Bank is within this TIF district. Seen in Figure 3.4, the parking lot is currently used by local establishments.

Enhanced Enterprise Zone

Enhanced Enterprise Zones are designed to encourage job creation and investment by providing tax credits and abatements to new or expanding

businesses located within the enterprise zone. There are specific requirements to become eligible for incentives. These requirements include minimum job creation and standards for private investment. The entire redevelopment project boundary is within the Northland Enterprise Zone, seen in Figure 3.5. These incentives could help create options for the businesses that own and occupy property within the project boundary.

Urban Renewal Areas

Urban Redevelopment Areas are designed to encourage investment and assist in the removal of blight and blighting conditions within urban renewal areas. These renewal areas have established redevelopment plans that are declared by the Land Clearance for Redevelopment Authority (LCRA) and the City Council. The LCRA has the power to acquire blighted property, clear any sites

Figure 3.3: Pershing Road TIF (Source Data: City of Kansas City, Missouri, 2013)

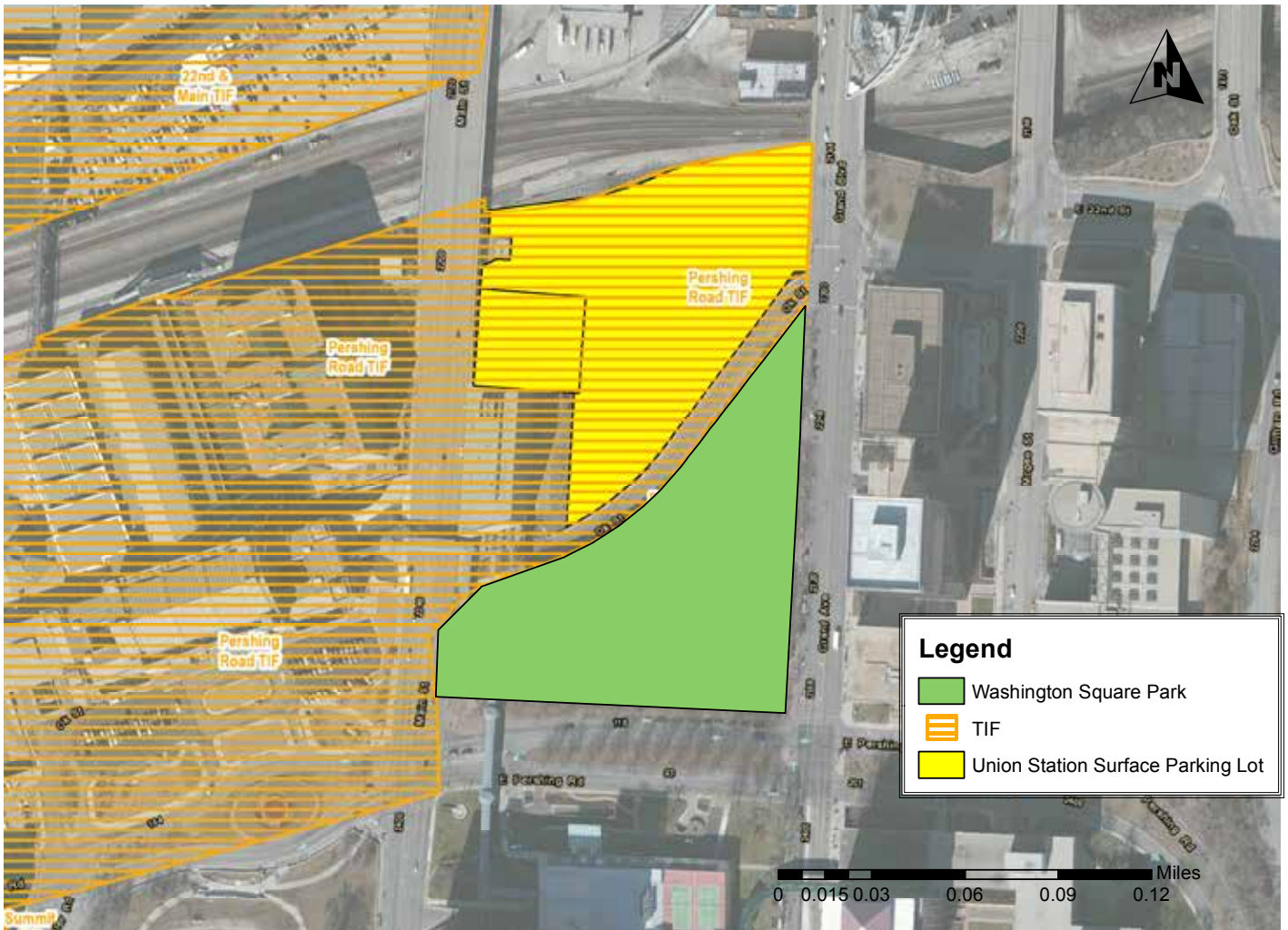
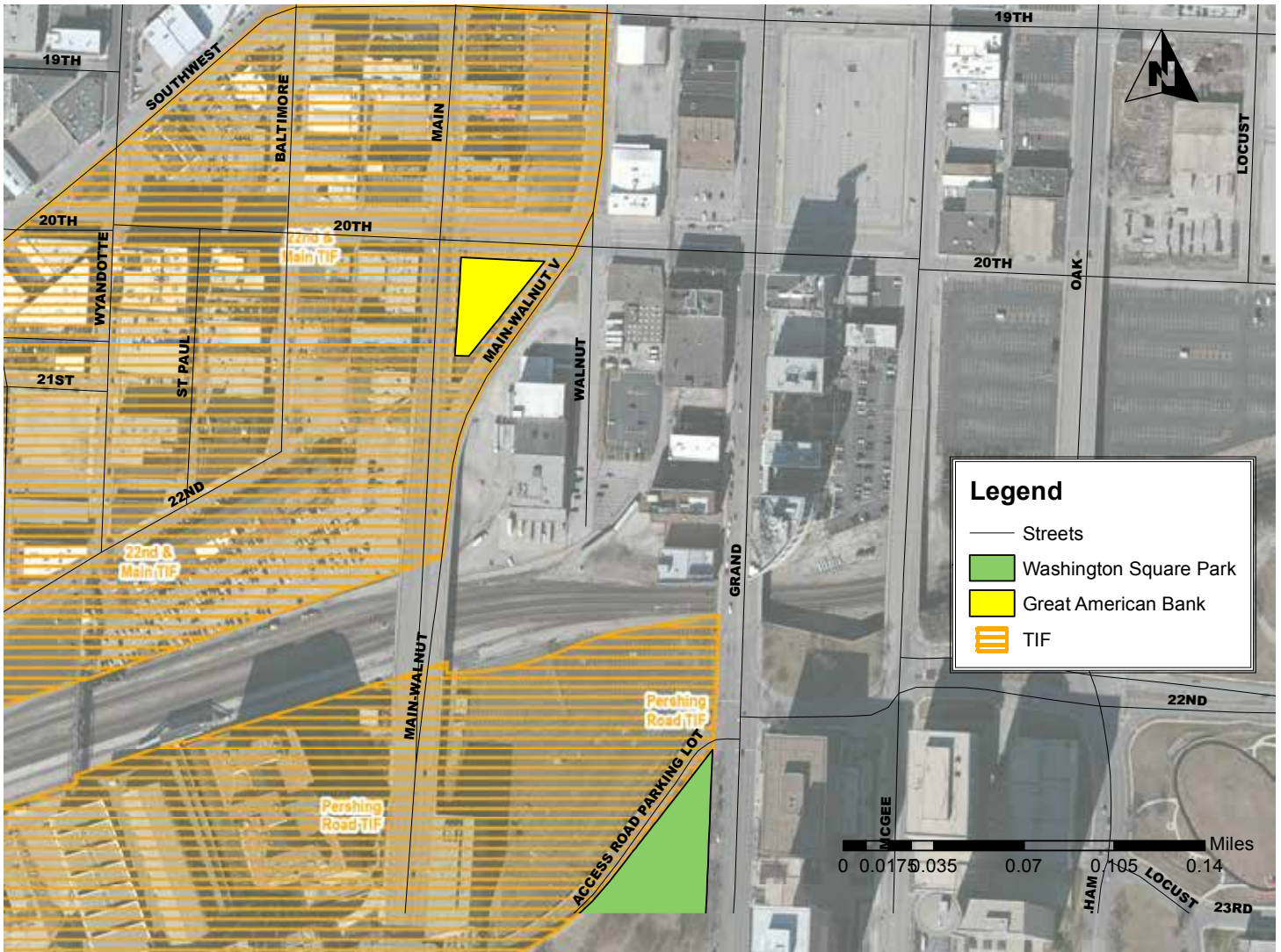


Figure 3.4: 22nd & Main TIF (Source Data: City of Kansas City, Missouri, 2013)



that are essential to the redevelopment plan, issue tax abatements and many other powers dealing with urban development. Any redevelopment projects must be in accordance with the urban renewal plan. There are two URAs within the project boundary.

Main & 20th URA

In addition to the 22nd & Main TIF the small parking lot to the north, seen in Figure 3.6, is located within the Main & 20th URA. While some of the incentives for the URA and TIF district could be counterproductive, for example tax abatement combined with tax increment financing, overall this site has significant incentive for redevelopment. The URA could be used to acquire, clear or prepare the site for redevelopment.

Grand Ave South URA

Seen in Figure 3.7, the properties generally located on the west side of Grand Avenue between 20th Street and Washington Square Park are within the Grand Ave South URA. There are several properties located in this URA, including several MCZ Development holdings, that could impact how the Washington Square Park redevelopment project is implemented. The URA could be an option to acquire the needed land in order to implement components of the project.

Planned Industrial Expansion Authority

Planned Industrial Expansion Authority fosters commercial and industrial development in specifically designated redevelopment areas through the use of tax abatement and revenue bond financing for land acquisition or construction and

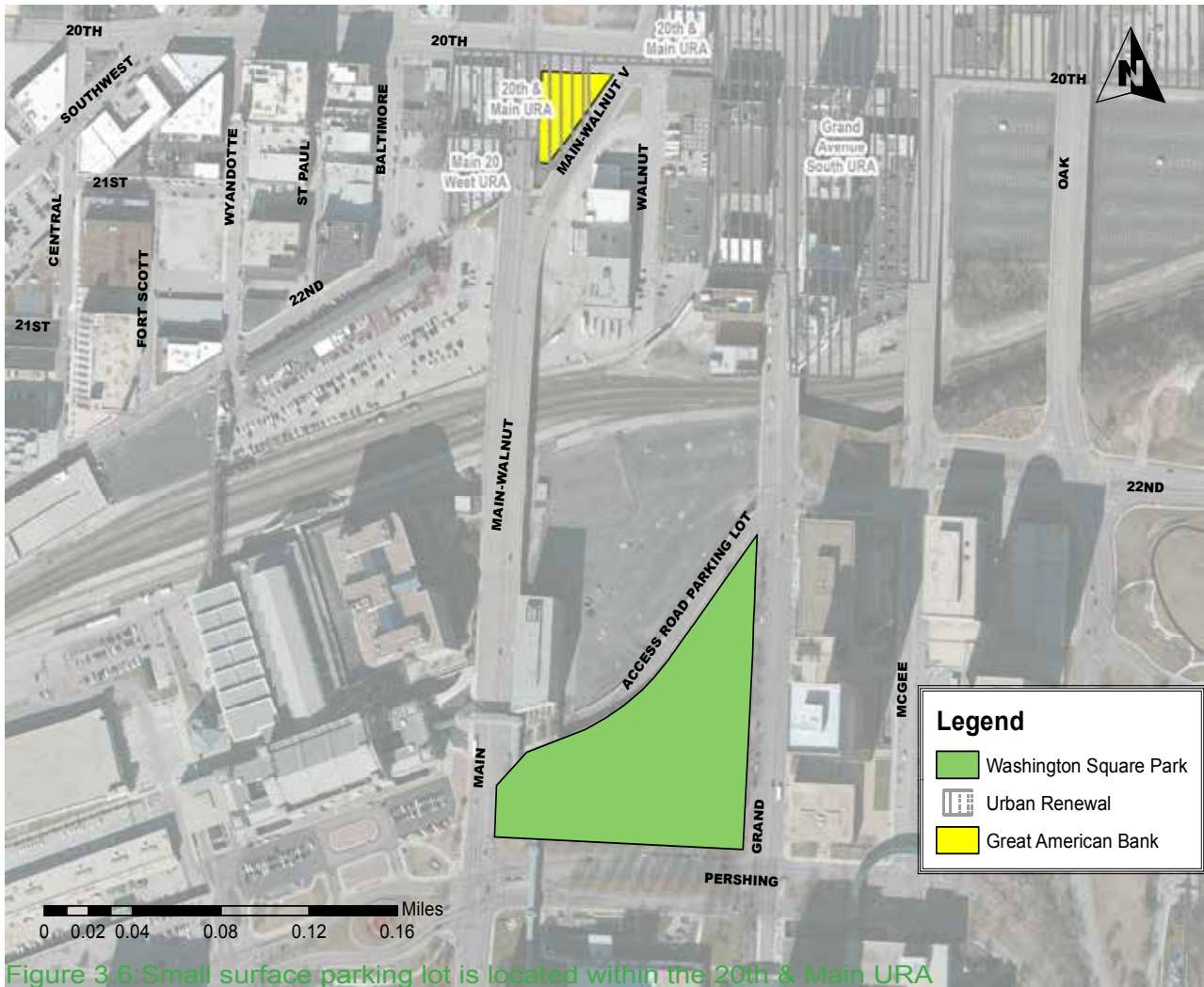


Figure 3.6: Small surface parking lot is located within the 20th & Main URA
 (Source Data: City of Kansas City, Missouri, 2013)

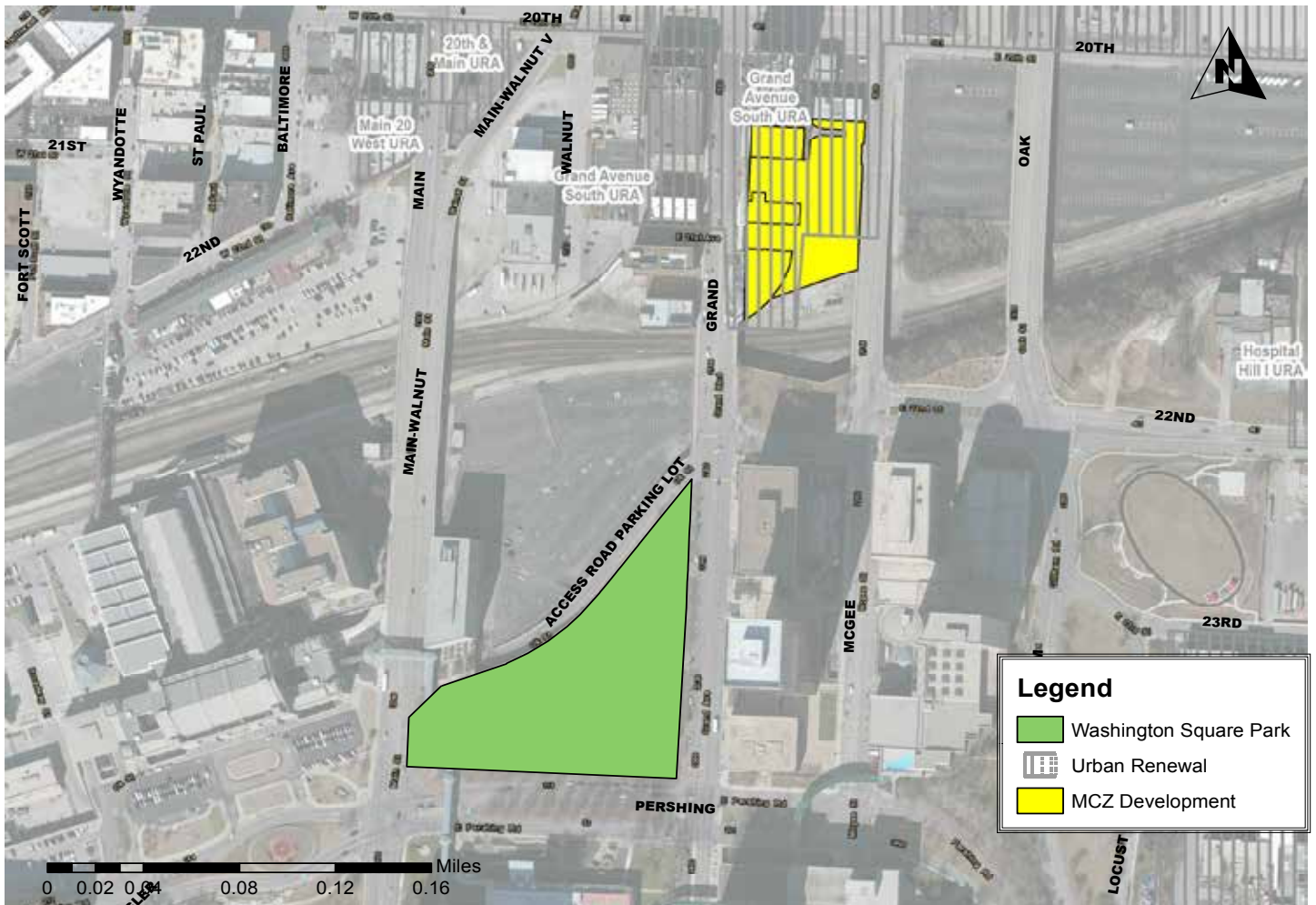


Figure 3.7: Properties located within the Grand Ave South URA (Source Data: City of Kansas City, Missouri, 2013)

equipment purchases. The authority holds the power of eminent domain and approves proposals for redevelopment based on job creation and/or retention, compatibility with designated land uses, and public benefit criteria.

The entire project area north of the railroad tracks is within the PIEA's parameters. Seen in Figure 3.8, the redevelopment projects last phases fall within this area in the Cross Roads District. The PIEA incentives could provide the needed flexibility and options in reaching agreements with the businesses that own and occupy property within this designated area.

