As the recipient of the $20,000 grant, the Quality Hill project team would use the grant to showcase information describing the rich history of the Quality Hill area, the important role Quality Hill plays in the rejuvenation of urban Kansas City, and to describe the goals and processes which comprise the New Quality Hill development.

The display would be in the form of a stone or marble lithograph or monument, to be designed by the architects to blend with the historical character of Quality Hill. It would be located close to the Fountain in the Plaza area of Quality Hill Phase II.

In addition, we intend to place some City artifacts in the plaza area. These artifacts (gargoyles, terra cotta and stone figures and columns, etc.) are presently stored in warehouses and were saved from buildings which have been demolished. By preserving and placing some of these artifacts, we hope to highlight some specific examples of Kansas City's outstanding historical architecture.

The grant would be received by the Downtown Minority Development Corporation (DMDC). This not-for-profit entity was created by the City of Kansas City, Missouri for the administration of all UDAG and other funds associated with major development projects.
PROJECT PROFILE

(Please limit answers to the space available on these pages)

Project Name: Quality Hill
Location: Kansas City, Missouri
Owner: Quality Hill Rehabilitation Associates, LTD.
Project Use(s): Residential, commercial and retail
Project Size: Approx. 4 square blocks
Total Development Cost: $40.3 million

Application submitted by:
Name: Tony M. Salazar
Title: Vice President
Organization: McCormack, Baron and Associates
Address: 1051 Washington Street, Kansas City, Missouri 64105
Telephone: (816) 472-5000

Signature

Organization
- Public agencies: City Manager's Office
- Land Clearance for Redevelopment Authority
- Developer: McCormack, Baron and Associates
- Professional consultants
  - Architect: Trivers Associates
  - Landscape architect: Peckham, Guyton, Albers & Viets, Inc.
  - Urban designer: Peckham, Guyton, Albers & Viets, Inc.
  - Planner
  - Lawyer: Bryan, Cave, McSheeters & McRoberts
  - Other: Historic Kansas City Foundation

Key person* Telephone
- Jim Threett (816) 274-2201
- Brian Collins (816) 221-0636
- Tony Salazar (816) 472-5000
- Andy Trivers (314) 367-3600
- Pat Spector (314) 231-7318
- Spencer Burke (314) 231-8600
- Kirby Turner (816) 471-3391
- Colleen McCarthy (816) 421-7070
- Bill Hall (816) 274-4547
- Steve Nicely (913) 341-9300
- Tony Salazar (816) 472-5000

* Please attach an additional sheet, if necessary, to identify others who should be credited as having been instrumental in the development of this project.
1. DESCRIBE THE CHARACTERISTICS OF THIS PROJECT: THE IMPORTANT ASPECTS OF THE PROJECT'S DESIGN, DEVELOPMENT, AND PUBLIC APPROVAL PROCESS. INDICATE WHY THESE ARE EXEMPLARY.

Quality Hill is a nationally registered historic district located on the western flank of the Kansas City, Missouri Central Business District. The area was originally settled in the 1850's. During the 1870's and 1880's, Quality Hill was Kansas City's most elegant residential neighborhood, as well as the center of social and cultural activity. At the turn of the century, Quality Hill began its long, gradual decline, which was caused by the odor emanating from the stockyards directly under the bluff upon which Quality Hill is located. Although the stockyards were closed after World War II, the blight had already driven away residents and businesses. Until McCormack, Baron & Associates started development efforts, the area remained an undesirable, disintegrating urban neighborhood, suffering from the same disinvestment and dilapidated housing stock as many other urban areas across the country.

The development of the Quality Hill area consists of the restoration of thirteen (13) historic buildings, ten (10) new structures, 363 apartments, 623 off-street parking spaces, two (2) large parking garages and 52,400 square feet of commercial space. The design and development creates a unified neighborhood consistent with the historic character of the area and enhances the uniform appearance of the property. The historic structures, all built prior to 1930, are rehabilitated in accordance with the Department of Interiors' guidelines for historic preservation. The new buildings are architecturally designed to blend in with the flavor of the historic renaissance of the area. The streets have been narrowed at intersections, curbs have been realigned, landscaped median islands have been installed, and streetscape amenities consisting of large trees in decorative grates, signposts and trash receptacles have been added. The pedestrian lighting is in keeping with the historic period, as well as the brick paving of sidewalks and the special wrought iron fences defining public and private spaces.

