



Community Initiated Development

Casey Woods

Emporia Main Street

Emporia, Kansas

CID- What is it?

- Community Initiated Development is an asset based implementation plan designed to enhance current appropriate architecture, supplement an area with additional development and create great spaces that enhance density and provide an environment in which sustainable growth can occur.



CID- What isn't it?

- A bunch of old rich white men sitting in a smoke filled room deciding what your community should look like via a secret meeting.



A GREAT WAY TO RUIN FRIENDSHIPS

- An unrealistic thought exercise that will inevitably take its place on the dusty bookshelf of plans that never came to fruition.

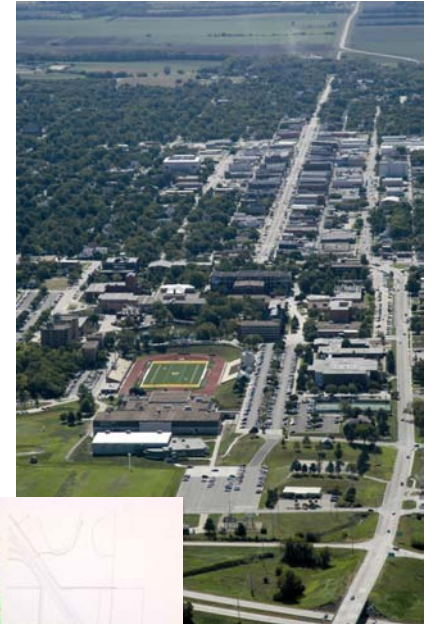
Current State

- Water and Sewer Systems
- Electric Grid
- Roads, sidewalks & other transport
- Building Conditions
- Vacancy Rates (upper & lower stories)
- Occupancy Types
- White Elephants



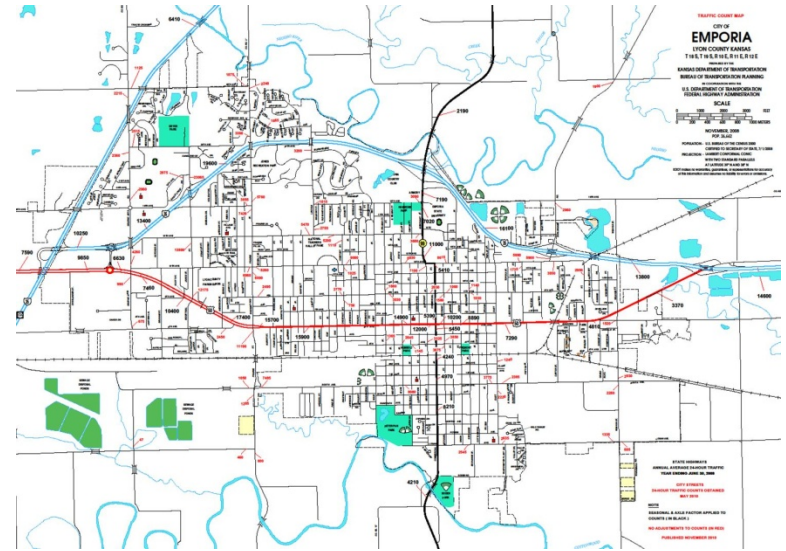
Existing Assets

- Large employers
- Government Centers
- Colleges/Schools
- Anchor Businesses (caution)
- Recreational facilities
- Entertainment venues
- Density



Collect Data to Keep the Process “Real”

- DOT Traffic Studies
- Capture Surveys
- Esri data
- Target surveys
- Determine actual market capacity
- Identify lead assets and niches
- Focus on sustainability
- What do the “doers” want to do?