Transportation Development District

Transportation Development District levies taxes or assessments to pay for the construction of roads, parking facilities or other transportation related improvements, and to finance those improvements by issuing TDD bonds (City of Kansas City, MO, 2004). According to the City Planning and Development Department, "The Downtown Streetcar Transportation Development District (TDD) Project Incentive & Coordination Program has been implemented for the purpose of ensuring a high level of communication and coordination between all parties involved in the success of private development within the Streetcar TDD, and to provide development process service incentives to projects within the TDD" (City of Kansas City, Missouri, 2013). The project incentive and development program is geared to streamline the development process and expedite the approval

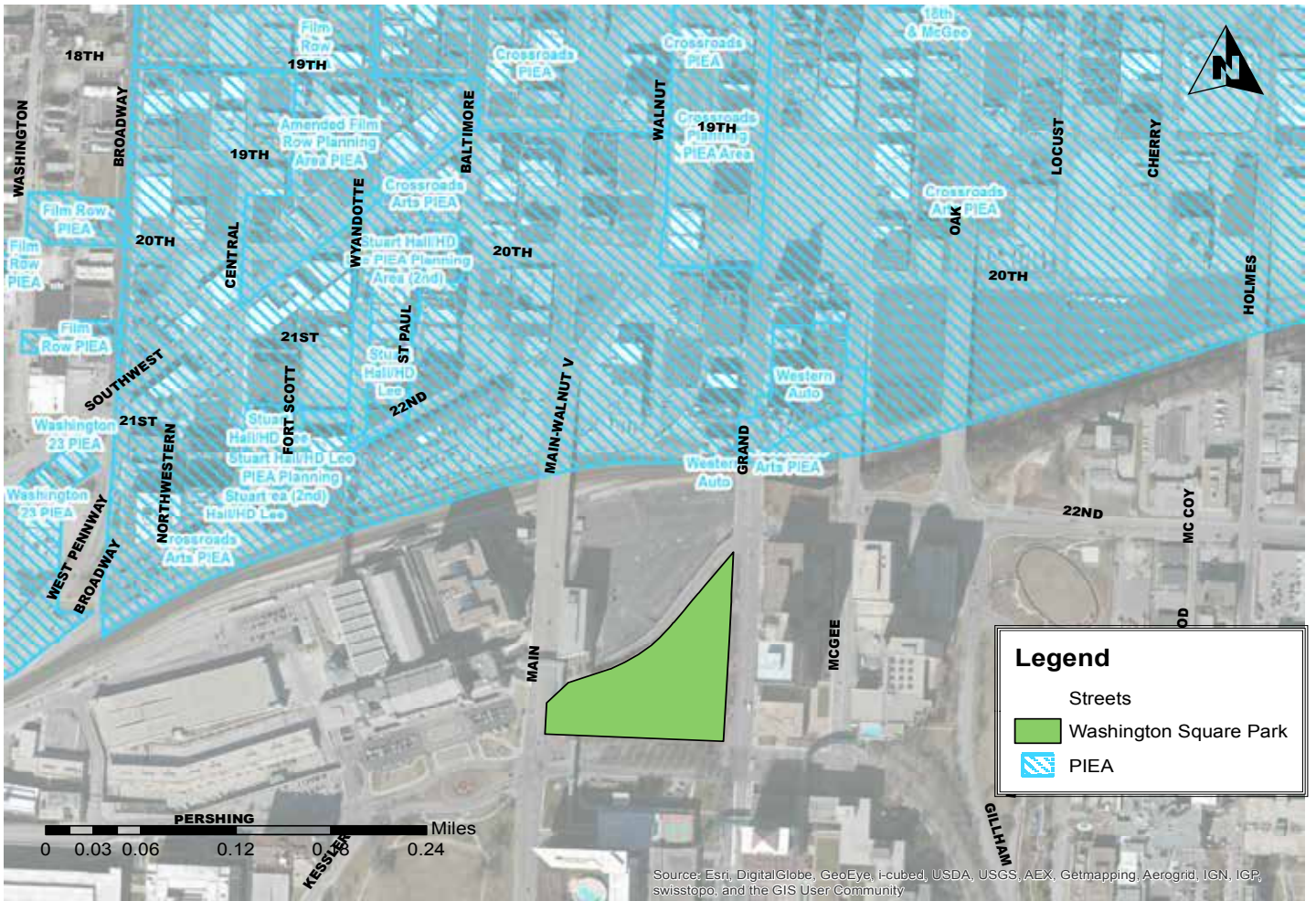


Figure 3.8: Entire area north of the railroad lines is located within the PIEA Area
 (Source Data: City of Kansas City, Missouri, 2013)



Figure 3.9: The entire project area is within the TDD District (Source Data: City of Kansas City, Missouri, 2013)

process. Developers are able to deliver projects to the market at an accelerated timeline and add value to their investments.

The entire redevelopment project boundary lies within the streetcar TDD, seen in Figure 3.9. The current TDD is providing a significant percentage of the streetcar funding. Properties within the district are flagged with special assessments on real property and provide a 1% increase on sales tax within the district. Increased expenditures in retail sales within the redevelopment site boundary would enhance the payoff associated with the streetcar financing.

Utilizing the existing economic incentives within the redevelopment site boundaries can enhance the feasibility for redevelopment projects and encourage private investment. These are important factors when addressing implementation of the Washington Square Park redevelopment project. The introduction of the TDD to the project area

places an emphasis on the incentives that do not use tax abatement strategies. The combination of the TDD special assessments and tax abatements could produce zero sums in terms of economic development. Therefore, focus will be placed on utilizing the TIF districts for the implementation of the redevelopment project. This will assist the city in efficiently using the Washington Square redevelopment project as a catalyst for future development.

Incentives are one aspect of analyzing feasibility for the Washington Square Park redevelopment project. The zoning regulations within the projects boundaries are another aspect that is critical in determining feasibility. These regulations will be defined and discussed in the next section.

Zoning

To understand the feasibility of development in terms of the allowed uses, densities, and building envelope the zoning regulations were analyzed. Since there is a symbiotic relationship between Washington Square Park and surrounding property, it is important to understand the framework for potential development and its impacts on Washington Square Park.

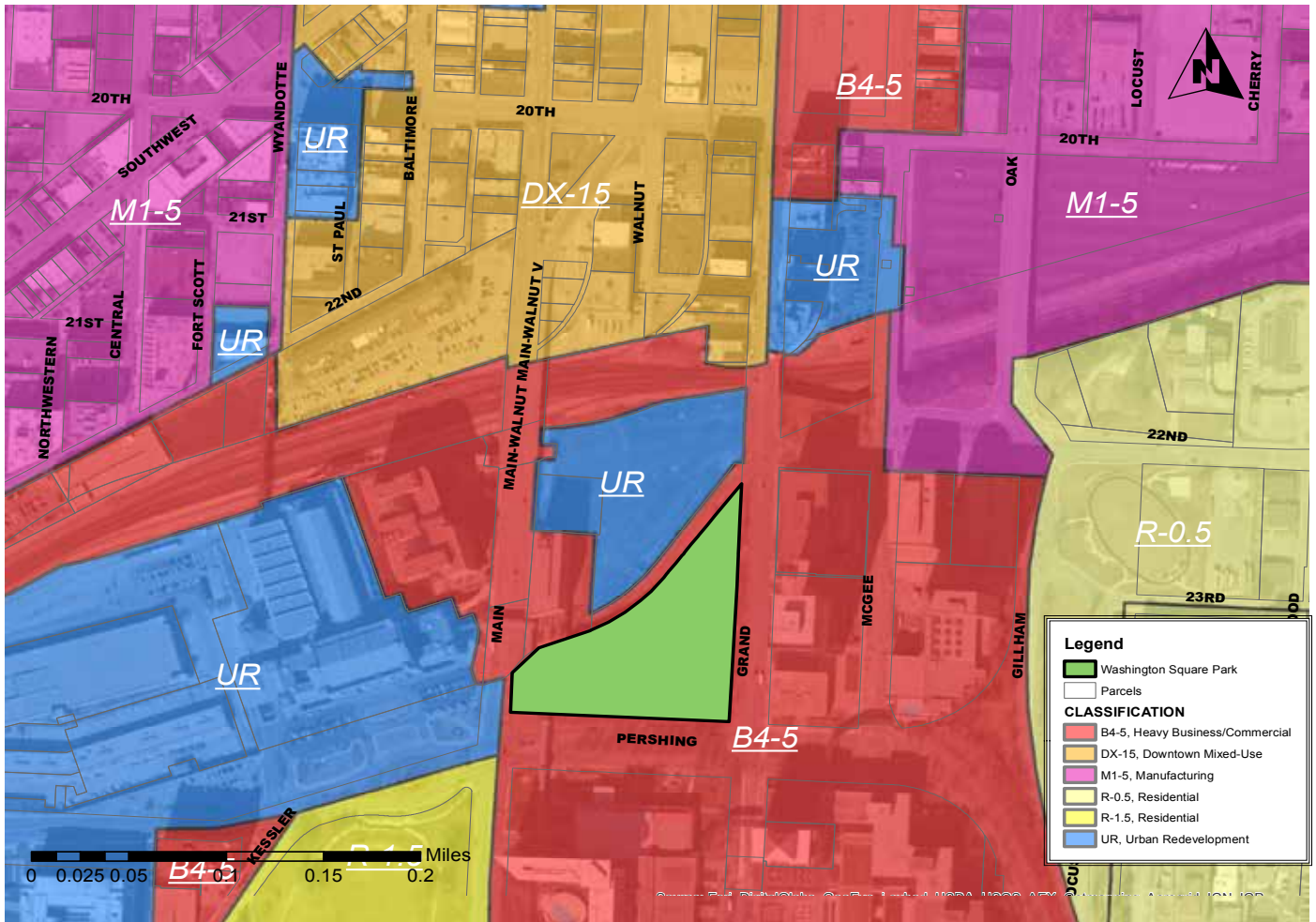
The boundaries of the Washington Square Park redevelopment project fall within two zoning districts. These two districts are the Downtown Mixed-Use district (DX) and the Urban Redevelopment District (UR), seen in Figure 3.10.

DX, Downtown Mixed-Use district

The Downtown Mixed Use District (DX) is intended to accommodate a variety of uses including office,

commercial, light industrial, public, institutional and residential development (City of Kansas City, Missouri, 2010). The entire redevelopment project boundary north of the railroad tracks is located within the DX-15, Downtown Mixed-Use District. The DX-15 district permits by right most residential and commercial uses at a high density. The 15 is a designation of the maximum density for the district, which represents a Floor Area Ratio (FAR) of 15.0. These regulations allow a building floor area that is 15 times the total square foot of the developable land area. There are no other bulk restrictions in the DX-15 district in terms of setbacks or height limitations. Parking requirements will also determine the feasibility of redevelopment projects. For the DX-15 district certain uses have reduced parking requirements compared to citywide standards. Since the properties within the redevelopment boundary are located in the Crossroads area, specific reductions are applied. In addition, alternative

Figure 3.10: Project area zoning (Source Data: City of Kansas City, Missouri, 2013)



parking arrangements can be approved by City administration. These include shared parking agreements and off-site parking arrangements.

UR, Urban Redevelopment district

The UR, Urban Redevelopment district is intended to promote development and redevelopment of underutilized and blighted sections of the city and to accommodate flexibility in design (City of Kansas City, Missouri, 2010). Proposed development must conform to the approved area plan adopted by the City Council and be compatible with desirable land use and development patterns in the surrounding area. As shown in Figure 3.10, the Union Station Kansas City, Inc. surface parking lot is located within the UR, Urban Redevelopment District. Therefore, the surface parking lot is subject to the use regulations, lot, and building standards established in the Pershing Road TIF plan.

Generally, these two districts allow for a high density of development. The high level of density could be both positive and negative for the Washington Square Park redevelopment project. A key element of the design for the redevelopment of the park is to retain and enhance the viewshed of downtown. While the UR, Urban Redevelopment District requires a development plan to be approved by city administration before any construction ensues, there are no protected view overlays or other regulations in place. According to the GDAP, there is no maximum recommended building height. In addition, the properties located within the DX, Downtown Mixed-Use district do not have maximum height restrictions either. There is a symbiotic relationship between the redevelopment of the park and the surrounding project boundaries. This is one of many reasons why partnerships would produce mutually beneficial outcomes for all parties

within the project boundary by coordinating to improve this underutilized asset.

Barriers to Access

There are two areas of interest that stand as barriers to implementing the Washington Square Park redevelopment project. While the redevelopment project presents many impasses that act as barriers in terms of division of ownership and funding constraints, these two areas in particular could be less complicated to resolve. These areas of interest are the driveway access parcel owned by LA County Employee Retirement Association and the railroad parcel owned by the Kansas City Terminal Railway Company.

Seen in Figure 3.11, the driveway parcel is frequently used by Blue Cross Blue Shield employees to access the adjacent surface parking lot. This driveway leads

underneath Main Street to the underground parking area that serves both Union Station and the Two Pershing Square office building. Since the parcel is privately owned and not public right-of-way, the owners of adjacent property gained easements to use the driveway known as the “Main-to-Grand Parking Easement” (Jackson County, Missouri, 2000). In order to connect the parcels necessary to implement the redevelopment of the site and keep the access, a method of easement to engineer over the driveway will be required. The parcel could be acquired by the city or the partnership entity, but the access will still need to be retained for the adjacent properties.

The railroad parcel, shown in Figure 3.11, will need a comparable form of easement as the driveway in order to develop a connection into the Crossroads district. A similar easement was granted for the pedestrian bridge that connects Union Station to the Freight House development to the north, seen in Figure 3.12 (Jackson County, Missouri, 2006). In

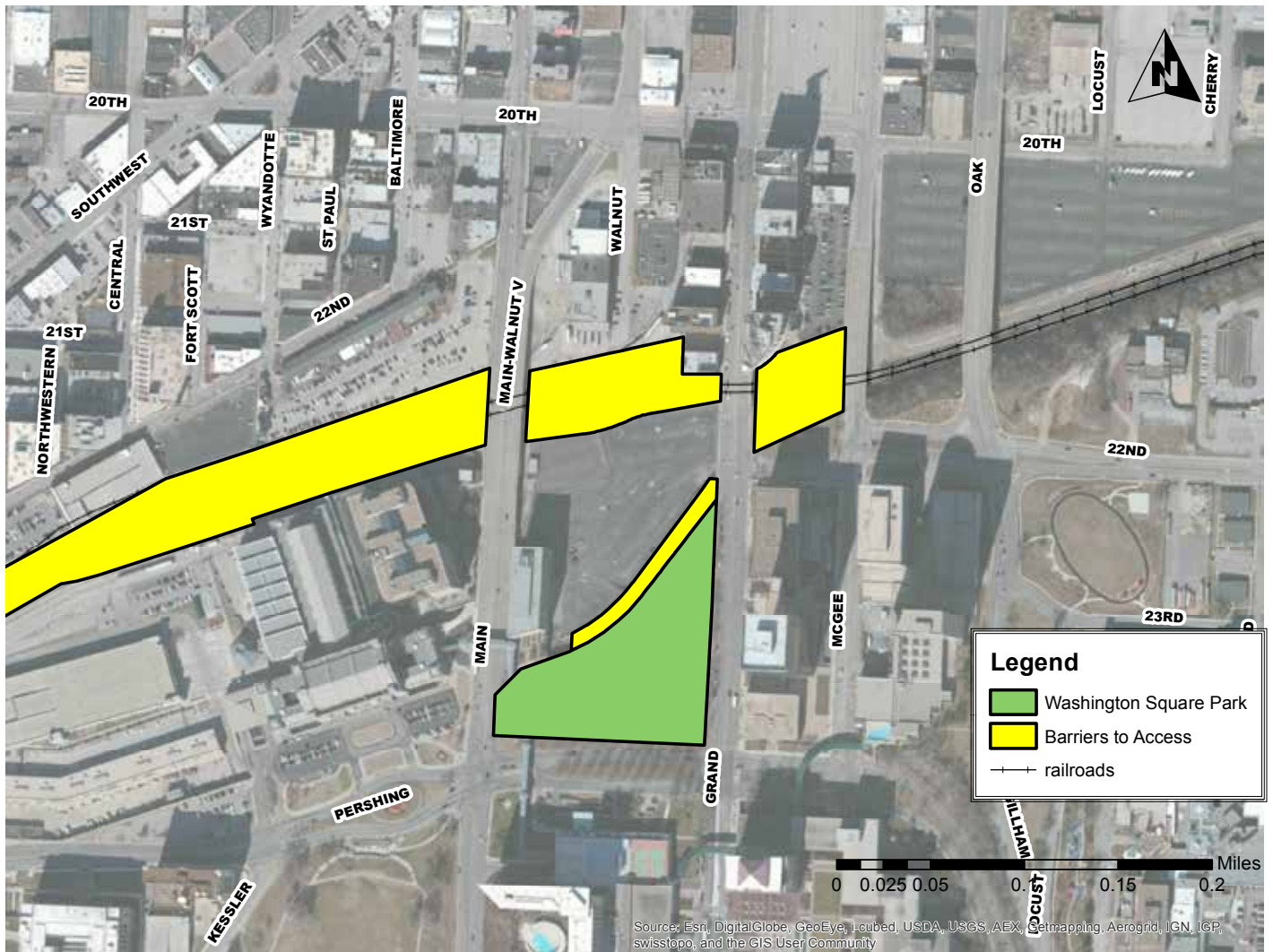


Figure 3.11: Barriers to Access (Source Data: City of Kansas City, Missouri, 2013)

addition, Kansas City Terminal Railway Company has granted easements to MCZ Development over this railroad parcel. For this reason, it is reasonable to assume that an agreement could be established.

Conclusions

Through the site analysis, a strong understanding of the physical, financial and legal environments surrounding the Washington Square Park redevelopment project has been gained. The surrounding property owners have been identified and the financial interests they hold within the project boundaries were revealed. The largest property owner within the boundaries of the Washington Square Park redevelopment project is Hallmark. With this awareness combined with their history surrounding Washington Square Park they position as a key stakeholder in the project.

The current economic incentives were analyzed and suggestions on utilization were then produced. Focus is placed on utilizing the TIF districts for the implementation of the redevelopment project due to the introduction of the TDD. This will assist in efficiently utilizing the Washington Square redevelopment project as a catalyst for future development.

The zoning and development restrictions were considered with a study of the current zoning regulation and the impact they have on the redevelopment site as a whole. The zoning districts within the redevelopment project allow for a high density of development with little to no height restrictions. This is critical to consider for the redesign of Washington Square Park in terms of preserving and enhancing the values embedded in the views of downtown.

