

**Kansas City Catalytic Urban Redevelopment Initiative  
Request for Proposals**

Requested by  
Greater Kansas City LISC  
Urban Neighborhood Initiative  
Mid America Regional Council  
City of Kansas City, Missouri

May 15, 2015

# Kansas City Catalytic Urban Redevelopment Initiative

## Request for Proposals

### Background

For the past decade, the Kansas City region has found it difficult to assemble the redevelopment capacity and financing to execute large-scale transformational redevelopment projects in the urban core. Largely due in part to the lingering effects of the economic downturn on real estate values, decreasing Federal resources for urban development, and a more conservative regulatory lending environment, both the capacity of the non-profit community development corporations (CDCs) and the ability to assemble resources to strategically implement large-scale redevelopment within urban core neighborhoods has been limited. In addition, low property values in urban core neighborhoods have made reinvestment difficult. Despite some successes in Beacon Hill and the Green Impact Zone, overall large-scale transformational redevelopment projects are not the norm. However, such large scale redevelopment projects are absolutely necessary if the urban core is to become a place of choice to work, live and conduct business.

Most recently, the Urban Neighborhood Initiative (UNI) has begun to galvanize civic and corporate interests around socio-economic redevelopment and community building in a specific area of Kansas City, MO. This focus area is a part of the larger swath that is commonly referred to as “east of Troost.” The residents and institutions that are located there have felt the impact from decades of neglect and inequity in terms of an imbalanced investment from the public and private sectors. It appears that national and local trends are now aligning as numerous community development entities from all sectors are beginning to invest significant resources in these neighborhoods, including the City of Kansas City, MO (KCMO), Mid-America Regional Council ‘s (MARC) Green Impact Zone, Greater Kansas City Local Initiatives Support Corporation (LISC), and several non-profit and private housing developers. Reinvestment in older areas immediately west of Troost has created a hopeful environment for similar efforts to the east. It is time to capitalize upon the momentum to develop a comprehensive strategy that improves neighborhood social and physical conditions in a way that simultaneously attracts new residents and businesses while building the income and educational attainment of current residents.

This RFP’s scope of work seeks to coordinate agencies and stakeholders to create:

- 1) a comprehensive implementation strategy that includes a redevelopment vision, financing model, timeline, implementation plan, comprehensive funding mechanisms, and systems for on-going management;
- 2) an existing or new non-profit entity with sufficient capacity and commitment to lead the strategy; and
- 3) a patient equity fund of \$25-\$50 million to invest in this catalytic change and to assist with predevelopment, acquisition and lending.

This proposal is different from past initiatives in the following ways:

- ❖ Focus is on short-term implementation (within 5 years), rather than long-term vision planning and will move appropriate recommendations in many previous plans forward to implementation
- ❖ Redevelopment of sufficient scale to be transformational for a community
- ❖ Aligns with recent or planned public and private investments, including transit
- ❖ Includes a vacant lot strategy which will act as a model for other areas of the region
- ❖ Builds on civic and business commitments to redevelopment within UNI and/or in close proximity to its boundaries
- ❖ Includes clear steps to build foundational capacity to implement large-scale redevelopment

A partnership of the UNI, LISC, KCMO, and MARC are seeking one or more consultants to assist in the 1) development of the revitalization strategy, 2) formulation of community development capacity options and 3) financing mechanisms, including the creation and distribution process of a patient capital fund. Although the initial implementation strategy will focus on the UNI area, the development of operating capacity and a patient capital fund will focus on regional operation.

## **Scope of Services**

The following scope of services is divided into three components. Response to this RFP can address a single component, a combination of components, or all three components.

### **Component 1 – Development of a Place-Based Implementation Strategy**

The implementation strategy developed under this component should focus on the UNI area and adjacent communities as outlined in the accompanying map. It should consider aspects related to both the built environment and the quality of life of the residents. The scope for this component must include the following actions and outcomes:

- Many plans and initiatives already exist for this particular geographic footprint. These plans have resulted from considerable community and stakeholder involvement. For the UNI area, use information from these existing plans, existing assets, recent and pending public and private investments, and vacant lot inventory to find common goals, themes and development scenarios and how these projects and assets can reinforce each other. Summarize the results of these initiatives and plans into a single document.
- Using these existing plans and initiatives, plus discussions and input from community residents and organizations, identify a target area in or around the UNI for a mixed-use, walkable redevelopment opportunity that is of sufficient scale to be transformational for the UNI area and the City at large. Demonstrate how this catalytic ‘Place’ will add to and take from surrounding investments/projects, and be a catalyst for revitalization for the UNI.
- Develop a comprehensive implementation strategy for this Place (target area) that includes a conceptual vision, mix of uses, and a quantifiable development scenario. The implementation

strategy must both build from existing plans and connect to the momentum in the surrounding area by way of a “ripple effect.”