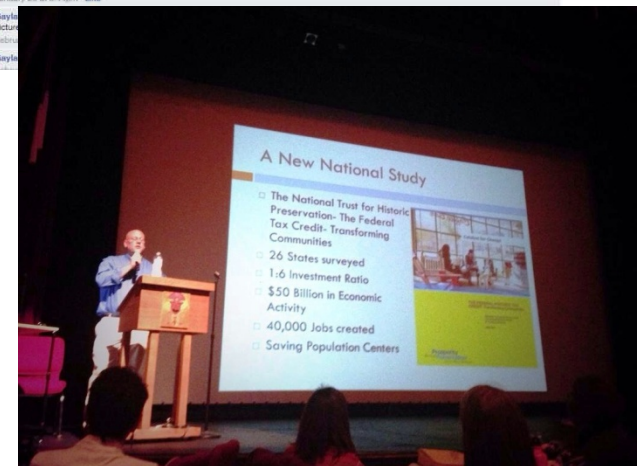
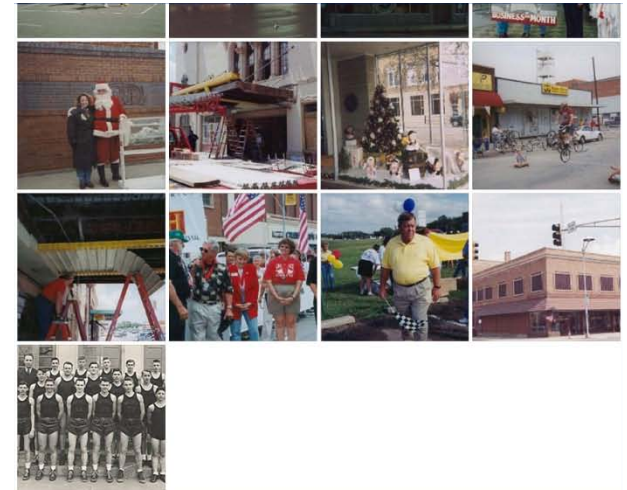
Identify Help for Implementation

- Architects
- Engineers
- Contractors
- Government Agencies
- Economic Development Organizations *
- Real Estate Companies
- Bankers



Create Ownership of the Project

- The community is the ultimate owner
- Utilize Media
- Social Organizations
- Electronic Media Responses
- Geographic Targeting
- Craft Simple Messages
- Use Attractive Graphics
- Balance Data and Emotion



Speaking the Development Language

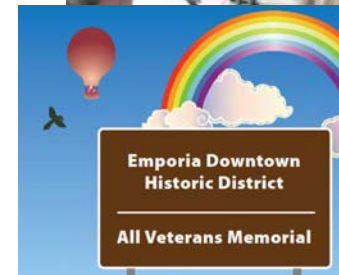
- Covering “The Nut”
- Abatements vs. Rebates
- Master Developer Agreements
- Speculative vs. Non-Speculative
- Convertible Equity
- ADA
- Per square foot rent rate
- Debt Service

Term/Firm:	20 years	Loan to Cost	93.00%
		Required Equity	17.00%
PROPERTY INFORMATION:			
Gross SF	40,000	Equity Amount	\$ 1,014,680
Rentable SF:	38,000	Bond Amount	\$ 4,952,635
Usable SF	38,000	Interest Rate	5.00%
Land Lease	0	Amortization	20
Land Lease Expense:		Debt Term	10
Annual Rent per SF (in 00's)	\$ -	Loan Constant	7.92%
Inflation:	2.00%	Net Operating Income (Yr 1)	\$ 345,601
Dev Cap Rate	5.81%	Debt Service	\$ 299,198
		Debt Service Coverage	1.16x
CONSTRUCTION LOAN ASSUMPTIONS			
Loan to Cost	85.00%		
Required Equity	15.00%		
Floating Interest Rate	4.00%	Libor Based	
Loan Amount	\$ 4,952,635		
Equity Amount	\$ 873,994		
EQUITY / ANNUAL RETURN ON EQUITY			
Project Costs		\$ 5,967,315	
1st Year NOI		346,601	

		(Equity:	15%		; Term:	10		; Amort:	20)											
	PROFORMA PER NRSF:																				
	Gross Rent	\$	11.42	\$	11.53	\$	11.64	\$	11.76	\$	11.88	\$	12.00	\$	12.12	\$	12.24	\$	12.36	\$	12.48
	Ground Lease		2.77		2.80		2.82		2.85		2.88		2.91		2.94		2.97		3.00		3.03
	Net Opr Income	\$	14.78	\$	14.93	\$	15.08	\$	15.23	\$	15.38	\$	15.54	\$	15.69	\$	15.85	\$	16.01	\$	16.17
	NET OPERATING INCOME:																				
	Gross Rent	\$	456,600	\$	461,166	\$	465,778	\$	470,435	\$	475,140	\$	479,891	\$	484,690	\$	489,537	\$	494,432	\$	499,375
	Incentives Reimbursement		105,160		106,211		107,273		108,346		109,430		110,524		111,629		112,745		113,873		115,005
	Total Income	\$	561,760	\$	567,377	\$	573,051	\$	578,781	\$	584,569	\$	590,415	\$	596,319	\$	602,282	\$	608,305	\$	614,380
	Expenses		215,159		219,462		223,851		228,328		232,895		237,552		242,304		247,150		252,093		257,025
	Net Opr Inc after Reserves	\$	346,601	\$	347,915	\$	349,200	\$	350,453	\$	351,675	\$	352,863	\$	354,016	\$	355,133	\$	356,213	\$	357,285
	Debt Svc Cov		1.16x		1.16x		1.17x		1.17x		1.18x		1.18x		1.18x		1.19x		1.19x		1.19x
	Total Debt Svc	\$	299,198	\$	299,198	\$	299,198	\$	299,198	\$	299,198	\$	299,198	\$	299,198	\$	299,198	\$	299,198	\$	299,198
	Cash Flow After Debt Svc	\$	47,403	\$	48,718	\$	50,002	\$	51,256	\$	52,477	\$	53,665	\$	54,818	\$	55,935	\$	57,015	\$	58,059
	12% Return to Pref Equity (A-Member)	\$	121,762	\$	121,762	\$	121,762	\$	121,762	\$	121,762	\$	121,762	\$	121,762	\$	121,762	\$	121,762	\$	121,762
	Return to B-Member Equity	\$	(74,358)	\$	(73,044)	\$	(71,759)	\$	(70,506)	\$	(69,285)	\$	(68,097)	\$	(66,944)	\$	(65,827)	\$	(64,747)	\$	(63,699)