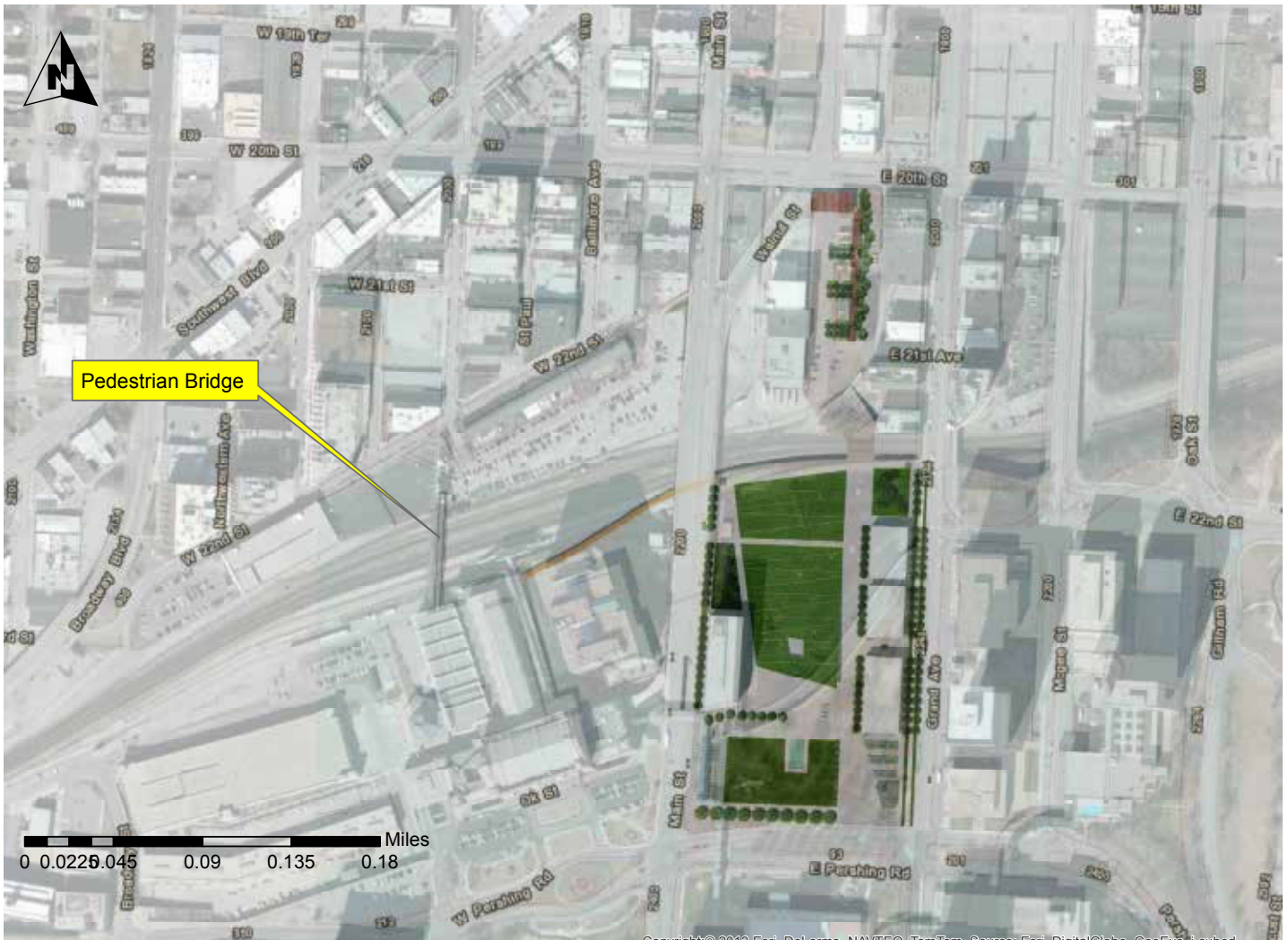


Figure 3.12: Pedestrian bridge connecting Union Station with Freight House
(Source Data: City of Kansas City, Missouri, 2013 and KCDC, 2012)

Finally, barriers to access were identified revealing necessary easements and agreements that would need to be reached in order to implement the project as designed. Two of these barriers are present in the access driveway with the “Main-to-Grand Parking Easement” and the railroad parcel. These barriers are assessed to be minor in terms of implementation.

decision making of the Washington Square Park redevelopment project.

From the site analysis an appreciation and understanding of the potential stakeholders has begun to form as they relate to the Washington Square Park redevelopment project. This formation will be deepened in the next chapter during the stakeholder analysis. There are benefits for both the City of Kansas City and the private businesses and stakeholders to approach this project through the formation of partnerships. The following chapter will discuss these benefits and outline the needs and concerns of “key players” involved in the

IV. Stakeholder Analysis

This chapter will use the property ownership identified in the site analysis chapter to extract the “key players” involved in the implementation of the Washington Square Park project. The key players are determined by using the attributes of Power, Legitimacy, and Urgency (Mitchell et al., 1997). For this analysis, the power attribute is defined as the stakeholders’ ability to influence the outcome of the Washington Square Park redevelopment project. Legitimacy is considered to be the level of involvement or claim that the stakeholder has with the Washington Square redevelopment project. Urgency was assessed based on the apparent importance of the redevelopment project, which was reflected through the known actions taken by stakeholders. In addition, the needs and concerns will be described for each entity identified as a key stakeholder during the analysis. This allows for an assessment of how the Washington Square Park redevelopment project would affect the key

stakeholders. Thus, providing an opportunity for all potential partners to gain a full appreciation and respect for each other.

Figure 4.1, represents the attributes that make up the various categories of the stakeholder analysis. Power, Urgency, and Legitimacy represented in the Venn diagram reflect the possibilities for each stakeholder group. In total, there are seven possibilities. From the analysis, four categories were represented by the assessment of the stakeholders. These four categories are Definitive, Dominant, Dormant, and Discretionary stakeholders. The Definitive stakeholders will be discussed first with Dominant stakeholders second. These two categories were used as the “key players” for this analysis since Definitive stakeholders possess all three attributes and dominant stakeholders possess two out of the three. The Dormant and Discretionary stakeholders will be briefly discussed to finish the section.

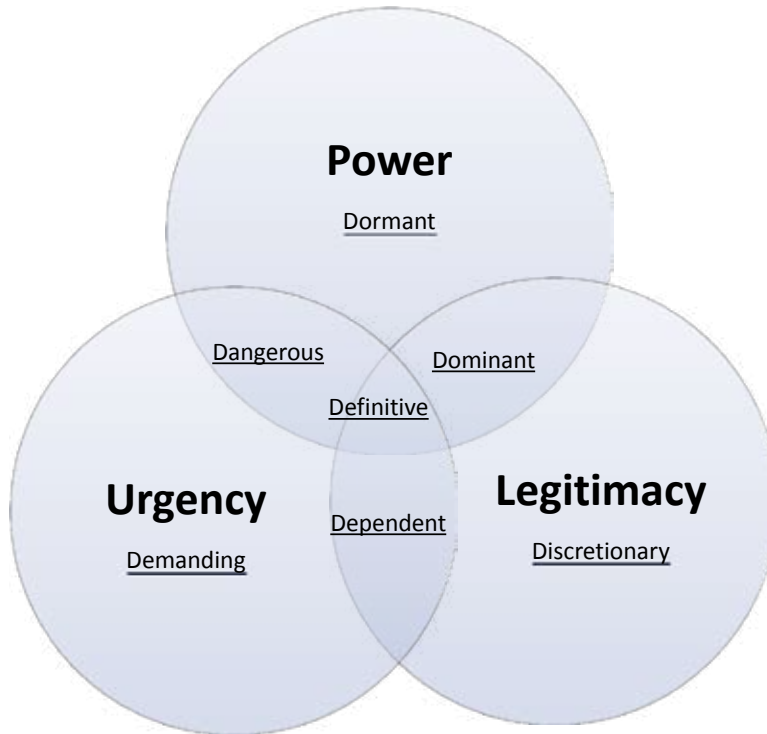


Figure 4.1: Stakeholder Analysis Attributes Diagram
 (Source: Mitchell et al., 1997)

Definitive Stakeholders

During the analysis, four stakeholders were categorized as a Definitive stakeholder. This includes Hallmark, Union Station Kansas City, Inc., Blue

Cross Blue Shield, and the City of Kansas City, Missouri. Since the stakeholders within this category possess all three attributes of power, legitimacy, and urgency, they require the most attention for the project due to their high levels of interest.

Hallmark

Hallmark was identified as having all three attributes based on their amount of property holdings within the project boundary, which gave them a high level of power. Their local business community status and history with the project area gives them a high level of legitimacy. In regards to urgency, there have been interpretations that Hallmark has taken interest in expanding and improving their holdings and are currently revising plans for future development (Hallmark, 2013). This suggests a high level of urgency.

Hallmark is understandably interested in making their current holdings more successful. This includes Crown Center and Hallmark Corporate operations. Additionally, Hallmark holds interest in being a generous corporate citizen. The Hallmark Corporate Foundation helps support agencies and programs

within Kansas City, Missouri through philanthropy as well as employee volunteer services.

Union Station Kansas City, Inc

The history, holdings, and civic capacity of Union Station gives them the attribute of power and legitimacy. In addition, the Washington Square Park redevelopment project is designed to include the surface parking lot owned by Union Station, solidifying their claim in the project. Recently, Union Station Kansas City, Inc has invited VanTrust Real Estate LLC to prepare development options for the aforementioned surface parking lot (Kansas City Business Journal, 2014). This is a definitive action taken by Union Station that reflects the characteristics of urgency.

As a non-profit organization, Union Station is interested in maintaining funding for their

operations. For the last four years, the organization has ended the year in a seven-digit surplus of funds (The Kansas City Star, 2014). This is beneficial as Union Station is interested in being recognized as the region's finest educational and cultural resource and to ensure their facilities serve as the destination of choice for local residents and visitors.

Blue Cross Blue Shield

The Combination of Blue Cross Blue Shield's property values and their civic activities within the Kansas City area gives them the attribute of power. They have been an established local institution for over the last 70 years. As the main user of the Union Station owned surface parking lot, Blue Cross has attributes of both legitimacy and urgency as well. The redevelopment or reuse of the surface parking lot will significantly affect Blue Cross employees. Since Union Station is currently exploring options

for the parking lot, Blue Cross inherits this urgency of needing to take action in some variety.

As a not-for-profit, one of the primary interests of Blue Cross Blue Shield is maintaining this status by continuing day-to-day operations. Providing sufficient parking for employees is a big aspect of this protection to operations. They believe in making Kansas City a healthy, vibrant place to live, work and play by being a good corporate citizen. Blue Cross is involved in several healthy lifestyle initiatives across the metro area. These include "live blue", a wellness and education program that establishes hubs to provide healthy living activities and other wellness oriented events as well as evidence-based strategies and programs to address childhood obesity. In addition to these interests, Blue Cross Blue Shield has a need to manage the value of their office holding located within the project boundary.

The City of Kansas City, Missouri

The City of Kansas City sets the table as the local governing body involved in the redevelopment project. The immediate attribute of power is justified by the city due to the ability of influencing the project. The attribute of legitimacy is eminent as the city carries the many powers associated with implementation and enforcement.

Since the Parks and Recreation Department has initiated the redevelopment of Washington Square Park in order to progress the implementation of the GDAP, it is determined that urgency exists.

Competition within the city hinders the ability for the Parks and Recreation Department to receive funding from the general public funds. As budgets have tightened for all departments within the city, the Parks and Recreation Department competes against other departments for funding park

maintenance, programming and improvements. It is likely for several other departments within the city to submit and receive funding requests before funding is issued to the Parks and Recreation Department (Seaman, 2012). Both the Parks and Recreation Department and the City of Kansas City's main interest is to use Washington Square Park as a catalyst project to further the implementation of the GDAP. The capacity of the City to implement the project alone is inadequate.

Dominant Stakeholders

Five entities were categorized as Dominant Stakeholders during the analysis. Dominant Stakeholders possess the attributes of power and legitimacy, while lacking the attribute of urgency. The five property owners are considered key stakeholders because they could easily acquire the attribute of urgency in regards to the

redevelopment project. These stakeholders include LA County Employee Retirement Association, MCZ Development, Superior Moving and Storage, Belger Cartage Services, and Kansas City Terminal Railway Company.

Los Angeles County Employee Retirement Association

Los Angeles County Employee Retirement Association was identified as having both power and legitimacy due to their large property value and the driveway parcel that would need to be involved in the project for the extension to Washington Square Park. This is likely to be in the form of an easement or other form of agreement such as trading of property. In either case, access to the driveway will need to be maintained.

As a pension trust fund, the association is interested in providing long-term retirement benefits for their associates. Therefore, Los Angeles County Employee Retirement Association lacks the attribute of urgency because they are more interested in improving current return-on-investment performance than they would be in participating in the project.

MCZ Development

The level of involvement and ability to influence the Washington Square redevelopment project, gives MCZ Development the attributes of legitimacy and Power. The surface parking lot that they own accompanying the Western Auto Lofts development would be impacted by the designed plaza north of the railroad.

MCZ Development is primarily interested in maintaining the Western Auto Lofts including

the associated parking that serves the numerous residents. There is additional parking provided for these residents located to the east of Grand Avenue behind the Western Auto Lofts building. In addition to providing an adequate amount of parking, maintaining access to the parking lot along Walnut and 21st Street is another need for MCZ Development.

Superior Moving and Storage

Superior Moving and Storage was identified as having both power and legitimacy because of their business history and the potential level of involvement they would have with the redevelopment project. Their current property and long-standing operations would be impacted by the redevelopment project, as Walnut Street would be vacated for a pedestrian plaza extending over the rail lines and connecting to the park.

The company is primarily interested in maintaining their current business operations. In addition, the property value of their holdings within the project boundary is a concern. Since the area is evolving and the market analysis indicates that additional residential and retail space could be absorbed, these properties are identified as being undervalued. It would be advantageous to redevelop these holdings as the population increases in the area, expanding the residential and retail user base. Superior Moving and Storage would need to assess whether this would be advantageous to their current operations.

Belger Cartage Services

Similar to Superior Moving and Storage, Belger Cartage Services was identified as possessing the attributes of power and legitimacy. Their business history and impacts associated with the design along Walnut Street is the basis for the attributes.

Comparable to Superior Moving and Storage, Belger Cartage is assumed to be primarily interested in maintaining their current business operations.

They are in an identical situation in regards to their undervalued property. Belger Cartage would have to weigh the positive impacts against the negative consequences in making a decision regarding any redevelopment of their property holdings.

Kansas City Terminal Railway Company

The final organization identified as a dominant stakeholder is the Kansas City Terminal Railway Company. The joint venture of the major railroad companies holds both power and legitimacy in terms of the Washington Square Park redevelopment project. The easement needed to extend the park over the rail lines into the crossroads district, significantly influences the project. This organization would need to be involved in the project but

seemingly not above the level of an easement agreement.

Kansas City Terminal Railway Company's major interest is to maintain operation of the railroads. Since easements over the rail lines have been granted within the vicinity of the project boundary, it is appropriate to assume that this request would be within the comfort level of their interests. The easement would need to be explicit in terms of maintenance and access to any built structures that could affect the company's interests.

The Dormant and Discretionary Stakeholders

From the results of the stakeholder analysis, there were two dormant and two discretionary stakeholders identified. The dormant stakeholders

Table 4.1: Stakeholder Analysis

Owner	Power	Legitimacy	Urgency
Hallmark	Amount and value of property holdings	Local business community status and history with the project area	Interest in expanding and improving their holdings
Union Station Kansas City, Inc	History, holdings, and civic capacity	History, holdings, and civic capacity	Preparing development options
Blue Cross Blue Shield	Property values and civic activities	Changes to employee parking	Changes to employee parking
City of Kansas City / Parks and Recreation Department	Local governing body	Powers associated with implementation and enforcement	Initiated the redevelopment of Washington Square Park
LA County Employee Retirement Association	Large property values	Driveway parcel involved in the redevelopment project	
MCZ Development	Surface parking lot and maintaining access of Walnut Street	Surface parking lot and maintaining access of Walnut Street	
Superior Moving and Storage	Established business history	Potential level of involvement	
Belger Carter Services	Established business history	Potential level of involvement	
Kansas City Terminal Railway Company	History of joint venture	Easement agreement needed for implementation	

possess only the attribute of power. Both Franklin Street Properties and Assurant Employee Benefits were classified as dormant stakeholders due to their

large property values within the project boundary. While both of these organizations are large institutions, they lack legitimacy and urgency with

the redevelopment project. Neither organization is headquartered in Kansas City or hold property that is included in the project design.

The discretionary stakeholders were identified as United Missouri Bank (UMB) and Great American Bank. Both banking institutions hold the attribute of legitimacy. The implementation of the redevelopment project could require an easement or partial purchase of property from UMB. This gives them a potential claim in the project. Combined with the four contiguous parcels owned by the city along Main Street and the property associated with a vacation of the Main-Walnut Viaduct, the Great American Bank parking lot could be used as an alternative for implementation. These alternatives give Great American Bank the elements of legitimacy. The potential alternatives for implementation will be described further in the implementation scenario.

The Definitive and Dominant stakeholders identified in this analysis will play an essential role in the Washington Square Redevelopment project. They each possess interests that align well with the goals of the project that, when combined, will reap the benefits of implementation. Table 4.1 summarizes the findings for the “key Players” during the stakeholder analysis.

After the “key players” in the Washington Square Park redevelopment project were analyzed, a look at the economic environment surrounding the project was completed through a market analysis. The process and findings of the market analysis will be described in the following chapter.

V. Market Analysis

In addition to analyzing the project site, a market analysis allows us to better understand the economic environment surrounding the Washington Square Park redevelopment project. This analysis allows us to assess the demand for future development in the area as it pertains to the project site. The market analysis is believed to be the most critical component of the predevelopment process (Stainback, 2000). For this reason, the purpose of this section is to analyze the market demand for future development and summarize the greatest economic opportunities to help accomplish the goals of the Washington Square Park redevelopment project.

First, metropolitan wide outlooks will be described leading into an analysis of the real estate market broken down into multi-family, office, and retail product types. Finally, an analysis of the feasibility for development will be discussed.

Kansas City, Missouri Economic Outlook

While Kansas City's economy is strongly influenced by national trends, for this study the analysis is focused primarily on the local market. According to the 2014 Economic Forecast released by the Greater Kansas City Chamber of Commerce, Kansas City is gaining ground after the recent economic recession (Greater Kansas City Chamber of Commerce, 2013). The year 2013 marked the first time in over three years that job growth outpaced the national average. The Kansas City metropolitan area is projected to add approximately 14,300 jobs in 2014 and 16,700 jobs in 2015. After 2015, the metropolitan area is forecasted to continue its recent job growth at its historical annual average of 1.5%.

The main industries that are fueling the recent job growth are the finance, insurance and real estate industry (FIRE), the construction industry, the

services industry, and the government sector. In 2013, the FIRE industry rebounded by adding close to 2,800 jobs. This is attributable to the revival of the housing market within the Kansas City Metropolitan area. FIRE employment is anticipated to grow by 800 jobs in 2014 and by 1,400 jobs in 2015 (Greater Kansas City Chamber of Commerce, 2013). These additions are less than the previous years but still indicate strength within the local economy.