- Develop preliminary development plans, drawings and proformas for the identified redevelopment opportunity in sufficient detail to inform the implementation strategy and construct a business case for public-private investors.
- Include the role of vacant property in the development plans, the costs of various components, the appropriate phasing, and other key elements necessary for successful completion of the implementation strategy.
- Integrate, where possible, the concept of creative placemaking, economic development and programming that can positively affect the social construct and economy of the neighborhood.

### **Component 2 – Development of a Strategy to Identify or Form a Redevelopment Entity**

Although there are several community development corporations serving portions of the UNI footprint, a community development corporation with sufficient capacity does not currently exist in this area or throughout Kansas City to carry out this consolidated comprehensive implementation strategy. Such a high-capacity entity is critical not only to the success of this project, but to accelerate redevelopment throughout the region. The intent of this component is to not only identify an entity with such capacity for this project, but one that can be sustained to work in other parts of the region as well. Such a public-private partnership entity must not only have excellent redevelopment experience and capacity, but be adept at forming partnerships with local organizations and national resources and managing complex projects with a complex set of partnerships.

The scope for this component must include the following actions and outcomes:

- Based on interviews with local neighborhood, civic, public, and development leaders and review of information developed by local partners, and review of the Capital Absorption model and other sources, outline the basic ingredients for success that will be necessary for a high-capacity, self-sustaining redevelopment entity.
- Using the interview information and other resources, evaluate the region’s current capacity against that needed by a high-capacity entity and where the greatest gaps exist.
- Using the above information, evaluate potential strategies for creating such a high-capacity organization including:
  - Capitalize an existing CDC in order to bring it to an appropriate scale with the capacity to carry out this vision. What are the challenges and benefits of such an approach?
  - Incubate a new CDC within an existing organization such as MARC, LISC or UNI by funding a full-time position within that organization to carry-out the initial planning stage of research, design, and team building. Evaluate potential candidate organizations and how such new capacity would be aided or hindered by the organization’s existing structure, membership, and mission. What are the challenges and benefits of such an approach?
  - Establish a public-private partnership between an existing CDC and an experienced private developer to create a new Master Developer (MD) entity. In addition to its own

activities, this MD could issue RFPs for sub-developers that would be responsible for developing projects. Are there similar models from other parts of the country and how have they worked? What are the challenges and benefits of such an approach?

- Taking the above information, which approach would be recommended based on the best possible chance of success? What would the strategy be for implementing this approach including the steps that need to be taken and the cost to capitalize operations?

### **Component 3 – Development of a Patient Equity Fund of \$25-\$50 Million**

Research has shown that patient equity can be a significant and game-changing factor to the success of redeveloping walkable, mixed-use, mixed income neighborhoods. Investors actually receive greater returns for this type of development, but the time required to build and nourish the new market takes longer than traditional real estate timelines. Kansas City corporations, foundations and lending institutions must invest in that type of patient loan pool, and not expect a return for its first three - five years. These investors need to understand the long-term commitment and be willing to wait for their return, and potentially reinvest into subsequent revolving loan funds. The initial total to be raised is approximately \$25-\$50 million.

Potential uses of this fund would be for predevelopment costs and real estate acquisition as well as a portion for a lending pool. The lack of acquisition and predevelopment funds to activate large scale development contributes to missed opportunities in attracting private sector investments in urban neighborhoods, particularly where values are low. A loan pool for acquisition/rehabilitation of vacant structures for improving homeownership opportunities has been a long-discussed need and priority among neighborhood leaders and stakeholders and could be one option.

The scope for this component must include the following actions and outcomes:

- Develop a comprehensive list of available redevelopment financing resources.
- Research and present information from case studies and best practices across the country that may be relevant references for Kansas City.

### **Consultant Qualifications**

The consultant(s) selected to perform each of the components must have the following qualifications:

- Be considered an expert in their field as related to the component(s) they are proposing for. This includes extensive experience in the kind of projects addressed in the scope above, excellent references from the leaders involved in past projects they worked on, practical experience in redevelopment, and recognition by peers.
- We envision that the development of the above components will require extensive communication with the partners in this venture as well as other neighborhood and community leaders. The consultant(s) must be readily available for consultation and have excellent verbal and written communication skills.

- Familiarity with the Kansas City region and particularly its development and redevelopment community will greatly facilitate successful work on this project.
- Able to work in a timely fashion, the ability to be flexible to accommodate changing circumstance based on the work, and the ability to produce work products that are clear, concise, and impactful.