The development of Quality Hill is a public/private joint effort between McCormack, Baron & Associates, the City of Kansas City, the Kansas City Neighborhood Alliance (a city-wide, not-for-profit group), and local corporations and foundations. Quality Hill is viewed by all as an integral part of the revitalization of the Central Business District.
2. WHAT WERE THE SIGNIFICANT DATES OF THE PROJECT'S DEVELOPMENT AND WHEN WAS IT COMPLETED?

McCormack, Baron & Associates began investigating the Quality Hill area for possible development in 1981. The initial meeting between the developer, major landowners and the Kansas City Neighborhood Alliance took place in November of 1982. The conceptual plans were submitted by Peckham, Guyton, Albers & Viets on March 30, 1983. Presentations to the City governments, banks and corporations were made in May of 1983. An Urban Development Action Grant application was filed on July 31, 1983 and was awarded on September 30, 1983. The time period from UDAG approval up until the summer of 1984 involved a series of lengthy negotiations to finalize the financial commitments made by the City, foundations, corporations, HUD and A. G. Becker, the underwriter. The Private Placement Memorandum was issued on February 12, 1985 for equity raising, followed by groundbreaking on April 24, 1985.

Our first residents moved on to the property in April of 1986. To date, 14 of the 23 buildings have been completed with the remaining 9 buildings projected for completion through July of 1987.
3. **WHAT URBAN ISSUES DID THIS PROJECT ADDRESS? WERE THERE IMPORTANT ASSOCIATED ISSUES THAT THIS PROJECT DID NOT ADDRESS?**

Quality Hill addresses a multitude of urban issues. First, it provides low to medium income housing in downtown Kansas City. Prior to the development of Quality Hill, new housing in the core of Kansas City had not been available since approximately 1930. Directly linked to this is an increased tax base for the City, and downtown businesses now have more individuals within close proximity to draw from for employment purposes. Secondly, many dilapidated and hazardous structures have been converted from dangerous, offensive structures to beautifully restored, aesthetically pleasing and useable buildings. Thirdly, hundreds of construction jobs have been made available as well as long-term permanent jobs in operating the commercial and retail space. Quality Hill also adds to the growth and vitality of downtown Kansas City. This highly visible project is located close to the City's convention center, and will be visited by hundreds of thousands of conventioneers, leaving a lasting impression of Kansas City that contributes to repeat business and/or pleasure visits.

Plans for Quality Hill Phase II are currently underway to continue the momentum of Phase I. Phase II includes a 361 space garage, an 18,000 square foot full-service grocery store, 17,000 square feet of retail space, 17,000 square feet of commercial space, a plaza area featuring a fountain and park space, and 94 housing units. The retail and commercial space will be leased to provide services and amenities such as: dry cleaners, medical offices and restaurants. Phase II will also include three-bedroom units to assist in promoting larger family sizes living in Quality Hill.
4) DESCRIBE THE FINANCING FOR THE PROJECT. WAS THERE SOMETHING PARTICULARLY UNIQUE OR INNOVATIVE ABOUT IT?

The financing for Quality Hill is indeed a unique and innovative package and is outlined in the following:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage-Revenue Bonds</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>UDAG Loan</td>
<td>$6,550,000</td>
</tr>
<tr>
<td>City of Kansas City, Missouri</td>
<td>$7,450,000</td>
</tr>
<tr>
<td>Limited Partners Capital</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>Community Consortium Loan</td>
<td>$4,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$46,000,000</strong></td>
</tr>
</tbody>
</table>

Community lenders include:

- Hall Family Foundation of Kansas City
- Boatmen's First National Bank of Kansas City
- Centerre Bank of Kansas City, N.A.
- Commerce Bank of Kansas City, N.A.
- J. E. Dunn Construction Company
- Kansas City Bank and Trust Company
- Kansas City Southern Industries, Inc.
- Mark Twain Empire Bank
- Mercantile Bank and Trust Company
- The Merchants Bank
- Payless Cashways, Inc.
- The Powell Family Foundation
- The Uhlmann Company, Inc.
- United Missouri Bank of Kansas City, N.A.
- Unitog Company
- Yellow Freight System Foundation
6) WHY DOES THIS PROJECT MERIT THE RUDY BRUNER AWARD FOR EXCELLENCE IN THE URBAN ENVIRONMENT?

Quality Hill merits recognition and praise for the superior adaptive reuse of this disintegrated neighborhood. One hundred years ago, Quality Hill was not only a fashionable neighborhood, but was also the center of social and cultural activity in Kansas City. From the turn of the century until two years ago, Quality Hill was an unsightly waste of urban Kansas City property.

The planning for the New Quality Hill was a culmination of efforts by various entities in both the public and private sector taking three years to complete. In that time, each and every facet of development was carefully thought through and the result has been a project that is accommodating to residents and businesses, aesthetically pleasing, very innovative, is successful in attaining its goals and instrumental in the revival of the entire downtown Kansas City Central Business District.

Another important reason for meriting recognition is that it is truly a public/private partnership. Representatives from both corporations and government participated equally in the planning, financing and development of this project.
5) WHAT WERE THE GOALS OF THIS PROJECT? HOW WELL WERE THEY MET?

To reiterate several of the project's goals previously discussed, the revitalization of this historically significant area provided low to medium income housing, long-term permanent employment and previously unused structures were made aesthetically pleasing and useable. Additional objectives also have been met, specifically, (1) to achieve an economic and racial balance of residents, (2) to create a long-term, viable neighborhood, and (3) to promote the involvement and interaction of residents in the community.

To date, the goals of the Quality Hill project have all been successful. The economic mixture includes income ranges of approximately $12,000/year to $75,000/year. Pride is taken in the excellent racial mix of residents as well as the high percentage of minority subcontractors employed during the construction phase. A strong neighborhood association was recently formulated for the purpose of crime prevention, introduction of new residents to the community and to promote social activity.
1. What role did you or your organization play in the development of this project? Describe the scope of involvement.

SEE SHEETS ATTACHED

2. What, if any, modifications were made to the original proposal as the project was developed? How did they come about?

3. What was the most difficult task in the development of this project?
1. WHAT ROLE DID YOU OR YOUR ORGANIZATION PLAY IN THE DEVELOPMENT OF THIS PROJECT? DESCRIBE THE SCOPE OF INVOLVEMENT.

As developer, McCormack, Baron & Associates:

A. Commissioned architects to prepare a redevelopment plan with conceptual drawings.

B. Prepared a financial proforma based upon the acquisition of 4½ blocks, the renovation of 13 historic buildings and the construction of 10 new structures.

C. Made numerous presentations to lenders in the private sector, government administrators, elected officials, Wall Street underwriters, local corporate executives and foundation grant-makers.

D. Developed and negotiated financial contracts with (1) UDAG officials, (2) Kansas City, Missouri city government, (3) the Kansas City Redevelopment Authority, (4) the first mortgage lender, Home Savings Association, (5) Bear Stearns, the underwriter, (6) the second mortgage holders, community lenders consisting of two foundations and fourteen corporations.

McCormack, Baron & Associates was the entity which solicited and obtained financial commitments from the many different financial sources. This happened after convincing key leaders in both the public and private sector this dilapidated portion of the downtown loop was worth restoring to its original purpose, residential housing.

Initial conversations with the major landowner regarding this project occurred in the Fall of 1982. A UDAG was awarded in September of 1983. Closing occurred in April of 1985 and construction began on April 24, 1985.
2. WHAT, IF ANY MODIFICATIONS WERE MADE TO THE ORIGINAL PROPOSAL AS THE PROJECT WAS DEVELOPED? HOW DID THEY COME ABOUT?