An additional beneficiary to the recent revival in the housing market is the construction industry, adding 1,100 jobs in 2013. There is projected “pent-up” demand for housing within the metropolitan area that will cause the growth of this sector to continue for years to come. The construction industry is forecasted to add 1,600 jobs in 2014 and then reduce back to 2013 like numbers in 2015. The government employment sector has been flat for the years 2012 and 2013 as local jurisdictions made job

cuts in light of the economic recession. The recent turn in economic growth is anticipated to spur the local government by adding 2,500 jobs from 2013 to the end of year 2014. This is associated with the construction industry as new development projects provide increases to government staff workloads. During 2015, the government sector is expected to continue this trend by adding another 2,400 jobs.

The biggest employment sector adding new jobs within the Kansas City Metropolitan area is the services industry. With the addition of 4,900 jobs in 2013, the services industry is anticipated to add 9,600 new jobs in 2014 and 11,900 in 2015. The 2014 and 2015 additions are significant increases over the 2013 numbers, which shows the strength of this industry. While, the services industry leads the employment sector in terms of anticipated job additions, not all of the jobs are equal in the value they add to the economy.

The services industry is comprised of four sub-sections including health, food and drinking establishments, administrative and support services, and professional, scientific and technical services.

The health and professional, scientific and technical services sectors possess higher paid employees than the other two sub-sections, food and drinking establishments, administrative and support services, possess. Three out of the four industry sub-sections are expected to add approximately 3,000 jobs in 2015, with food and drinking establishments contributing a commendable 2,000 jobs.

In addition to looking at job growth for the Kansas City area, it is also important to determine what industries the metro area specializes. In order to determine this specialization, the location quotient for each sector was used. Application of location quotients to the analysis is an effective way of determining the comparative strength of an

employment sector within the Kansas City Metro area compared to the national employment market. Industries with location quotients greater than 1.0 contain a larger share of employment in that sector compared to the national average. Therefore, the industries that hold a location quotient greater than 1.0 indicate a comparative advantage to the nation (Market Street, 2012).

Kansas City, Missouri displays several industries with notable concentrations of employment which include the information sector with a location quotient of 1.44; finance and insurance with a location quotient of 1.39; management of companies and enterprises with a location quotient of 1.40; and professional and technical services with a location quotient of 1.24 (Market Street, 2012). Several of these specialized industries are also the leaders in recent and expected job growth for Kansas City, Missouri. Included in this list are the information

industry aggregated into the professional, scientific and technical services sector, and finance and insurance industry.

As the Kansas City area recovers from the recent economic recession, it is important to move from the quantity of jobs added to concentrating on the quality of jobs added. Concentrating on the sector leaders in job growth and industries with notable employment concentration will achieve this transition. A significant amount of specialized sector employees tend to earn higher wages allowing for growth in other non-basic industries like the food and drinking establishments and administrative and support services industries. This economic base strategy will add value to the economy as Kansas City, Missouri increases its competitive advantage.

Market Area Delineation

In order to effectively perform a market analysis it is important to have a clear geographic understanding of the market area. Several factors help create the market boundary including local and regional road networks, driving times, man-made or natural barriers, and proximity to competing market areas. For this analysis, the trade area was developed using data and information supplied by Mid-American Regional Council (MARC), third party real estate market data, and the downtown boundaries outlined in the GDAP.

The data obtained from MARC included population and employment data disaggregated by census tract. The boundary of greater downtown Kansas City established in the GDAP was used to extract the census tracts that were located within one mile of the Washington Square Redevelopment project

site. The GDAP boundary was then compared to the boundaries set by the sources used to obtain real estate market data in regards to supply and demand. The one-mile trade area is termed the primary market area and was used to project future multi-family and office demand. Retail demand was projected using a combination of the one-mile trade area and a five-mile trade area, which was established using a similar process. This is termed the secondary market area. The section below describes the primary and secondary market areas in order to grasp a clear understanding of the established market areas for the redevelopment project.

Primary Market Area

The primary market area, seen in Figure 5.1, is the combined census tracts that are located within a one-mile radius of the subject site. The primary

market area includes the entire Greater Downtown Kansas City area and additional census tracts. The market area is bounded by the Missouri River to the north, State Line to the west, 39th Street to the south, and Prospect Avenue to the east. The primary market area is roughly a one-mile distance from the redevelopment site in all directions. The boundaries are consistent with those outlined in the GDAP. In addition, the boundary is consistent with the sub-market area defined by the source used to analyze the three real estate market sectors.

Secondary Market Area

The secondary market area, seen in Figure 5.2, was established using census tracts that are located within a five-mile radius of the redevelopment project. The secondary market area extends to the interchange between 29 and 169 highways to the north, Sterling Avenue to the east, East Gregory

Boulevard to the south, and generally Interstate 635 to the west. This entire area is within a 15 minute drive of the redevelopment site.

The main purpose of establishing the secondary market area was to forecast the anticipated retail trade demand for the redevelopment site. The redevelopment project area can be anticipated to draw inflow patronage, especially due to its downtown location. While inflows from outside of the secondary market area can be expected, the 15-minute drive is a reasonable assumption combined with the other methods used in the retail analysis. Figure 5.3 show the schematic process of the market analysis. This process will be described for each market sector.

Multi-Family Residential

This section describes the process of translating the anticipated population growth for the primary market area into a forecast of the level of demand for housing at the Washington Square Park redevelopment site extending to 2020. The first subsection explores current multi-family inventory and recent development trends within the primary market area. The Inventory description is followed by a detailed analysis of the demand for multi-family units. Concluding this section, is a forecast of the multi-family housing demand for the subject site.

In order to forecast demand for multi-family residential units, MARC's population projections most recently updated in 2011 were utilized. MARC provided projections for every ten years up to the year 2040. In order to establish a baseline year, 2015 was selected to start the timeline for the analysis.

Figure 5.1: Primary Market Area (Source Data: MARC, 2011)

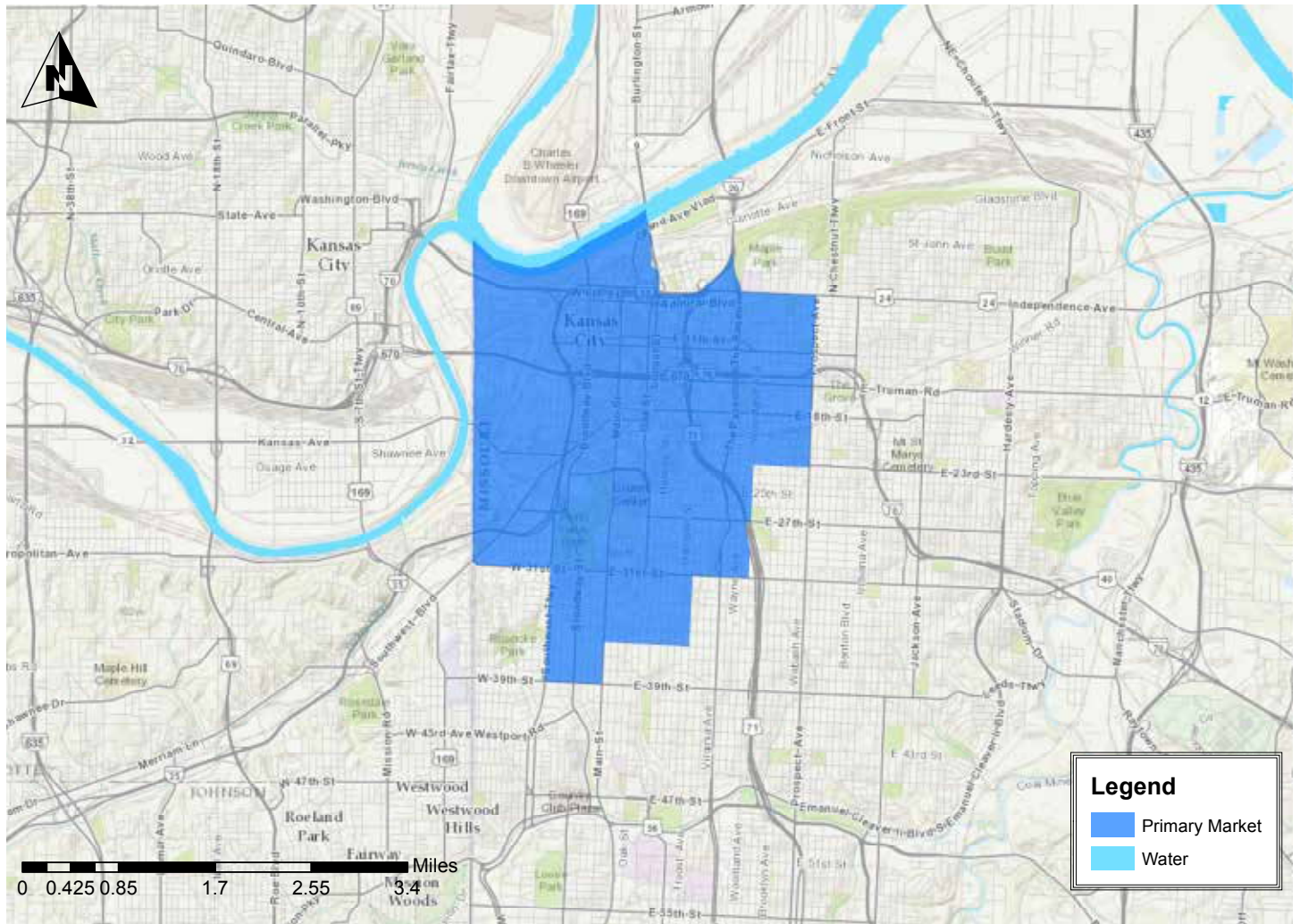


Figure 5.2: Secondary and Primary Market Area (Source Data: MARC, 2011)

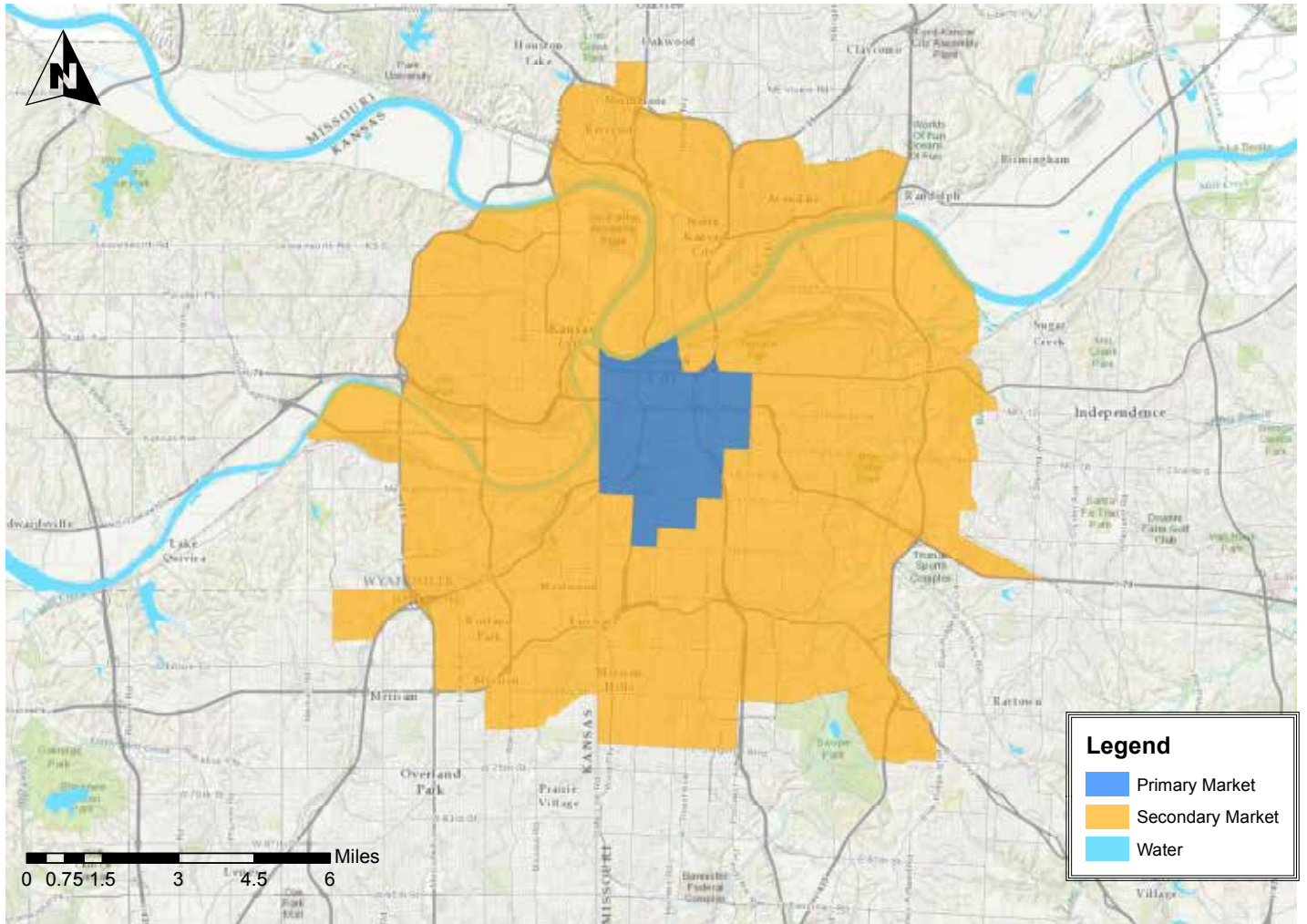
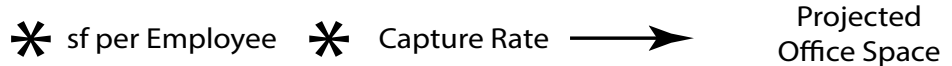


Figure 5.3: Market Analysis Diagram (Source: Created by Author, 2013)

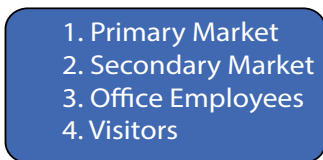
MULTI-FAMILY



OFFICE



RETAIL



The analysis timeline will extend to the year 2020 in order to determine the demand and supply for the primary and secondary market areas. This timeline will be termed the analysis period throughout the document.

The average annual growth rate was calculated to determine the year-over-year increases in population, households and employment. The average annual growth rate between the years 2010 and 2020 is 2.21% for the primary market area. The projected population for the census tracts

within the primary market area was used for the analysis. The projected demand for the total units was then calculated by taking the average persons per household of the primary market area. This was determined to be 1.8 persons per household (Mid-American Regional Council, 2011).

The average percent of units that are renter occupied within the primary market area was used to determine the percentage of demand for multi-family units. The renter occupied percentage of total households for the primary market area was determined to be 78%. This percentage was applied to the projected number of new households over the analysis period in order to determine the multi-family demand for the primary market area. A capture rate for the project site was then applied to the total demand in order to conclude an appropriate share of total multi-family residential demand for the project site.

Supply

Currently, there are approximately 4,803 multi-family units located within the primary market area (Block RE, 2013). Although no units were delivered in 2013, there is a significant amount of planned developments in the pipeline. Totalling an approximate 1,688 units, these projects are reported to be either currently under constructed, in the planning phases or in the conceptual stages within the primary market area (Kansas City Downtown Council, 2013). Figure 5.4 displays the residential projects under discussion.

The projects that are currently under construction consist of 137 units. These include 1515 Walnut in the Crossroads district and Lucas Place Lofts located 323 W. Eighth St. within the central business district. Lucas Place Lofts is the larger of the two projects currently under construction, producing

130 of the 137 units. The anticipated delivery date for this project is early to middle spring of 2014.

The majority of the units in the pipeline are in the planning phase. This includes nine projects, totaling approximately 1,326 units. Since these projects are in the planning phase the estimated delivery date is unknown at this time.

Two multi-family development projects are in the conceptual stages totaling approximately 307 units. These include the Corrigan Building and the 2nd & Delaware Lofts. The Corrigan Building is located in the Cross Roads district while 2nd & Delaware Lofts will be situated in the River Market neighborhood.

Demand Indicators

While overall absorption indicates how well residential units are being leased it does not account

for vacated space by tenants. A better indicator of demand is net absorption, which is the change in occupied rental units year-over-year. By measuring net absorption the analyst can better determine the true rate in which residential units are being absorbed by demand.