I- Public Data Collection

- Find Electronic and paper survey formats
- Charrette
- Diverse Community Conversations
- Public Outreach
- This portion never stops
- Remember- CID is about CHANGE
- Highlight ALL “wins”
- Quarterly Reporting/After Event Reporting
- “Did you know” responses



6426 SW 8th Avenue
Topeka, KS 66615
PHONE 785-272-8881
FAX 785-272-8882
info@khsa.org
Kansas
Kansas Historical Society
Susan Reynolds, Governor
Janice Olson, Executive Director

MEMORANDUM

TO: Casey Woods, Emporia Main Street
FROM: Sarah Martin, National Register Coordinator, Kansas Historical Society
DATE: August 12, 2013
SUBJECT: Emporia Downtown Historic District

This correspondence is in response to your request for clarification regarding National Register-listed properties and insurance coverage.

The National Register of Historic Places is a program of the National Park Service. The Kansas Historical Society administers the National Register program in Kansas and also the Register of Historic Kansas Places (state register). Listing in these registers places no obligations on private property owners, and there are no restrictions on the use, treatment, transfer, or disposition of private property. It does not lead to public acquisition or require public access.

Should a property that is listed in these registers become damaged or be destroyed, there is no state or federal requirement that the property be rebuilt or repaired to reflect its historic appearance. In fact, if a registered property has been significantly damaged or destroyed to the point that it has lost the historic characteristics for which it was nominated to the registers, it will be removed from the registers. Additionally, there is no state or federal requirement that a particular contractor be used to make repairs.

Our office administers financial incentive programs to assist owners of registered properties with maintenance and rehabilitation costs. To learn more about these programs, visit our website at khsa.org.

Please do not hesitate to contact me at 785-272-8881 ext. 216 or smartin@khsa.org.

I- Support (not control) of the Process

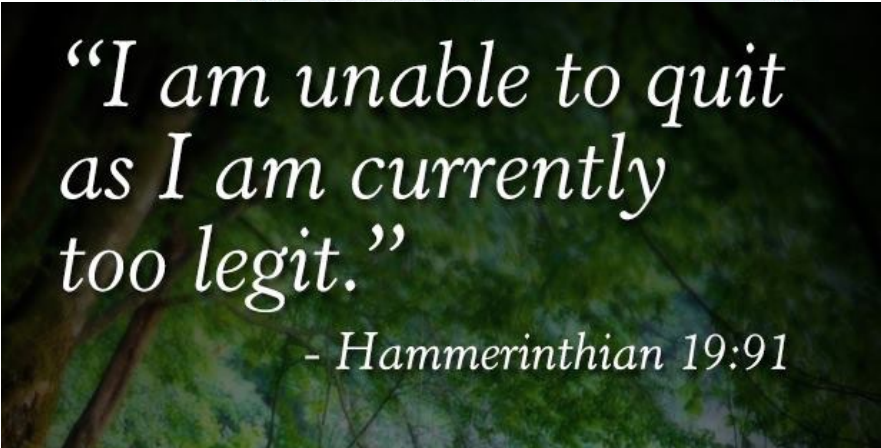
- Be prepared to hear some things you might not like
- Create systems that encourage input, but don't control input (within reason)
- Educate on topics like market and costs
- The goal is projects completed, not study participation
- People get the right to gripe if they take the responsibility to actually do something