The project, from a design perspective never waivered from our initial intentions. We knew exactly what type of structures we wanted to build and which historic buildings we would be able to save. After receiving construction bids based on our design, we immediately became aware of the project's cost. Very early in this process we decided not to reduce the quality of the building materials nor to eliminate amenities. Therefore, modifications during this development process were confined largely to the financing of the project.

Enclosed is a case study of the financial and political modifications made during this project. The case study entitled "Such a Deal" was prepared by a newspaper reporter assigned to the project.
3. WHAT WAS THE MOST DIFFICULT TASK IN THE DEVELOPMENT OF THIS PROJECT?

The total project cost to revamp a major section of downtown which had been neglected for decades amounted to $40 million. It included 363 apartments and 52,400 square feet of commercial space in 13 historic structures and 10 new infill buildings. The most difficult task undertaken was to fill the financial gap created when the market rents only commanded enough revenue to retire $11 million in bonds. It took well over a year to identify the capital and methods to fill the $29 million gap. The following is a summary of the project's financing:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Revenue Bonds</td>
<td>$11,000,000</td>
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<td></td>
</tr>
<tr>
<td>(Foundations &amp; Corporations)</td>
<td>4,000,000</td>
</tr>
<tr>
<td>UDAG</td>
<td>6,550,000</td>
</tr>
<tr>
<td>Limited Partners Capital</td>
<td>11,000,000</td>
</tr>
<tr>
<td>City of Kansas City, MO</td>
<td>7,450,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$40,000,000</strong></td>
</tr>
</tbody>
</table>

Enclosed is a summary of the financial structure of the project.
4. WHAT IMPACT HAS THIS PROJECT ACTUALLY HAD ON ITS SURROUNDINGS AND THE PEOPLE IN THE PROJECT AREA? DESCRIBE ANY DATA YOU HAVE THAT SUPPORTS YOUR JUDGMENT.

The Quality Hill area prior to this development consisted of numerous vacant and/or dilapidated historic structures. Those buildings which were occupiable consisted of rooms rented by the day or the week. Of the 13 historic renovated structures, only 6 housed some tenants.

Since this area had a transient population, many people simply moved on when the project began. However, by using the Uniform Relocation Act, the few long-term residents, primarily elderly, were relocated to better living quarters and provided with sufficient cash compensation.

In the Historic Garment District directly adjacent to Quality Hill, many of the structures have been or are about to be converted to loft apartments. There are 200 units of housing scheduled for completion within the next 12 months. A section of the nearby Muehlebach Hotel is being converted to an additional 200 units of housing. The success of Quality Hill has had a direct impact in creating a downtown housing market where none existed previously.

The newspaper article, "A Neighborhood is Taking Shape in Garment District", Sunday, December 14, 1986, identifies specific buildings on the projects' periphery, which are being converted to housing.
5. WHAT CAN BE LEARNED ABOUT SUCCESSFUL URBAN DEVELOPMENT FROM THIS PROJECT?

Large scale urban development projects involving the restoration of historic structures for housing or mixed use are the most difficult because they are more non-economical. They require a strong partnership of the most influential leaders from both the public and private sector. Unlike large scale commercial projects in urban areas which are typically spearheaded by the private sector, with some government support, most residential projects of this type are initiated by the public sector. Even though well-intentioned, community organizations and/or city government can not command the capital necessary to develop such large scale quality projects. Therefore, I conclude large scale urban residential projects are best accomplished through public-private partnerships spearheaded by an experienced for-profit development company.
6. IF FIVE YEARS FROM NOW YOU WERE TO JUDGE THIS PROJECT TO BE STILL SUCCESSFUL, WHAT CHARACTERISTICS WOULD BE MOST RELEVANT TO YOU?

Kansas Citians will view downtown living as a viable opportunity. The project will be completely occupied with residents comprised of various incomes and diverse ethnic backgrounds. The residents have a sense of belonging and pride in the area, therefore recognizing it as a quality neighborhood and not a trendy enclave. In the periphery of the project area, additional housing opportunities and retail shops will be established.