Net absorption has been positive for the past three years within the primary market area. During the first year of analysis, the market experienced a negative net absorption of approximately 33 units. In 2009, the softening of the multi-family market continued as net absorption reached a loss of 93 units. The downtown residential market indicated tightening in 2010, even with a negative net absorption of units. While 323 units were delivered during 2010, only 65 units became unoccupied overall. In 2011, the multi-family market continued the tightening trend by moving back to positive net absorption of 58 units. Since 2011, the downtown

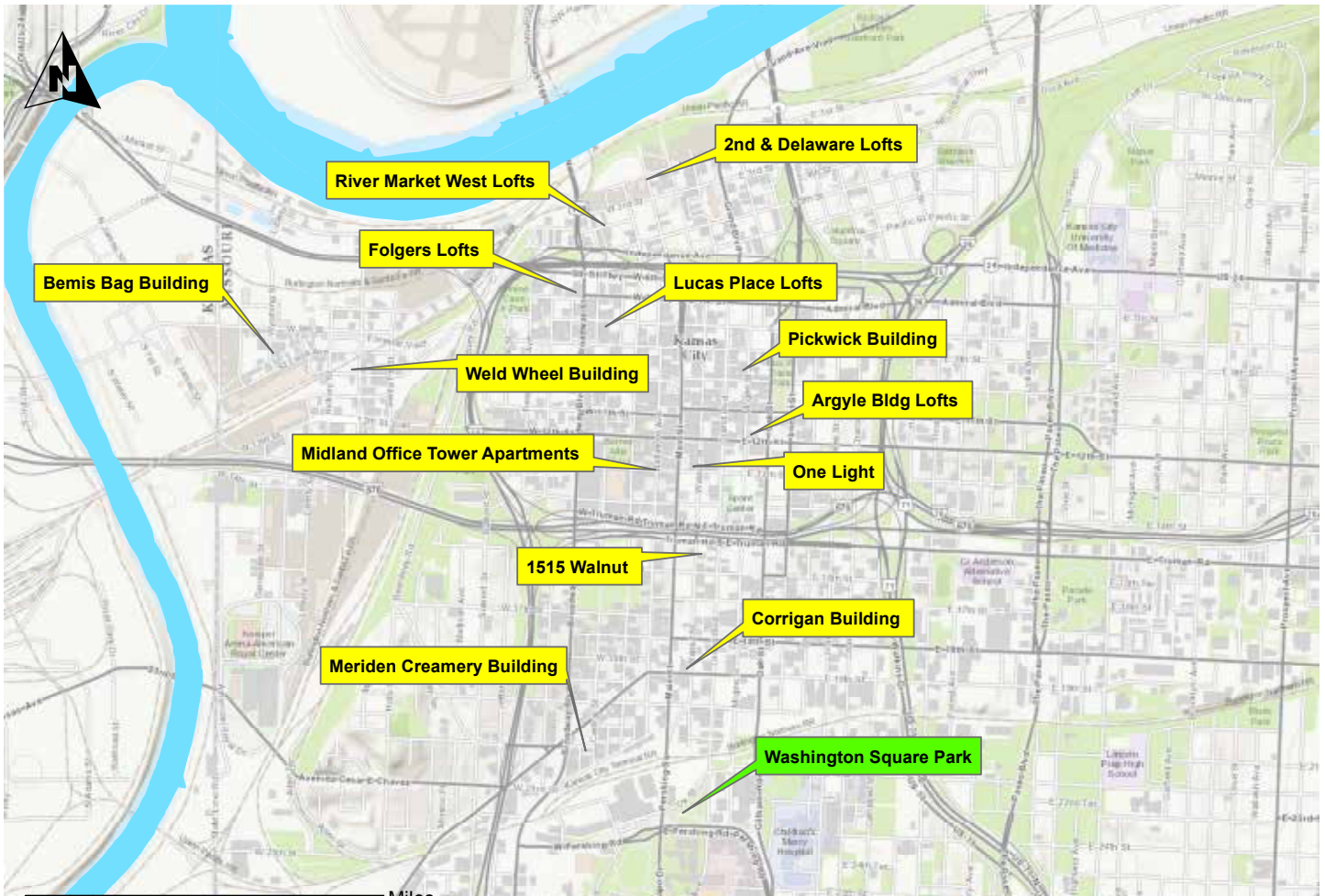


Figure 5.4: Multi-Family Residential Construction Pipeline within the Primary Market Area
 (Source Data: Kansas City Downtown Council, 2013)

Table 5.1: Residential Demand Indicators (Source Data: Block RE, 2013)

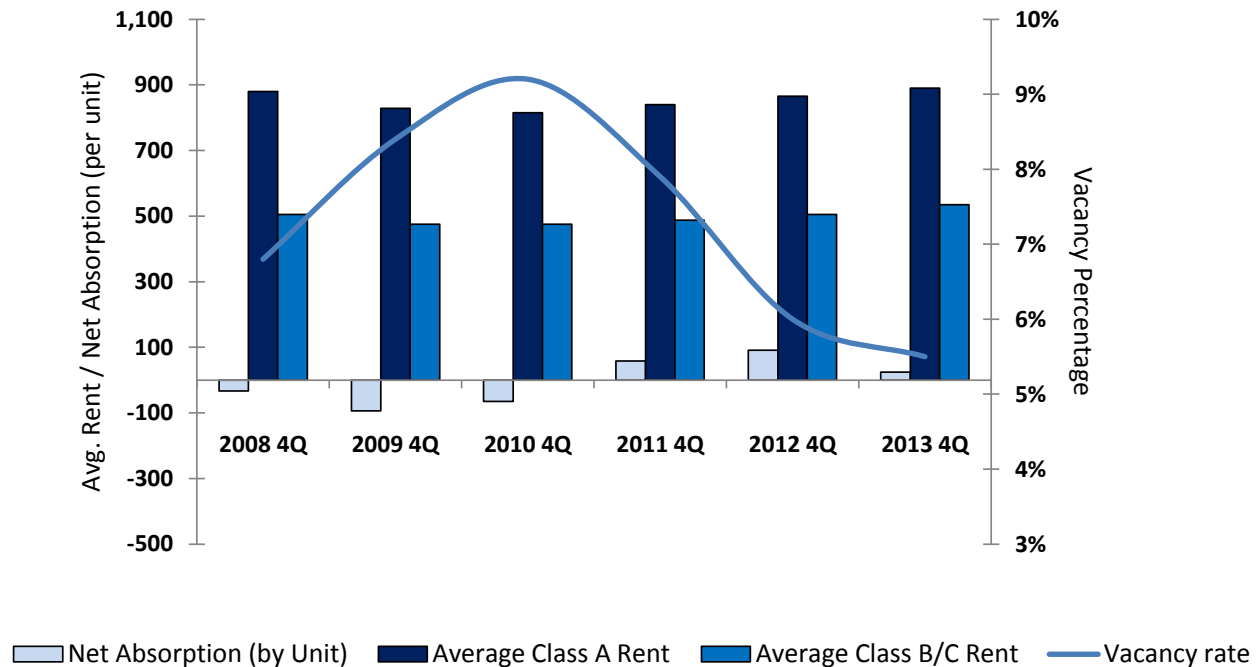
Period	Vacancy rate	Net Absorption (by Unit)	Average Class A Rent
2008 4Q	6.8%	(33.00)	\$880.00
2009 4Q	8.4%	(93.32)	\$828.08
2010 4Q	9.2%	(65.16)	\$815.00
2011 4Q	7.9%	57.84	\$840.00
2012 4Q	6.0%	91.26	\$865.00
2013 4Q	5.5%	24.02	\$890.00

multi-family market has continued the indication of strength in terms of net absorption. These indicators can be seen in Table 5.1 and Figure 5.5.

At the end of the fourth quarter 2013, vacancy rates were at a six-year low stabilizing around 5.5%. This percentage is a natural vacancy rate as occupancy is in constant fluctuation, as tenants move in and out of units. The vacancy rate has stayed below 10% for the entire duration of analysis, which is a good indicator of the overall strength in multi-family for the primary market area. Market indicators point to a continuation of low vacancy rates.

Currently, rental rates are recovering from a trough in 2010 as demand for downtown multi-family grows. At the end of the fourth quarter 2013 lease rates averaged \$890 for class A units and \$535 for class B/C units. Since 2010, rental rates have been increasing while vacancy rates continue to fall to the current rate of 5.5%. This is a true indicator of market strength within the downtown multi-family sector.

Figure 5.5: Residential Demand Indicators (Source Data: Block RE, 2013)



Forecasted Multi-Family Demand

The primary market area is projected to add 1,711 new renter occupied units by the year 2020, seen in Table 5.2. The additional demand for these units match well with the current pipeline of 1,688 units. It is appropriate to assume that several of the projects

that are in the conceptual or planning stages are likely to change. Some projects may add additional units while others could reduce the amount of units programmed or even fail to implement the project altogether. In any case, the analyst adopts that this is the approximate multi-family residential pipeline for the next five to seven years.

Year	Primary Market Area Population	Projected added population	Projected added Housing Units	Incremental Multi-Family Residential Demand	WSP Redevelopment Site 10% Capture Rate
2015	28,724	571	317	246	25
2016	29,327	603	335	260	26
2017	29,964	638	354	275	28
2018	30,639	675	375	291	29
2019	31,355	716	398	309	31
2020	32,115	760	422	328	33
Total		3,962	2,203	1,711	171

Table 5.2: Forecasted Primary Market Area Multi-Family Residential Demand (Source Data: MARC, 2011)

When looking at the redevelopment site in terms of capturing a share of this demand, the site is extremely attractive. With the site adjacent to several amenities, including Washington Square Park, Crown Center, Union Station, and a center stop for the new downtown streetcar, a large capture rate is feasible. The analyst has determined that the site could capture at least 10% of the share of multi-family residential demand. Seen in Table 5.2, this analysis produces a demand of 171 units for the

redevelopment site. It is reasonable to assume that after the redevelopment of Washington Square Park is implemented the capture rate for multi-family residential adjacent to the “primary civic space” in downtown Kansas City would be much higher and lease at a premium rate.

Office

The following section translates anticipated employment growth within the primary market area into a forecasted demand for office square footage during the analysis period. This forecast is followed by a description of the current supply, construction pipeline, and demand side indicators including absorption rates, vacancy rates and lease rate trends. Concluding this section is a forecast for the demand of office space for the subject site based on the analysis.

In order to forecast demand for office space, the analyst relied on the same projections used in the multi-family analysis section. In order to allow for comparisons between the NAICS and SIC codes, MARC aggregated their employment projections into three primary categories, service employment, retail employment, and other employment (Mid-

American Regional Council, 2011). For this analysis, the service employment category was selected as the primary employment sector demanding office space. The service employment category includes the FIRE, Government, Education and Health Services, and Personal and Professional Services industries. Standard assumptions on office space required per employee were then applied to the projected employment growth to establish the total demand for office space within the primary market area.

From 2010 to 2020, MARC projected an additional 13,233 jobs to be added to the primary market area. Since these projections were updated in 2011, they include the 2010 employment numbers. During the analysis period, 8,355 service employment jobs are projected to be added within the primary market area. The analyst used an assumed 200 square feet per employee to calculate the demand for office space for each year in the analysis period. Table

5.3 shows the projected demand for office space by square footage for the primary market area. To assess the validity of this projected demand for the market area, a study of office market supply is warranted.

Supply

At the end of 2013, the total office space within the primary market area was approximately 28 million square feet (Block RE, 2013). In order to advance the market analysis, the inventory was disaggregated into classes based on comparability. Within the market area there is approximately 7.9 million square feet of “Class A” office space. This is roughly 28% of the total office space within the greater downtown area.

Class A office space generally includes professionally managed buildings that possess favorable locations with prestigious tenants. Class A buildings have

been constructed within the last ten years or have undergone extensive renovations. Building materials and amenities are high in quality, which conveys an image of higher status for tenants (Brett, Schmitz, & Urban Land Institute, 2009). As a result, Class A office space garners the highest lease rates within the market area.

The majority of office space within the primary market area is regarded as “Class B”, which contains approximately 54% or 15.5 million square feet of the total supply. Office buildings that are considered Class B are still located in favorable locations and cater to attractive tenants, although the amenities and construction materials are generally older than those found in Class A buildings.

The fewest amount of office space within the primary market area are “Class C” buildings consisting of approximately 5.08 million square feet of space

Year	Office Employment	Projected Office Employment Growth	Projected Office Demand @ 200 sf per employee
2015	67,855	1,303	260,592
2016	69,192	1,337	267,471
2017	70,565	1,373	274,559
2018	71,974	1,409	281,862
2019	73,421	1,447	289,388
2020	74,907	1,486	297,144
Total		8,355	1,671,017

Table 5.3: Projected Primary Market Area Office Demand (Source Data: MARC, 2011)

(Block RE, 2013). These buildings typically generate less favorable tenants, although quality tenants still often lease space within this class of buildings. Usually the buildings are older and offer fewer amenities to those in the higher classes.

As of the fourth quarter 2013, there are no projects in the primary market area pipeline. Outside of the market area, the Kansas City Metro area experienced 1.5 million square feet of office delivered in 2013. This activity was mostly reserved for build-to-suit projects such as Cerner's 660,000 square foot campus located in Kansas City, Kansas. This trend is likely to

continue while office market fundamentals improve within both the metro area and primary market area. However, there has been discussion about plans for future office construction within the primary market area. According to David Harrison of Van Trust Real Estate “There will be a new downtown office building in 2014” (Kansas City Business Journal, 2014). By studying the supply of office space the analyst can then look at demand indicators to determine if the two are at balance, thus displaying strong market fundamentals.

Demand Indicators

In 2013, the primary market area saw positive net absorption of approximately 214,000 square feet when considering all three classes. Although, Class A experienced negative absorption around 1,000 square feet, the remaining B and C classes absorbed just under 200,000 square feet and approximately

15,000 square feet respectively. The 2013 indicators are vastly improved compared to the last six years, which mainly experienced negative net absorption. The lowest point in the last six years was seen at the end of 2009 in which the downtown market area experienced over 1 million square feet of negative net absorption. Expectedly, for the last six years the primary market has lost just over 1 million square feet in net absorption.

The end of 2013 ended on a high note in terms of absorption within the primary market area. The recent jewel to the downtown office market was a 140,000 square foot lease signed by the General Services Administration (GSA) (Kansas City Business Journal, 2014). The GSA’s new home is Two Pershing Square, a 500,000 square foot office building adjacent to Washington Square Park, owned by Los Angeles County Employee Retirement Association as identified earlier in this document

under the site analysis chapter. While the GSA moved from within the metro area, the leasing activity could be a strong indicator of future demand trends for downtown office space. In addition to net absorption, the analyst studied vacancy trends within the primary market area to further the analysis.

Overall, vacancy for the downtown office market was 15.2% reported in the fourth quarter 2013 (Block RE, 2013). Shown in Table 5.4, Class A buildings had the highest vacancy rate at 20%, with Class B holding the second highest at 14.7%. Class C space held the lowest vacancy rate at 9.2% at the same period. The 15.2% vacancy rate translates into 3.8 million square feet of vacant office space within the primary market area. Class A properties maintain 1.5 million square feet of this vacant space, while class B properties contribute 2.2 million square feet.

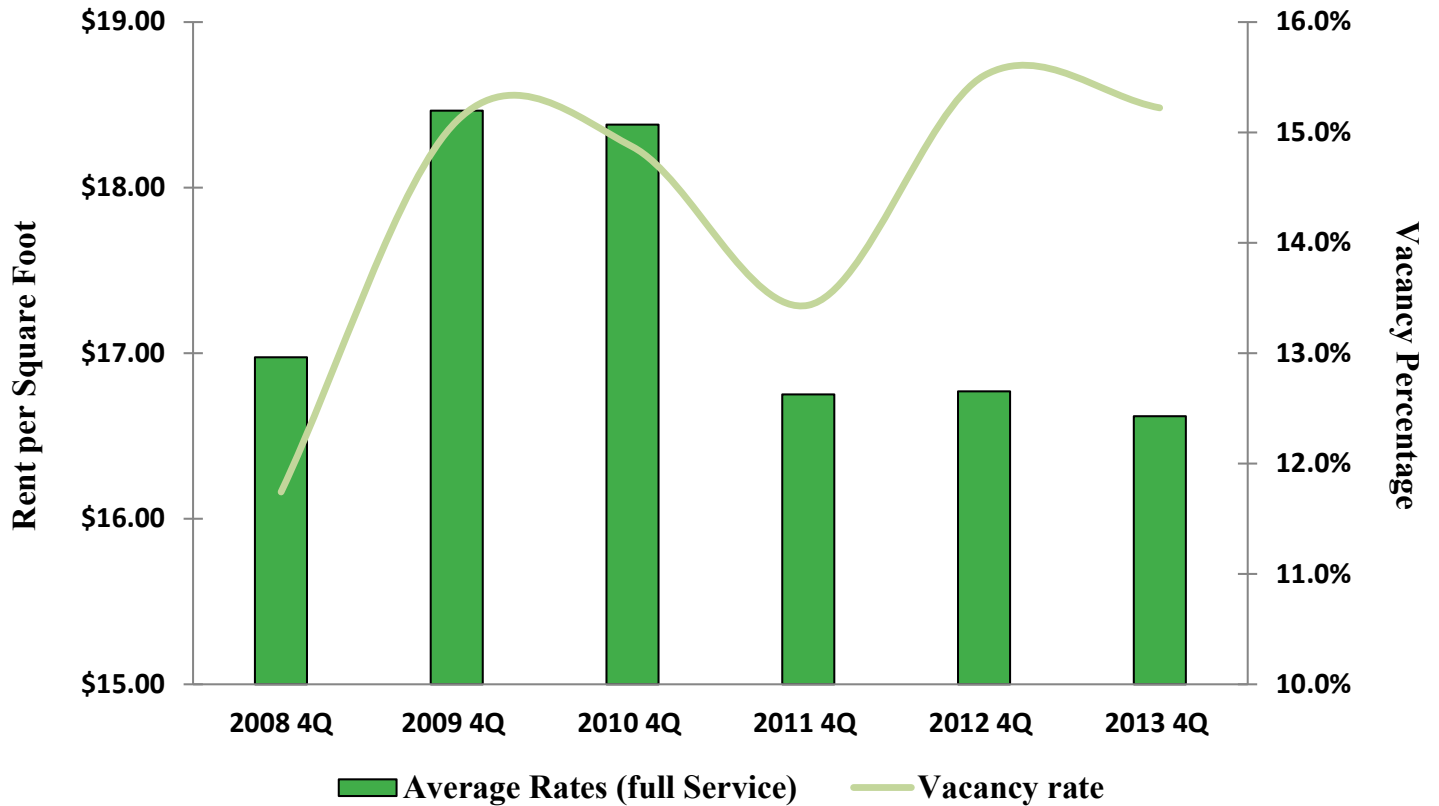
The last six years has been uncertain for the downtown office sector, which saw vacancy rates rise after the financial crisis in 2008. This volatility is in line with national office trends as the economy and job growth slowly recover. Looking at leasing rate trends will contribute to this analysis of the demand for office space within the primary market area. For this analysis, class A and B leasing rates were utilized in order to determine the trends for comparable office properties that would be included in the development program surrounding the Washington Square Park project. It was determined by the analyst that there is not a market for class C office within the project due to the surrounding building competition.