EXISTING MARKET GAPS¹

Top 15 Categories	Total Potential
Automotive Dealers	\$12,804,005
Building Material and Supply Dealers	\$5,608,295
Full Service Restaurants	\$5,038,148
Other Motor Vehicle Dealers	\$3,635,469
Electronics and Appliance Stores	\$3,108,323
Clothing Stores (New)	\$2,951,936
Limited Service Eating Places	\$2,832,962
Other Miscellaneous Store Retailers	\$1,282,902
Drinking Places- Alcoholic Beverages	\$943,303
Book, Periodical & Music Stores	\$839,083
Sporting Goods, Hobby, Musical Instruments	\$730,863
Home Furnishing Stores	\$652,810
Jewelry, Luggage & Leather Goods	\$352,519
Shoe Stores	\$336,378
Office Supplies, Stationary & Gift Stores	\$216,785

EMPORIA STATE UNIVERSITY AND EMPORIA HIGH SCHOOL SURVEY HIGHLIGHTS²

ESU Most Requested Businesses	Response Ratio
Retail - Clothing	70%
Retail - Entertainment/Games	58%

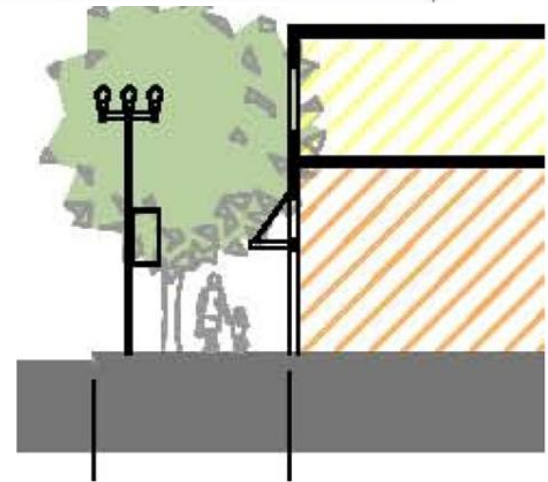


*“I am unable to quit
as I am currently
too legit.”*

- Hammerintheian 19:91

II- Design Guidelines

- Uniform Set Backs
- Materials
- Height
- Preservation Minded
- Encourage outdoor usage
- Designed for pedestrians
- Safety through usage



II- Importance of interconnectivity

- Bikes, pedestrians and vehicles should intersect with your core, not bypass it
- How do people move through your area?
- Think beyond single use per trip
- What would make you “hang out”?
- Stay away from “purpose built”
- Pedestrian “stop signs”



II- Aesthetics

- Make your core look like it is valued
- Look “up”
- Windows should be windows...
- Bent, broken and missing...
- Think “long lasting”
- Community ownership
- Community investment usually follows elbow grease



II- Historic

- Dispelling myths and rumors
- Embracing architecture
- Merging tech and emotion
- Making the economic case
- “Better than what we had” isn’t good enough
- But... Not everything is historic
 - Flexibility is key
- Creating an integrated fabric- not a fake “theme”