## Resources

The partners to this product will provide the following in order to assure the best possible project, expedite delivery of products, and reduce costs:

- Management of advisory steering committee(s), comprised of community stakeholders, related to each scope element.
- Assistance with arranging meetings with community leaders as needed.
- Meeting and office space for consultant staff as required.
- An initial list of current and past projects and plans for the project area.
- Extensive data on the project area including Census, market, housing, and real estate.
- Coordination and communication support with the project team and other community interests.
- Access to University programs and studios that may be able to contribute academic assistance for research and community engagement

## Submission Process

RFP Released: May 13th, 2015

RFP Information Session: June 1st, 2015 at 2pm

Mid-America Regional Council Board Room  
600 Broadway, Ste. 200  
Kansas City, MO 64105

Questions must be submitted by 12pm on May 29th, 2015. Answers to all questions will be posted by June 3<sup>rd</sup> at 5pm on the LISC website at [http://www.lisc.org/kansas\\_city/](http://www.lisc.org/kansas_city/). Additional questions should be directed to the individual below.

To be eligible for consideration, one electronic and 4 copies (maximum of 20 pages) of the response to the RFP must be received by Greater Kansas City LISC no later than 5 PM CST, June 19th, 2015. Late submittals will not be considered and will be returned to submitter unopened. The envelope package should be marked "KC Catalytic Urban Redevelopment."

Greater Kansas City LISC  
600 Broadway, Suite 280  
Kansas City, MO 64105  
Attn: Ed Linnebur

Questions should be directed to Ed Linnebur at [elinnebur@LISC.org](mailto:elinnebur@LISC.org) or 816 753-0055

Final candidates selected for interviews will be announced the week of July 6<sup>th</sup>. Interviews will be conducted on July 21<sup>st</sup>, 2015 at MARC.

The following items must be addressed in all proposals:

1. **SCOPE OF SERVICES:** Proposals should include a recommended scope consistent with Components described above and an emphasis on a preferred and/or recommended approach. Proposers' recommendations will demonstrate and propose strategies that exemplify best practices in planning, policy, community engagement and financing. Scope must include:

- a. Overview and rationale of project approach.
- b. A listing of any proposed subconsultants and the integration of this work
- c. A conceptual project schedule

2. **BUDGET:** Proposals should include a detailed budget for all expenses related to the scope of services. Fees should not exceed \$175,000, inclusive of all expenses.

3. **QUALIFICATIONS:** Proposals should indicate general and specific qualifications of the proposer in planning, project implementation, public and stakeholder engagement, disciplines appropriate to this project, and specifically convey the role of the proposer in each case cited. An emphasis and priority in evaluation will be placed on firms with qualifications and experience that have resulted in successful development of similar scopes of work. A brief narrative (three pages maximum) may also be included regarding the firm's capabilities to carry out these projects including special assets, areas of expertise, analytical tools, and data sources, etc. to which the firm may have access. Proposals shall include:

- a. A listing and summary of similar, recent projects by proposing firm and/or its subconsultants, showing contract amounts, description of work performed, current status, project outcomes, client contact persons, phone numbers, and e-mail addresses;
- b. Resumes of key professional staff who will be assigned to this project;
- c. Description of the existing and anticipated workload of individuals assigned to this project during the period of this study.
- d. References

Excluded from the 20-page (single-sided) maximum length of the proposal include the following:

- Front/back covers
- Cover letter
- Dividers
- Resumes
- Cost proposal
- Company brochures

Please use typefaces no smaller than 11 pt.

## **Selection Process**

A review committee of representatives of the organizations sponsoring this project will review all applications and arrange for interviews with those that they determine qualify. A final selection will be made after interviews. The review committee strongly prefers a single consultant or team of consultants to undertake all three components.

The selection criteria include:

- The extent to which a consultant or consultant team meets the Consultant Qualifications enumerated above in terms of:
  - Approach
  - Experience
  - Budget
  - Knowledgeable staff
  - References
  - Communication ability
  - Ready availability of the consultant staff
  - Experience with the Kansas City development and redevelopment community
  - Ability to complete the project in a timely manner
- The approach offered in meeting the objectives of each component
- The ability to work across components, particularly if the consultant will not be responsible for all components
- MBE/WBE participation

The review committee reserves the right to reject all proposals for one or more of the components and seek additional proposals.

Submissions are encouraged from Small Business Enterprises (SBEs), Minority-Owned Business Enterprises (MBEs), and Women-Owned Business Enterprises (WBEs).



# Urban Neighborhood Initiative Boundary

-  Neighborhood Boundaries
-  Police Stations
-  Colleges & Universities
-  Schools
-  Cemeteries
-  Parks