Class A office space averaged \$17.86 per square foot for full-service leases reported in the fourth quarter 2013, while Class B space averaged \$15.38 per square foot for the same period. Rents are stabilizing after

Table 5.4: Office Market Demand Indicators (Source Data: Block RE, 2013)

Year	# of Buildings	sf	Vacant sf	Vacancy rate	Net Absorption	Average Rates (full Service)
<i>2008 4Q</i>						
<i>Class A</i>	19	7,117,090	1,245,491	17.5%	(175,348)	\$18.22
<i>Class B</i>	189	14,743,682	1,356,419	9.2%	45,572	\$15.73
<i>Class C</i>	155	4,146,789	452,000	10.9%	273,000	
Total	363	26,007,561	3,053,909	11.7%	143,224	\$16.98
<i>2009 4Q</i>						
<i>Class A</i>	22	7,891,394	1,862,369	23.6%	(616,878)	\$20.08
<i>Class B</i>	195	14,749,121	1,740,396	11.8%	(383,978)	\$16.85
<i>Class C</i>	162	4,259,259	460,000	10.8%	(8,000)	
Total	379	26,899,774	4,062,765	15.1%	(1,008,856)	\$18.47
<i>2010 4Q</i>						
<i>Class A</i>	23	8,084,856	1,616,971	20.0%	245,398	\$20.83
<i>Class B</i>	209	14,677,661	1,849,385	12.6%	(108,989)	\$15.93
<i>Class C</i>	162	4,618,321	605,000	13.1%	(145,000)	
Total	394	27,380,838	4,071,357	14.9%	(8,591)	\$18.38
<i>2011 4Q</i>						
<i>Class A</i>	24	7,916,940	1,345,880	17.0%	271,091	\$17.57
<i>Class B</i>	193	15,393,817	1,955,015	12.7%	(105,629)	\$15.93
<i>Class C</i>	162	5,080,000	513,080	10.1%	91,920	
Total	379	28,390,757	3,813,975	13.4%	257,382	\$16.75
<i>2012 4Q</i>						
<i>Class A</i>	24	7,916,940	1,583,388	20.0%	(237,508)	\$17.93
<i>Class B</i>	198	15,876,166	2,413,177	15.2%	(458,162)	\$15.61
<i>Class C</i>	162	5,080,000	482,600	9.5%	30,480	
Total	384	28,873,106	4,479,165	15.5%	(665,191)	\$16.77
<i>2013 4Q</i>						
<i>Class A</i>	24	7,882,353	1,584,353	20.1%	(965)	\$17.86
<i>Class B</i>	195	15,055,648	2,213,180	14.7%	199,997	\$15.38
<i>Class C</i>	162	5,080,000	467,360	9.2%	15,240	
Total	381	28,018,001	4,264,893	15.2%	214,272	\$16.62

Figure 5.6: Office Market Demand Indicators (Source Data: Block RE, 2013)



falling over the last few years as tenants continued to sign leases and decrease the overall vacancy rate. The lack of strength in the current office market can be seen in Figure 5.6. The chart shows that for the last

three years rents and vacancy have been fluctuating to find equilibrium between the two.

Forecasted Office Demand

According to the Kansas City Chamber's 2014 Economic Forecast, "Not only was the past recession one of the deepest, but the pace of recovery has also been the slowest." The Kansas City metro area usually follows the national trends when it comes to the office market sector (Kansas City Chamber of Commerce, 2013).

The primary market area is forecasted to add 8,355 jobs during the analysis period ending in the year 2020 and by using the assumption standards of 200 square foot per employee, approximately 1.67 million square feet will be needed to satisfy this demand. As of the fourth quarter 2013, there are over 3.79 million square feet of vacant class A and B office space within the downtown market. For the past several years, a 10% vacancy rate has been considered an acceptable rate and has even triggered

new office development (Brett, Schmitz, Schmitz, & Urban Land Institute, 2009). After applying a 10% vacancy rate to the current supply of class A and B space, there is approximately 2.29 million square feet of available space. This is still over half a million square feet between the demand and available supply of office space.

Currently, it is uncertain if the market will support additional office space within the downtown market unless conditions change. This is possible with the recent trends of new residential options, the downtown streetcar route, and economic development incentives along with the growing trend of the "creative class" that has an increased preference for urban living (Greater Kansas City Chamber of Commerce, 2013). These trends could potentially make the downtown office market a more realistic option for employers than in previous years. If the recent trends of leasing activity for downtown

office space continue, the redevelopment site can be anticipated to capture a large share of this demand due to its above-mentioned amenities.

This is especially true if the vision for Washington Square Park as an anchor park within the greater downtown area is implemented. A conservative market share was utilized to determine the potential capture rate of office space demand, seen in Table 5.5. At a 10% market share, 167,000 square feet

is calculated as the appropriate amount of office space supported by the market. A 15% share would produce 250,653 square feet, which is still reasonable considering the potential amenities provided by the redevelopment site. It is still suggested, at least in the short term, that large percentages of office space be pre-leased before any projects begin the construction phase.

Table 5.5: Projected Primary Market Office Demand (Source Data: MARC, 2011)

Year	Office Employment	Projected Office Employment Growth	Projected Office Demand @ 200 sf per employee	10% Capture Rate	15% Capture Rate
2015	67,855	1,303	260,592	26,059	39,089
2016	69,192	1,337	267,471	26,747	40,121
2017	70,565	1,373	274,559	27,456	41,184
2018	71,974	1,409	281,862	28,186	42,279
2019	73,421	1,447	289,388	28,939	43,408
2020	74,907	1,486	297,144	29,714	44,572
Total		8,355	1,671,017	167,102	250,653

Retail

This section translates four downtown user segments into a forecast of the level of demand for retail square footage. This is followed up with a description of the current supply, construction pipeline, and market demand indicators including absorption rate, vacancy rate and rental rate trends. To conclude, this section outlines the forecasted retail space demand for the redevelopment site through the analysis period extending to the year 2020.

To forecast the retail demand for the market area, the projected demand was subdivided into four downtown user segments. First, the primary and secondary market areas were used in order to apply per capita expenditures to the two market areas population totals. For this analysis, the expenditure information for the City of Kansas City, Missouri residents was derived from the latest Economic

Census published by the U.S. Census Bureau. This study uses the results from the last year reported which is the 2007 Census. The categories used for the retail analysis include: Department store type merchandise (electronics and appliances, clothing and clothing accessories, sporting goods, hobby, book and music stores, general merchandise stores), health and personal care, Food, Eating and Drinking, Liquor Sales, and Service-Commercial (Urbanics Consultants, 2013).

The total sales dollars for these categories was then divided by the 2007 Kansas City, Missouri population in order to derive a per capita expenditure in 2007 dollars. The per capita expenditure was adjusted to 2013 dollars based on annual consumer price index (CPI) increases. The calculated estimate for 2013 consumer expenditures is estimated to be \$10,234. This amount serves as the secondary market area per capita expenditure.

In order to determine the primary market area per capita expenditure the average annual per capita income for the entire Kansas City, Missouri area was compared to the primary market area. The primary market area averaged a ratio of 1.12 compared to the entire Kansas City, Missouri per capita income. This ratio was used as an adjustment factor for the primary market area. Seen in Table 5.6, the resulting per capita expenditure for the primary market area was determined to be \$11,809 for 2015.

For both the primary trade area and the secondary trade area, the annual per capita expenditure was increased by 1.5% per annum in order to reflect real dollars for the duration of the analysis period. The same methods were used to determine the assumed sales per square foot benchmark to transition consumer expenditures into demand for retail space. The increases in expenditures during the analysis period were captured for these two market area then divided by the sales benchmark to calculate the projected demand for retail space.

Table 5.6: Projected Change in per Capita Expenditures (Source Data: Urbanics Consultants, 2013 and MARC, 2011)

Year	Avg. per Capita Expenditure	Primary Market Area Avg. per Capita Exp.	Primary Market Area	Secondary Market Area	Office Employees	Visitors	Total
2015	\$10,544	\$11,809	\$339,191,454	\$2,944,937,622	\$318,169,301	\$830,507,487	\$4,432,805,864
2020	\$11,358	\$12,721	\$408,544,395	\$3,209,711,047	\$395,651,060	\$962,785,798	\$4,976,692,300
2015-2020	\$815	\$913	\$69,352,941	\$264,773,425	\$77,481,759	\$132,278,311	\$543,886,436

Second, downtown service employment figures were used to calculate the expenditures of the office employees. A recent survey of greater downtown residents revealed that approximately 51% of downtown residents work in the downtown area (Downtown Council of Kansas City, 2010). This percentage was excluded from the analysis since the residents of downtown were already accounted for in the first user segment.

According to a 2012 survey initiated by the International Council of Shopping Centers (ICSC), urban office workers spend approximately \$115 per week on food, goods and services (ICSC, 2012). This amount excludes transportation and online purchases. An assumed increase of 1.5% was added to the average amount of dollars spent by office workers to determine the true dollar amount per year for the duration of the analysis period. The change in expenditures over the analysis period

divided by the sales benchmark was used to project the demand for retail space from the office worker segment.

The final user segment that determined the demand for retail space within the market area are the visitors to Kansas City, Missouri. The total expenditures for the visitors segment of the analysis was derived from data produced by Reach Market Planning for the Kansas City Convention & Visitors Association. According to their data, visitors to Kansas City, Missouri spent approximately \$2.8 Billion in 2012 (Reach Market Planning, 2012). Data from 2005 and 2008 were also used in order to determine the true rate in which visitor expenditures are increasing to formulate a trend for future projections. The analysis produced a 3% average increase in visitor spending from 2005. This was used to project the 2020 visitor expenditures.

The categories of food & beverage, retail, and entertainment were used to reflect the spending habits of out-of-town guests. From this calculation the percentage of dollars spent in Jackson, County, 51%, was used to further define the sub-market share of visitor spending. Assumptions were made that 90% of the Jackson County, Missouri expenditures were allocated to the defined retail sub-market. The difference between the expenditures over the analysis period divided by the sales benchmark was used to project the demand for retail space from the visitor segment.

As shown in Table 5.6, the total projected change in expenditures during the analysis period was approximately \$543.8 million. Dividing the projected sales per square foot benchmark for the year 2020 of \$427 per square foot by the change in expenditures produces a demand for approximately 1.27 million square feet of retail space within the trade area. In

order to gain a better understanding for the potential of the forecasted demand it is important to compare the results to recent real estate market trends.

Supply

The area used to analyze the retail supply and demand includes the primary market area, with extension south into the midtown area. In addition, the Plaza district was included in the analysis based on its proximity to the project site and its reputation as a premier retail destination in Kansas City, Missouri. The boundary of this retail sub-market can be seen in Figure 5.7.

At the end of 2013, the retail sub-market area contained approximately 11 million square feet of space. This is an increase of 2.2 million square feet within the sub-market from the start of the analysis period at the end of 2008 (Block RE, 2013). There

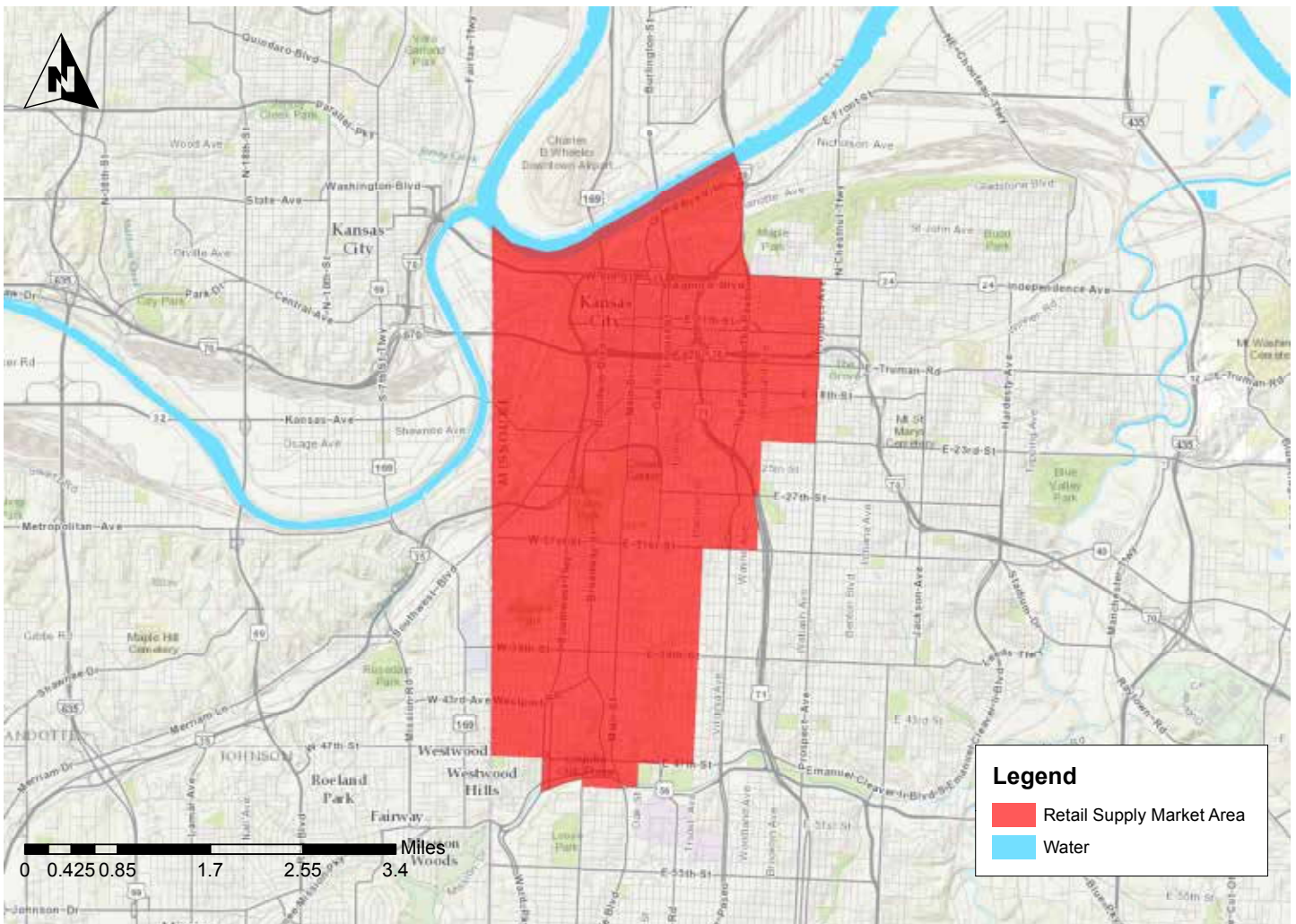


Figure 5.7: Retail Supply Market Area
 (Source Data: MARC, 2011)

are no large amounts of space in the current pipeline anticipated to be delivered within the sub-market. A few residential projects are incorporating some street level retail, similar to the 51st and Main development currently under construction. This project is expected to deliver approximately 10,000 square feet of space. Current trends are likely to continue as developers are looking for quality in-fill locations that are under served in order to develop mixed-use projects (Block RE, 2013).

Demand Indicators

The retail sub-market area experienced a loss of over 221,000 square feet in net absorption during the year 2013. This is a variation from the last three years, in which the sub-market gained an average 213,748 square feet of net absorption per year. With the expectation of increased residential units within the sub-market, it can be assumed that the net

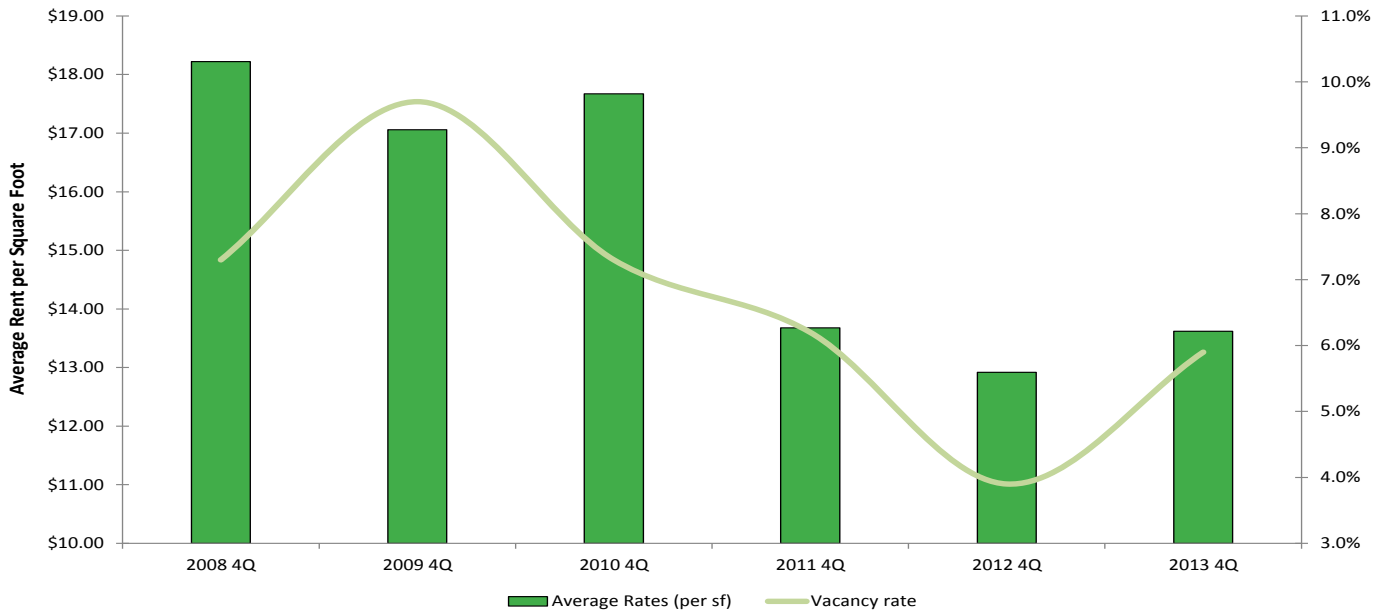
absorption trends experienced within the prior three years are likely to continue. This is due to strong retail fundamentals as other indicators show positive signs, including vacancy trends.

At the end of 2013, the retail sub-market area boasts a 5.9% vacancy rate indicating significant market strength (Block RE, 2013). The market strength is prevalent considering that even after the sub-market experienced negative net absorption during 2013, current vacancy rates remain tight. Since the fourth quarter of 2009, the vacancy rate has been dropping from a respectable 9.7% to a 6-year low of 3.9% in the fourth quarter of 2012, seen in Table 5.7. For the duration of the analysis period, vacancy rates have remained below 10%. The retail market remained strong even through the recession brought on by the financial crisis starting in 2008.

Table 5.7: Retail Market Area Demand Indicators (Source Data: Block RE, 2013)

Year	Square Feet	Vacant sf	Vacancy rate	Net Absorption	Average Rates (per sf)
2008 4Q	8,824,164	644,164	7.3%	61,849	\$18.22
2009 4Q	11,055,950	1,072,427	9.7%	(428,263)	\$17.06
2010 4Q	11,055,950	807,084	7.3%	265,343	\$17.67
2011 4Q	11,055,950	685,469	6.2%	121,615	\$13.68
2012 4Q	11,055,950	431,182	3.9%	254,287	\$12.92
2013 4Q	11,055,950	652,301	5.9%	(221,119)	\$13.62

Figure 5.8: Retail Market Demand Indicators (Source Data: Block RE, 2013)



Currently, there are approximately 650,000 square feet of vacant space within the retail sub-market. The largest amount of space available during the analysis period was 1.07 million square feet in 2009. Since 2009, vacancy rates have decreased at a steady pace, partially due to falling lease rates, seen in Figure 5.8. Property owners appeared to react to the recession by discounting rents to keep space occupied.

Over the last 6-year period, rents have been declining, encouraging tenants to fill vacant space within the market area. Currently, rents are increasing as vacancy rates extend below natural breaks. As expected, the increase in leasing rates has increased vacancy within the sub-market but these rates are still well within the natural ranges.