The economic market will be such that revenues generated from developments are sufficient to move a project forward without subsidies from either the public or private sector.
1. What role did you play in the development of this project?

That of newspaper reporter and columnist, first for the Kansas City Times, then as real estate editor for The Kansas City Star. Both newspapers are owned by the same company.

2. From your perspective, how was this project intended to benefit the urban environment?

To transform a decayed downtown residential and commercial neighborhood into a renewed, thriving community. It was the first significant residential redevelopment project in the city's downtown core.

3. Describe your impression of the impact that this project has actually had on its surroundings and the people in the project area. Describe any data that supports your conclusions.

It's difficult to imagine any project having more impact than this one is having. It reestablishes downtown as a residential community, something that has been missing for more than 20 years. It has triggered other significant redevelopment projects and will continue to do so in the future for years to come.
Eminent domain: displacement and relocation of people; tax abatement; low interest loans. I did not participate in making them, but I reported them. There was very little negative public reaction. Everyone seemed to realize they would be necessary to achieve the redevelopment of Quality Hill. In hindsight, I am not aware of any significant changes in approach that should have been made.

That one man's junk is another man's treasure; that the wave of the future in housing does not discard the old and the worn, but places a premium upon it. That the core of the city is worth restoring and that, given the opportunity, people will choose to live there.

Occupancy rates; property values; crime rates; quality of life; maintenance; physical appearance of the property.

Also the character of community it creates, whether it contributes to the betterment of the city and stimulates additional redevelopment of nearby neighborhoods.
1. What role did you play in the development of this project?

The Historic Kansas City Foundation purchased the Coates House Hotel in 1979 after it was partially destroyed by fire. This historic structure was built by Kersey Coates 1887-1890 and was for many years was known as the most elegant hotel west of the Mississippi. It provided lodging to Presidents Cleveland, Harrison, Grant, Roosevelt and McKinley, and to numerous entertainers including Fanny Brice and Sarah Bernhardt. The Foundation held the building for five years until it was sold to McCormack, Baron & Associates as part of the Quality Hill Development Project. The Foundation also prepared the application for Quality Hill District nomination to the Kansas City Register of Historic Places. This nomination was supported by the developer.

2. From your perspective, how was this project intended to benefit the urban environment?

The Quality Hill Development Project is the catalyst for the revitalization and redevelopment of Kansas City's central business district. This project is the first large scale residential development in this area and has sparked many other residential projects in the downtown area. The urban environment has benefited from the sensitive treatment of the existing buildings and the sympathetic design of the new construction. Without this project we would still be waiting for the revival of downtown Kansas City.

3. Describe your impression of the impact that this project has actually had on its surroundings and the people in the project area. Describe any data that supports your conclusions.

The impact of this project has been to encourage other developers to provide downtown housing using existing structures. It has made downtown living the "in thing". The Garmet District which borders the Quality Hill area is rapidly being converted from empty warehouses to residential complexes and is the result of the success of the Quality Hill development.
The Quality Hill Project demonstrates that there is nothing that "can't be done" if there is vision, dedication and hard work. The Coates House which almost everyone except the Foundation and McCormack, Baron thought should be torn down will soon be the jewel in the development. Also this project demonstrates that people want to live downtown and is the key to the revitalization of the central business district.

This project after five years will be the major center for residential living built on a human scale with a sympathetic treatment of historic buildings and compatible new construction.
PERSPECTIVE/Professional Consultant

This sheet is to be filled out by those professionals who worked as consultants on the project, providing design, planning, legal, or other professional services.

If possible, answers to all questions should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. The length of answers should be limited to the area provided here.

Name: Andrew Trivers
Title: President
Address: 77 Maryland Plaza, St. Louis, Missouri 63108
Signature: [Signature]

1. What role did you or your organization play in the development of this project?

   Administration of Architectural Services during the Construction Phase of the Project.

2. From your perspective, how was this project intended to benefit the urban environment?

   Revitalization of a physically and economically depressed neighborhood.