Leasing rates are likely to continue increasing, even with vacancy following the trend. Increased demand for retail within the sub-market is anticipated due to

recent residential activity and growing convention bookings, bringing residents and visitors to the sub-market. A notable 232 convention bookings were recorded for 2013, which is anticipated to generate 305,000 room nights for the hotel industry. This is a 29% increase from the room nights associated with 2012 convention bookings. There is an estimated \$254 million impact on the local economy from the 2013 bookings, a 40% increase from 2012. (Kansas City Business Journal, 2014). In light of these recent trends, any space vacated due to increasing lease rates will likely be filled with tenants looking to capture the enhanced retail demand; thus keeping upward pressure on leasing rates.

Forecasted Retail Demand

A different capture rate for each user segment was used to estimate the projected retail demand for the redevelopment project site. Table 5.8 shows the

Table 5.8: Washington Square Park Redevelopment Site Projected Retail Demand

Demand	2015-2020	Retail sq. ft. (avg. sales per sf \$427)	Capture Rate	Washington Square Park Redevelopment Site sq. ft.
Primary Market Area	\$69,352,941	162,419	15%	24,363
Secondary Market Area	\$264,773,425	620,078	5%	31,004
Office Employees	\$77,481,759	181,456	20%	36,291
Visitors	\$132,278,311	309,785	30%	92,936
Total	\$543,886,436	1,273,739		184,594

Source Data: MARC, 2011; U.S. Census Bureau, 2007; ICSC, 2012

breakdown of these capture rates and the projected retail demand. From the 1.27 million square feet of demand for retail space, the project site is projected to capture a market share of over 180,000 square feet of retail space. This amounts to an average capture rate of 14% for the four user segments.

Since the vacancy rate for retail is minimal, the market is assumed to be at equilibrium. From this, it is reasonable to anticipate the 1.27 million square feet as the demand for new retail space within the submarket. Therefore, the approximate 180,000 square feet of demand for the redevelopment project is for additional retail space.

Feasibility

The Downtown real estate market is evolving across all sectors. In the coming years growth can be anticipated in multi-family; specialized office uses within the Technology, FIRE and Professional & Technical Services industries; and stronger retail support for a growing residential market and conventions bookings (Block RE, 2013).

The location of the Washington Square Park redevelopment site offers attractive amenities across all sectors of the real estate market. From Crown Center to Union Station and the developing streetcar route, this area offers cultural and entrainment options that would be enhanced by the implementation of the Washington Square Park redevelopment project. Multi-family residential and retail are currently strong sectors of the market that are anticipated to grow and prosper

as the revitalization of the greater downtown area continues. While the redesign and enhanced programming of the park would add value to these markets, it would not be comparable to the amount of value that would be added by creating the primary civic space in downtown Kansas City. These market segments would have higher capture rates and premium leasing rates. This gain includes not only future development but also the current supply of multifamily and retail properties within the project boundaries.

The office market would harvest similar increases in terms of value. Today, office market fundamentals continue to improve as the national and local economy recovers from recent setbacks. It's uncertain how much the office sector will improve or if the submarket could absorb additional space in the next five to ten years. The risk involved in the office market would be substantially mitigated

with the implementation of the park redevelopment. The market value of current and future office space would be enriched. Enhancement would not only be within the project boundaries but this value would transition into the entire greater downtown office market as conventions, amenities and entertainment options become attractive to the users of office space. This was the outcome in the Millennium Park and Discovery Green developments, as adjacent real estate reaped billions of dollars in increased property value.

Outlined in the site analysis chapter, the zoning regulations will prescribe how these markets are likely to develop on the project site. There is always the possibility of applying for changes to zoning or variances to the zoning regulations but due to the flexibility in the code, major requests are unlikely.

The current regulations for the redevelopment boundary allow for a high level of density. Considering the Union Station Kansas City, Inc. owned surface parking lot as the primary development site, significant density could be added to the project boundary. Comprising of 212,127 square feet, development is limited to a FAR of 15, although no height restrictions limit elevations. Not factoring in parking or open space requirements, this calculates to 3.18 million square feet of potential development.

To frame this density in terms of dwelling units per acre, the estimated multi-family residential development potential is approximately 526 dwelling units per acre or 2,562 units. This estimate was derived using average sized studio, one bedroom, two bedrooms, and larger apartment units identified in the 2013 Housing Report for Downtown Kansas City (Kansas City Downtown Council, 2013). A

25% modification for common area was applied to the total development potential then the percent of each type of apartment was calculated to determine the total allocated square footage to each. These numbers were then divided by the average square footage for each type to calculate the number of units. The resulting units were divided by the total acres for the site, 4.87, to determine the number of units per acre.

A preliminary program was developed based on the demand determined through the analysis. For the program, it was assumed that the demand for office space within the submarket improved and a 15% capture rate for the subject site would be warranted. Through the same methods used for the dwelling unit per acre analysis above, it was determined that a total of 803,598 square feet would be justified for the redevelopment area during the analysis period, as seen in Table 5.9.

Development of this size would require a substantial amount of parking for the residents, employees and shoppers. The initial design for the Washington Square Park redevelopment project incorporates underground parking below the extension of the park. With the preliminary program outlined above, the underground parking would need to be included for the project to be successful. With the redevelopment of the site, Blue Cross Blue Shield employee and visitor parking would be eliminated. The underground parking garage stands to fulfill the company's needs and complement development on the site. In addition, the downtown streetcar includes a major stop adjacent to the redevelopment site. Therefore, the surrounding downtown parking could be utilized.

The cost associated with an underground parking garage is beyond the scope of this document but some evaluation can be made from the precedent

Table 5.9: Preliminary Program Demanded by Market

Development Program	Demanded Square Feet	Square Feet (w/ 25% common area)	% of Total
Retail	184,468	245,958	31%
Office	250,650	334,200	42%
Residential	167,580	223,440	28%
Total	602,698	803,598	

Source Data: MARC, 2011

studies. Construction of the Millennium Park underground garage cost approximately \$99 Million or roughly \$24,750 per stall. The subsurface garage developed for Discovery Green was estimated at \$21.5 Million or \$34,677 per parking stall. For the redevelopment site, the excavation involved for an underground parking garage can be assumed to be reduced due to its current elevation.

Funding for an underground parking garage is cumbersome at best. It is the most expensive form of parking due to the time, materials and engineering involved. The cost of building the underground structure would be mitigated through the use of the Pershing Road TIF district. The use of this economic development tool would provide the needed infrastructure improvements to build the underground parking structure. This would not only provide funding for the necessary infrastructure

improvements but also prepare the redevelopment site for the additional real estate the market demands, including multi-family residential, retail, and office space.

Included in the infrastructure improvements is the opportunity to advance the storm and wastewater management within the redevelopment project. The amount of density the market demands will need to be addressed through improving the combined sewer system. Combined with the overall Washington Square Park redevelopment project, adopting best management practices and green infrastructure initiatives could catalyze future sustainable practices and reinforce Kansas City as an emerging leader in green infrastructure as outlined in the GDAP and Grand Boulevard Plan (Kansas City, Missouri, 2011).

Preserving the spectacular views of downtown and enhancing the many attributes of the park is a

beneficial approach to the redevelopment project. The redesign and programming of the park is best done in coordination with the surrounding context and real estate uses to enhance the symbiotic relationship between the two. Preserving the viewshed analyzed by KCDC will enhance the value of the park as more visitors and customers use the space and spend time in the area. The park redevelopment project reduces the risks associated with development investments within the boundary by increasing this attractiveness (Garvin, 2002).

In addition, as the parks value increases, so does the surrounding real estate values since premium real estate attains premium rents. For this reason, both current and future property within the projects boundary will be more attractive in terms of the real estate market with the implementation of the Washington Square Park redevelopment project.

With a better understanding of the overall economic environment of Kansas City, Missouri and the current and future real estate market surrounding the redevelopment project, better-informed decision can be made. This is why the market analysis is believed to be the most critical component of the predevelopment process.

As the analysis suggests, multi-family residential and retail space is the most attractive development segments for the redevelopment project. The office demand for the site is currently uncertain but indicators suggest that market fundamentals will continue to improve, especially for the Technology, FIRE and Professional & Technical Services industries. The primary redevelopment site is the Union Station surface parking lot and is a key component to the implementation of the Washington Square Park redevelopment project. This is due to the project's design as an anchor park,

which positions to connect well-established districts and serve as the primary civic space in Greater Downtown Kansas City.

The next chapter will discuss the rationale of implementing the Washington Square Park project through the formation of public private partnerships relating to the interests of key stakeholders, market demand based programming, and site specific recommendations. This will be delineated through an implementation scenario for the project.

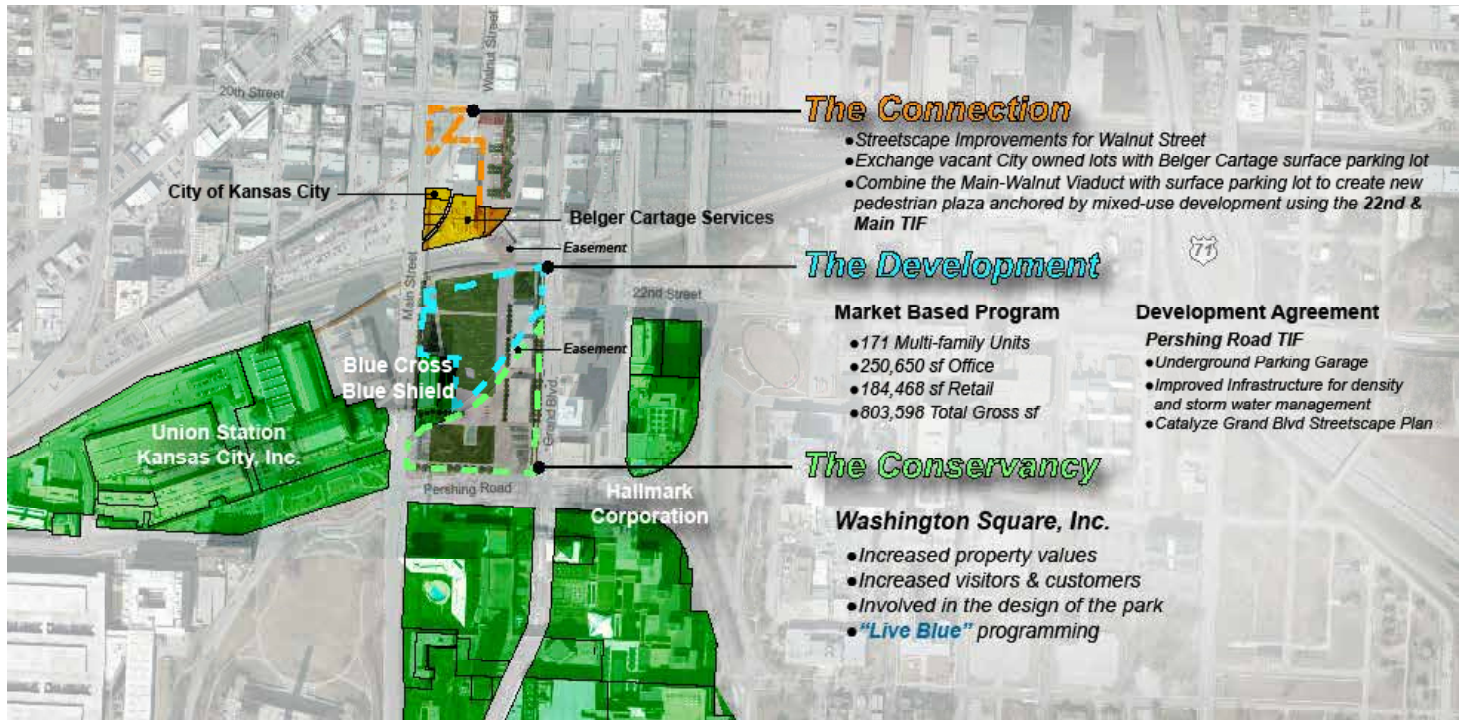
VI. Implementation Scenario

From the aforementioned research and analysis, an implementation scenario is offered in the below section. The implementation scenario is proposed to achieve the project goals outlined throughout this document. This section will describe the process of implementation in three distinct areas that follow the KCDC design for the Washington Square Park redevelopment project. These areas are entitled, The Conservancy, The Development, and The Connection. The Conservancy will be discussed first, followed by The Development and concluding the chapter with The Connection. Figure 4.1 displays the implementation of the Washington Square Park redevelopment project graphically.

The Conservancy: Washington Square, Inc

The precedents studied during the background research revealed that the formation of park conservancies was a critical aspect of the success for park development projects. These conservancies were often formed from the private business leaders, foundations, and property owners surrounding the park site. For this reason, it is recommended that the City of Kansas City pursue forming a Washington Square Park conservancy partnership to assist in marketing, park redevelopment implementation, and park operations. Several stakeholders fit the characteristics for this conservancy including Hallmark, Union Station, and Blue Cross Blue Shield. Combined with the City and the Parks and Recreation Department, the conservancy would be better equipped to handle the redevelopment project than the Parks and Recreation Department

Figure 6.1: Implementation Scenario



Source: Created by Author, 2014

would alone. A Conservancy would give Washington Square Park the necessary flexible planning and management to adapt to changing budgets, visions, and expectations throughout the redevelopment and management process.

Having a third-party, non-profit entity involved is the primary and most important aspect of the redevelopment project. A non-profit organization would provide a flexible approach to redeveloping, operating and maintaining Washington Square Park at a level that would support its use as a downtown anchor park and provide a higher standard for

visitor experience. A higher level of care would be provided due to the expected levels of use and programming associated with a downtown anchor park. A conservancy brings an efficiency that can take advantage of the dynamic real estate market on behalf of the City, which cannot move quickly to act (Garvin, 2000). Funding for operations would be less vulnerable to the cyclical nature of government tax revenues. As illustrated in the Millennium Park precedent, a conservancy model would attract private capital that the City of Kansas City would have difficulty attracting by protecting private funds from public influence.

The conservancy for Washington Square Park would comprise of Union Station Kansas City, Inc, Hallmark, and Blue Cross Blue Shield. These three entities will form Washington Square, Inc., a non-profit organization. Washington Square, Inc. will enter into a partnership with the City of Kansas

City, Missouri for the design, build and operations of Washington Square Park. Each entity would gain several key benefits through forming a partnership for the Washington Square Park redevelopment project.

Hallmark

Hallmark would benefit in three ways through the formation of Washington Square, Inc. As the largest property owner in terms of value and square footage, Hallmark stands to realize significant increases in property value located within the project boundary. The increases in visitors and customers to the area would produce larger sales dollars for the Crown Center development including those businesses owned and operated by Hallmark.

In addition to added property values and increases in visitors, Hallmark would benefit by being involved in the redesign of Washington Square Park. With future

expansion plans of their own, the company would be able to contribute to the project significantly. The philanthropy that Hallmark could provide for Washington Square, Inc. would show great capacity as a generous corporate citizen. In spirit of the initial Crown Center development, Hallmarks involvement in Washington Square, Inc would continue to catalyze additional downtown development.

Blue Cross Blue Shield

While it may not be their main interest, Blue Cross and Blue Shield would gain significant increases to their office property value. The increased property value and higher rental rates would help in maintaining their not-for-profit status through producing a larger surplus of funds.

Another benefit the Washington Square, Inc partnership provides for Blue Cross Blue Shield is a large venue for their “Live Blue” program. There is

not a healthier setting for the “Live Blue” program than the redeveloped Washington Square Park site. The park offers an ideal place to offer a wellness and education HUB that is programmed by Blue Cross Blue Shield.

Union Station Kansas City, Inc

With the goal of being recognized as the regions finest educational and cultural resource and to ensure that local residents and visitors make Union Station their destination of choice, Union Station’s involvement in the partnership to implement the Washington Square Park redevelopment project is a clear choice. The redevelopment of Washington Square Park would realize three primary benefits for Union Station Kansas City, Inc. First, the increase in visitation to the area would boost Union Stations customers. The increased value to existing assets owned by Union Station Kansas City, Inc. is the

second benefit of partnering. Implementing the Washington Square Park redevelopment project would create an amenity that would attract larger sales by customers and thus higher rents from tenants. As a non-profit organization, funding the organization's goals is essential. Being involved in the design of the park is the third primary benefit for Union Station Kansas City, Inc. The Washington Square Park redevelopment project is a once in a lifetime opportunity to create a grand civic space within Greater Downtown Kansas City. This would not only reconnect the park to its original purpose associated with Union Station but also help link the urban fabric of the city through the Kessler Park system. This is especially true for Union Station Kansas City, Inc. as it relates to their involvement in the second area of this implementation scenario, The Development.

The Development

The necessary agreements would need to be made for the access driveway between the surface parking lot and Washington Square Park in order to expand the park to the north. An easement would be sufficient, unless the redevelopment project would need to be designed in a way that would require other agreements. This would likely be in the form of the City trading land with the Los Angeles County Employee Retirement Association to implement the legal aspects of the project.

Outlined in the Analysis Chapter, the primary development site for the project is the surface parking lot located to the direct north of Washington Square Park. High levels of density are feasible for this site in terms of market demand and zoning. The redevelopment project would increase the value of the park, thus increasing the value of the development site. Adequate parking will be a

determining element in the economic success of developing the site.

Identified during the site analysis, the development site is located within the Pershing Road TIF district. The utilization of TIF funds can help finance the needed underground parking structure required to safeguard the success of developing the site.

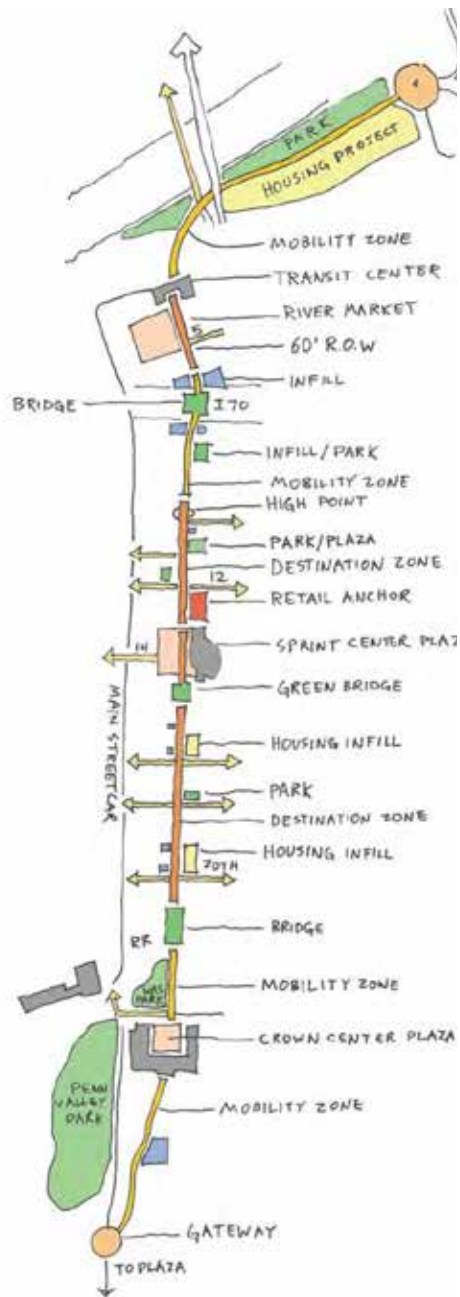
In addition to funding the infrastructure improvements for the parking structure and circulation, the TIF district can allocate funds to help support the City in its goal to improve the issues associated with the combined sewer system and catalyze the overarching goal of emerging as leader in green infrastructure. The funding opportunity to improve the infrastructure for the development site offers the perfect anchor to assist in the implementation of the Grand Boulevard Streetscape Plan by applying the goals to the characterized

“mobility emphasis zone” between Pershing Road and 20th Street, seen in Figure 6.2 (City of Kansas City, Missouri, 2012).

The above-mentioned environs add value to the development site. The improved infrastructure and underground parking would prepare the site for the density and commercial square footage the market demands. As the owner of the property, Union Station Kansas City, Inc would need to partner with the City through a development agreement in order to develop the site as proposed. One of the highest qualities of using a public private partnership for this development site is the flexibility and creativity available to structure a development agreement that meets both Union Station Kansas City, Inc and the City of Kansas City’s objectives (Stainback, 2000).

While the intricacies of the agreement are beyond the scope of this document, there are certain variables that need to be addressed. These variables

Figure 6.2: Grand Blvd Streetscape Plan Section



Source: City of Kansas City, Missouri, 2012

include the ownership structure of the project; the risks associated with that ownership structure; defined responsibilities in terms of design, financing, and development; construction and operations; the implementation schedule; and the level of control. The crux of the negotiation is that the agreement will reflect both Union Station Kansas City, Inc and the City of Kansas City's ownership position, equity investment, responsibilities and risk exposure in the project. The ultimate benefit in entering into a development agreement for the City is to gain the extra parkland needed to implement the redevelopment project and improve its property and sales tax base. For Union Station, the development of the park as an anchor park will produce higher capture rates and premium leasing rates for the development site in addition to their existing assets within the area. This adds a higher value for both partners that is not attainable independently.

The Connection

As identified in the Analysis Chapter, an easement over the rail lines is needed for The Connection area of the Washington Square Park redevelopment project. This is the most evident part of this section of the redevelopment project. In order to connect the two districts with the implementation of the project, the City owned vacant property combined with available right-of-ways would potentially need to be offered for the project. In light of the businesses that are owner-occupiers of their properties, including Belger Cartage Services and Superior Moving and Storage, an alternative to the preliminary designed connection may be needed. If Belger Cartage Services and Superior Moving and Storage decide that any changes to current operations are not worth making, then alternative connections could be explored.

The alternative could be as rudimentary as building a pedestrian bridge comparable to the connection between Union Station and the Freight House property. Depending on the design, an additional easement agreement with UMB may be warranted in order to construct the bridge. Improvements to the streetscape, making Walnut Street more pedestrian friendly would give some of the same benefits as a plaza, while keeping the accessibility to the properties located within The Connection area. Belger Cartage Services parking lot located at the south end of Walnut Street would be exchanged for the City owned lots on the west side of their building. This would allow for the bridge connection and still maintain parking for the users of the Belger Cartage Services Building and increase circulation.

As this formulation of alternatives progress, a traditional plaza area would be created using the Main-Walnut Viaduct right-of-way and the

associated triangle shaped space between the viaduct and Walnut Street. The city could acquire and develop the Great American Bank owned surface parking lot to expand the plaza area into a north gateway for the redeveloped Washington Square Park. Alternatively, a development agreement could be reached with an investor using the 22nd and Main TIF district to anchor the pedestrian plaza with a mixed-use development. Vehicular access for both Belger Cater Services and Superior Moving and Storage would be maintained under this scenario.

This scenario adds value to both the Superior Moving and Storage and Belger Cartage Services properties. The activation of Walnut Street connecting to the revitalized Washington Square Park would create storefront retail opportunities for these properties while maintaining user operations. This value is in addition to the appreciation of land

prices associated with close proximities to urban parks.

As proposed, The Conservancy, The Development, and The Connection serve as the implementation scenario for the Washington Square Park redevelopment project. As discussed in this document, the design of the park is critical to the project's success. The supplementary designs of KCDC and the associated members of H.E.R.D. accumulate the best practices to revitalize Washington Square Park and enhance the pertinent qualities that add value to the properties located within the project boundary. With the use of public private partnerships, the Washington Square Park redevelopment project can be implemented. Thus, offering the Greater Downtown Kansas City area a primary civic space that serves as a gateway into downtown, connects adjacent districts and is beneficial to both public and private interests.

VII. Conclusions

This document is the culmination of nearly eight months of work concentrated on the redevelopment of Washington Square Park in Downtown Kansas City, Missouri. The background information, literature, and extensive analyses have all distilled into a final scenario for the implementation of the conceptual redevelopment of Washington Square Park using public private partnerships. To appraise the outcomes of this research project, they will be reflected upon in the following chapter by assessing the project goals and recommending future analysis for the project.

Evaluation of Implementation Scenario

In order to evaluate the proposed scenario, two criteria are set as benchmarks. First, the goals defined at the beginning of the project will be assessed on how well they were achieved in the implementation scenario. Second, the key partners

identified in the document will be assessed on their gains in interests by participating in the partnerships. To review, the set goals for the redevelopment project were the following:

- Partner with the stakeholders that are identified as “key players” for the implementation of the Washington Square Park redevelopment project
- Capitalize on the existing economic development incentives
- Utilize existing city owned property
- Increase residential density in downtown
- Create a stronger gateway and connection with surrounding downtown districts
- Capitalize on the adjacent streetcar route

Several existing economic development incentives were identified during the analyses and background research. The use of the Pershing Road TIF for the primary development site acts as the main cog to the Washington Square Park redevelopment project.

Through the use of a development agreement between Union Station, Inc and the city, this site becomes extremely valuable due to the TIF funded underground parking garage and additional improvements to inadequate infrastructure. These improvements prepare the development site for the high-density development that is supportable by market demand. This is especially true for the residential market. The combination of focused parking and infill development complements the adjacent streetcar route along Main Street. Providing user based parking for residents and office employees on site while connecting shoppers and visitors with other available parking areas, capitalizes on the streetcar investments by improving economic and environmental efficiencies.

The Connection element of the scenario, proposes an alternative to the conceptual design of Washington Square Park. By utilizing existing city owned

property in an exchange, a pedestrian bridge improves the connection between the Crown Center/ Union Station district and the Crossroads District. The combination of the underutilized Main-Walnut Viaduct right-of-way and the Great American Bank owned surface parking lot allows for the creation of a plaza located at the corner of Main and 20th Street. Thus, creating a north gateway for the redeveloped Washington Square Park.

Through the stakeholder analysis, the “key players” were identified and evaluated based on their attributes relating to the Washington Square redevelopment project. The Definitive stakeholders that the analysis produced were utilized to form the concept of Washington Square, Inc; a non-profit conservancy to help fund, manage and operate Washington Square Park. The proposed implementation scenario included the formation of a partnership between Washington Square, Inc and

the city of Kansas City. This partnership is crucial to the implementation of the proposed scenario and accomplishes the goals of the project. With the proposed scenario, the first set of criteria under this evaluation is achieved.

Next, the criteria for improving key stakeholder interests under the proposed scenario shall be evaluated. All four Definitive Stakeholders reap benefits to their respective interests. By participating in the partnerships outlined in the implementation scenario, the stakeholders would gain the following advantages relating to their assessed interests:

Hallmark

- Increased property values for their significant real estate holdings
- Increases in visitors and customers to Crown Center

- Actively involved in the redesign of Washington Square Park

Blue Cross Blue Shield

- Increased property value for office building
- Ideal avenue for “Live Blue” HUB programming

Union Station Kansas City, Inc

- Increase in visitors and customers to Union Station cultural attractions
- Increased property values
- Actively involved in the redesign of Washington Square Park
- Increased capture rates and higher leasing rates for future development

The second set of criteria of the evaluation process is achieved through the implementation scenario.

While this document offers significant information that can be utilized as the redevelopment project progresses, there are additional studies that could enhance the decision-making process. These future analyses will be outlined in the next section.

Future Analysis

Funding is a critical aspect of implementing the Washington Square Park redevelopment project. Public private partnerships are an essential approach to fill the gaps in the necessary financing. Developing a funding plan for implementation is essential in the preliminary stages of the project. The conservancy partnership approach to implementation typically involves donors and fundraising in order to finance a portion of the capital improvements and management costs. Donors are sometimes reluctant to commit their own capital for a project until they are certain that implementation is assured. A realistic

fully funded plan in place early on in the process will benefit the implementation of Washington Square Park redevelopment project.

Advanced stakeholder analyses and a stakeholder engagement plan would benefit the project as it progresses. While this document outlines several stakeholders and their interests and benefits in the project, there is additional study that needs to address the Kansas City community as a whole. I hope that this document, combined with the related works of KCDC and the fellow members of H.E.R.D., contributes to the knowledge base that is necessary to make informed decision regarding the Washington Square Park redevelopment project.

References

Block Real Estate Services, LLC. (2008). The Real Estate Report For Metropolitan Kansas City. Kansas City, Mo.

Block Real Estate Services, LLC. (2009). The Real Estate Report For Metropolitan Kansas City. Kansas City, Mo.

Block Real Estate Services, LLC. (2010). The Real Estate Report For Metropolitan Kansas City. Kansas City, Mo.

Block Real Estate Services, LLC. (2011). The Real Estate Report For Metropolitan Kansas City. Kansas City, Mo.

Block Real Estate Services, LLC. (2012). The Real Estate Report For Metropolitan Kansas City. Kansas City, Mo.

Block Real Estate Services, LLC. (2013). The Real Estate Report For Metropolitan Kansas City. Kansas City, Mo.

Block Real Estate Services, LLC. (2014). The Real Estate Report For Metropolitan Kansas City. Kansas City, Mo.

Blue Cross and Blue Shield of Kansas City. (n.d.). Who we are. Retrieved December 14, 2013, from <http://www.bluekc.com/WhoWeAre>.

Bonsen, J. (n.d.). Maximizing Progress: Post Office Square ~ Boston's Lovely Double Park. Retrieved from <http://www.maximizingprogress.org/2011/08/post-office-square-bostons-lovely.html>.

Brett, D. L., Schmitz, A., & Urban Land Institute. (2009). Real estate market analysis: methods

and case studies. Washington, D.C.: Urban Land Institute.

Bruner Foundation, Inc. (2009). 2009 Rudy Bruner Award: Silver Medal Winner Millennium Park.

Campbell, M. (2014, March 4). Union Station ends its fourth year in a row with a seven-digit cash surplus. *The Kansas City Star*. Kansas City, Mo.

City of Kansas City, Missouri. (1997). FOCUS Plan. Kansas City, Missouri.

City of Kansas City, Missouri. (2003). Main Street Corridor Plan. Kansas City, Missouri.

City of Kansas City, Missouri. (2003). Pershing Road Redevelopment Tax Increment Financing Plan. Kansas City, Mo.

City of Kansas City, Missouri. (2004). Economic Development Incentives. Kansas City, Missouri.

City of Kansas City, Missouri. (2011). Five-Year Capital Improvements Plan. Kansas City, MO.

City of Kansas City, Missouri. (2010). Greater Downtown Area Plan. Retrieved from http://www.kcmo.org/idc/groups/cityplanningplanningdiv/documents/cityplanninganddevelopment/gdap_final_web.pdf.

City of Kansas City, Missouri. (2012). Grand Boulevard Streetscape Plan: The Community's Vision. Kansas City, Missouri.

City of Kansas City, Missouri. (2013a). Downtown Streetcar Transportation Development District (TDD) Project Incentive & Coordination Program

(Information Bulletin No. 166). Kansas City, Missouri.

City of Kansas City, Missouri. (2013). Geographic Information System [Data File]. Retrieved from <http://maps.kcmo.org/apps/parcelviewer/>.

City of Kansas City, Missouri. (2013b). Kansas City Downtown Streetcar Tiger V Grant Application. Kansas City, Missouri.

Connolly, J., Niemira, M., & International Council of Shopping Centers. (2012). Office-Worker Retail Spending in a Digital Age. New York, New York.

COOG Radio. (2013). Discovery Green's "No-Green Concert Series" Starts Tonight! Retrieved March 8, 2014, from <http://coogradio.com/2013/09/discovery-greens-no-green-concert-series-starts-tonight/>.

Corrigan, M. B. (2005). Ten Principles for Successful Public, Private Partnerships. Urban Land Institute.

Crompton, J. L., & American Planning Association. (2001). Parks and economic development. Chicago, Ill: American Planning Association.

Friends of Post Office Square. (2008). 1954: Parking Garage Unit 3. Retrieved February 3, 2014, from http://www.normanbleventhalpark.org/history_photos.html.

Garvin, A. (2002). The American city: what works, what doesn't (2nd ed.). New York: McGraw-Hill.

Garvin, A., & American Planning Association. (2000). Parks, recreation, and open space: a twenty-first century agenda. Chicago, IL: American Planning Association.

Greater Kansas City Chamber of Commerce. (2013). Kansas City's Recovery from the Great Recession. Kansas City, Mo.

Hallmark. (n.d.). Corporate Information. Retrieved February 2, 2014, from <http://corporate.hallmark.com/Company/About-Hallmark>.

Hallmark. (2013). Kansas City's Crown Center: A Model Mixed-Use Community. Kansas City, Mo.

Harnik, P. (2000). Inside city parks. Washington, D.C.; [United States?]: ULI-the Urban Land Institute; Trust for Public Land.

Jackson County, Missouri. (1996). Agreement Regarding Grand Avenue Ramp. Jackson County, Mo.

Jackson County, Missouri. (2011). Amended and Restated Aerial and Ground Easement Agreement.

Kansas City Design Center.(n.d.). Reconnecting: Part 2. Issuu. Retrieved October 3, 2013, from http://issuu.com/kcdc/docs/reconnecting_part_2.

Kansas City Downtown Council. (2010). Downtown Housing Report. Kansas City, Mo.

Kansas City Downtown Council. (2013). Downtown Housing Report. Kansas City, Mo.

Kipp, R. A. (1996). Crown Center: An emerging vision for urban development. Western Historical Manuscript Collection-Kansas City.

Madden, K., & Project for Public Spaces. (2000). Public parks, private partners: how partnerships are

revitalizing urban parks. New York, NY: Project for Public Spaces.

Market Street Services Inc. (2012). Advance KC: Competitive Snapshot.

Mid-American Regional Council. (2011). Adopted Population, Households and Employment Forecast. Retrieved from <http://www.marc.org/Data-Economy/Metrodataline/Population/Other-Population-Data>.

Mid-American Regional Council. (2013). Retrieved from <http://www.marc.org/Data-Economy/Maps-and-GIS/GIS-Data/GIS-Datasets>.

Millennium Park. (n.d.). Retrieved April 4, 2014, from <http://digital.chipublib.org/cdm/search/collection/mpu/searchterm/full%20park/field/>

[book/mode/all/conn/and/order/origin/ad/asc/cosuppress/0](http://www.marc.org/Data-Economy/Metrodataline/Population/Other-Population-Data).

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22(4), 853–886.

MCZ Development. (n.d.). About Us. Retrieved October 24, 2013, from <http://www.mczdevelopment.com/#home>.

National Recreation and Park Association. (n.d.). Revitalizing Inner City Parks: New Funding Options Can Address the Needs of Underserved Urban Communities (p. 4). ASHBURN, VA. Retrieved from http://www.nrpa.org/uploadedFiles/nrpaorg/Grants_and_Partners/Recreation_and_Health/Resources/Issue_Briefs/Urban-Parks.pdf.

Parks and Recreation Department, City of Kansas City, Missouri. (2013, September 11). Washington Square Park: Request for Qualifications/Proposals for Design Professional Services Contract for Project No. 70144906. Parks & Recreation Department.

Pierre, J. (1998). Partnerships in Urban Governance: European and American Experience. Palgrave Macmillan.

Project for Public Spaces. (n.d.). Post Office Square - Great Public Spaces | Project for Public Spaces (PPS). Retrieved October 3, 2013, from http://www.pps.org/great_public_spaces/one?public_place_id=20#.

Reach Market Planning LLC. (2013). Understanding the Visitor to Kansas City. Kansas City, Missouri.

Roberts, R. (2014). Ten To Watch in 2014: GSA lease deal's spinoffs ripple in KC. Kansas City Business

Journal. Retrieved from <http://www.bizjournals.com/kansascity/print-edition/2014/01/03/en-to-watch-in-2014-gsa-lease-deals.html>.

Roberts, R. (2014). KC announces increased convention bookings. Kansas City Business Journal. Retrieved from <http://m.bizjournals.com/kansascity/news/2014/02/05/kc-announces-increased-convention.html>.

Seaman, Z. N. (2012). Designing and planning for the active use of public spaces in downtown Kansas City, Missouri (Report). Kansas State University. Retrieved from <http://krex.ksu.edu/dspace/handle/2097/13744>.

Sedona Lakes. (n.d.). Close to it All. Retrieved April 4, 2014, from <http://sedona-lakes.com/area>.

Sheridan, M. (2008). Houston's Downtown Transformation. *Urban Land*, (October), 12.

Stainback, J. (2000). *Public/private finance and development: methodology, deal structuring, developer solicitation*. New York: J. Wiley.

Union Station Kansas City. (n.d.). About Us. Union Station. Retrieved February 25, 2014, Retrieved from <http://www.unionstation.org/about>.

Urban Land Institute. (1990). *City deal making*. Washington, D.C: ULI-the Urban Land Institute.

Urbanics Consultants Ltd. (2013). *63rd & Prospect Development Area Market Study & Analysis* (p. 146). Kansas City, Mo.

U.S. Census Bureau. (2007). U.S Economic Census. Retrieved from <http://www.census.gov/econ/census/data/geo.html>.

Walker, C. (1999). *Partnerships for Parks: Lessons from the Lila Wallace-Reader's Digest Urban Parks Program*. Text. Retrieved September 17, 2013, from <http://www.urban.org/publications/309067.html>.

Wilson, W. H. (1990). *The city beautiful movement in Kansas City* (2nd ed.). Kansas City: Lowell Press.