3. What is your impression of the project’s impact on its surroundings and people in the project area? Do you have data that documents its effect? Attach supplementary material as appropriate.

   Has made the downtown business district a more attractive location for office and retail business because of the close proximity of the Quality Hill residential neighborhood. The provision of housing within walking distance paves the way for conversion of the downtown business district into a viable, 24-hour shopping, dining and entertainment experience.
Not applicable to Trivers Associates since we were not involved until the Construction Phase of the Project.

It is a successful representation of how new construction can be integrated with the rehabilitation and restoration of historic multi-family housing and together, revitalize an urban area.

It is also a fine example of successfully combining residential, commercial, rehab. and new construction into one project.

1. Racial and economic mix of residents.
2. Low crime rate.
3. Low vacancy rate, with waiting list to get into the area.
4. Interaction of neighborhood residents to form crime-watch groups, day-care centers, etc.
5. Pride in the neighborhood reflected by cleanliness of streets and sidewalks, and well-maintained condition of buildings.
6. Influx of dining, entertainment, office and shopping establishments both into the Project and into the nearby downtown area.
PERSPECTIVE/Public Agency

This sheet is to be filled out by the staff of public agencies who were directly involved in the financing, design review, or public approvals that affected this project.

If possible, answers to all questions should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. The length of answers should be limited to the area provided here.

Name JAMES I. THREATT
Agency CITY OF KANSAS CITY, MISSOURI
Title ASSISTANT CITY MANAGER
Address 29TH FLOOR - CITY HALL - 414 E. 12TH STREET
KANSAS CITY, MISSOURI 64106

Signature

1. What role did your organization play in the development of this project?

The City of Kansas City, Missouri was responsible for assembling the project site, constructing the necessary public improvements and providing direct and indirect financial assistance. The City, through its Urban Renewal Agency, purchased all property for the project from existing owners at a net cost of $4,033 million and relocated all tenants at a cost of $900,000. The City contracted the public improvements in and around the project at a cost of $3.2 million. The City provided $6.8 million in low interest, subordinated loans to assist in financing the private construction. Also the project was granted an abatement of local property taxes.

2. Describe what requirements your agency made of this project? (Such as zoning, public participation, impact statements, etc.)

The project was required to comply with the City's zoning ordinances and building codes. Because federal funds were involved in financing portion of the project the development had to comply with requirements of the Missouri State Historic Preservation Officer and the Advisory Council on Historic Preservation.

3. From your perspective, how was this project intended to benefit the urban environment? Describe how, if at all, the intentions changed over the course of the project? What trade-offs and compromises were required? How did you participate in making them? With hindsight, what would you now do differently?

The project had three basic purposes: (1) to remove one of the most serious blighting influences in the City's Central Business District (CBD); (2) to preserve the historic character of the Quality Hill Historic District, and (3) to demonstrate a market for housing in the CBD which will complement the commercial redevelopment currently underway.
Because of its newness, little hard data exists on the impact of the project on the CBD. However, several real estate developers have shown interest in developing apartment projects or mixed use commercial and residential projects. In the Wholesale Historic District immediately adjacent to Quality Hill several projects are planned or are under construction to convert loft-type warehouse buildings to apartments. Demand has been so strong for existing units that a waiting list has been established, and a second phase will include condominiums.

The principal lesson for replicability is the melding of public and private sector planning, management, and financing in a creative and cooperative manner. Each supplied the other in unusual ways - for example, the City actively participated in the private participation financing which placed $11,000,000 in one week. Secondly, the scale of the project - over 350 units - in a downtown location is unprecedented for a City the size of Kansas City - 400,000+. The respect for the historicity of the area adjacent to many new construction projects in the CBD is also unique.

1. Stable middle-income "neighborhood" in the midst of the CBD.
2. Expansion of supportive commercial and retail facilities on a neighborhood scale.
3. Stimulation of 24 hour per day activity throughout the CBD as a result of stable residential population.
4. Conversion of some units from rental to homeowner (condominiums).
5. Other complementary residential projects built in the CBD.