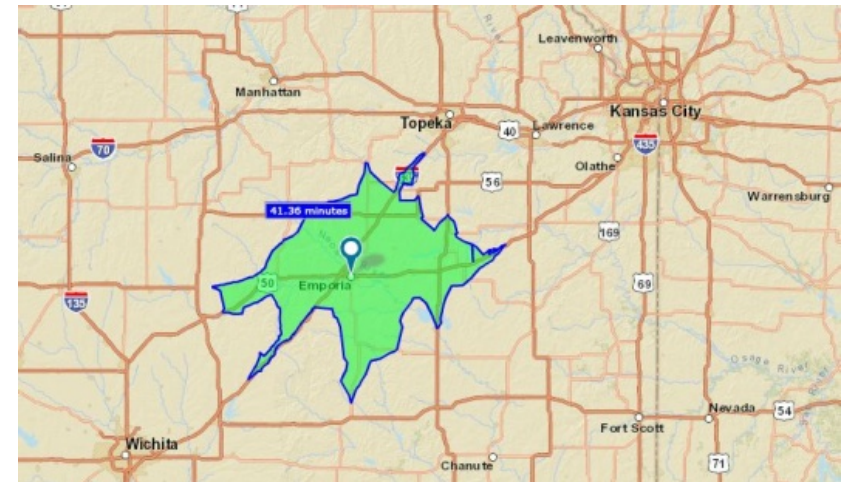
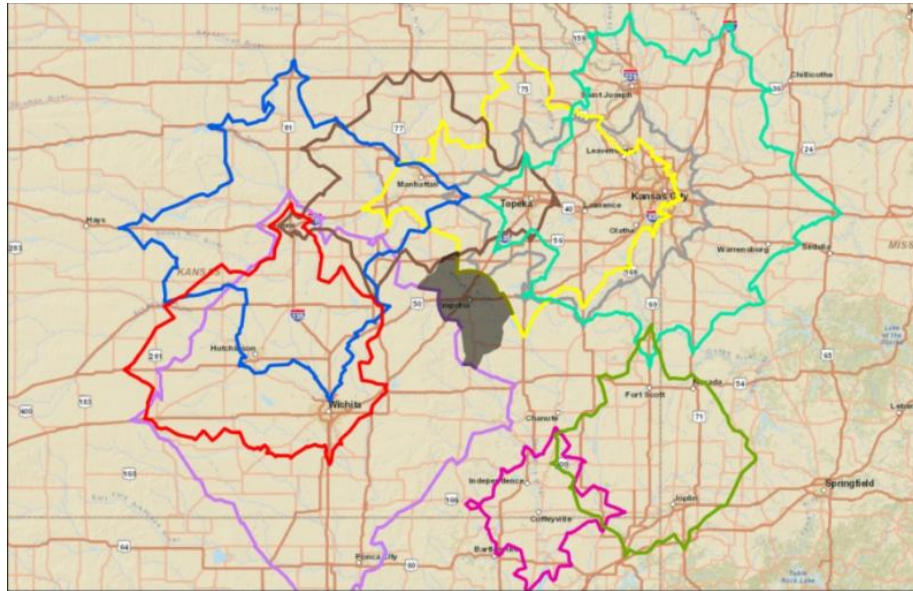


II- Area Adoption

- We can put whatever on paper, but without buy in, who cares?
- Identify those that implement
- Educate those that can profit
- Recruit conduits
- Differentiate your action planning from the other thousand studies collecting dust



III- What is your actual market?



$$B = \frac{D_{ij}}{1 + \sqrt{\frac{P_i \times C_i}{P_j \times C_j}}} \quad (1)$$

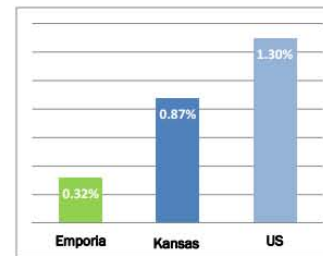
III- Housing Studies

- Density
- Rent Rates
- Current Housing Stock
- Optimum reuse (low hanging fruit)
- What do you lack (stratification)
- Mixed use infill
- Behavioral changes in market- driving

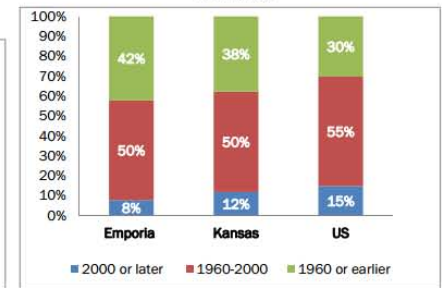
Housing Market Conditions

Data for the existing housing market shows an underdeveloped real estate market. The low growth rate of housing unit construction and the aging supply of housing stock within the City of Emporia indicates an urgent demand for new housing units.

The Growth Rate of Housing Units (2000-2010)



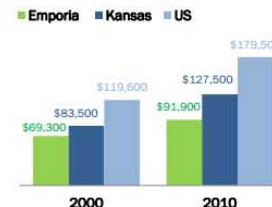
Building Age



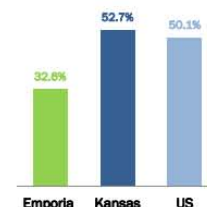
• 70% of all residential units in Emporia were built more than 33 years ago. Source: US Census

Citywide, the median home value and the growth in home values has significantly lagged behind the statewide and national trends. The lower home values presumably indicate aging and lower quality housing stock that is more affordable for households with low to moderate incomes. This presumption is confirmed in the lower than average homeowner vacancy rate.

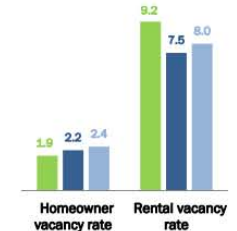
Median Home Value



Growth Rate of Home Value (2000-2010)

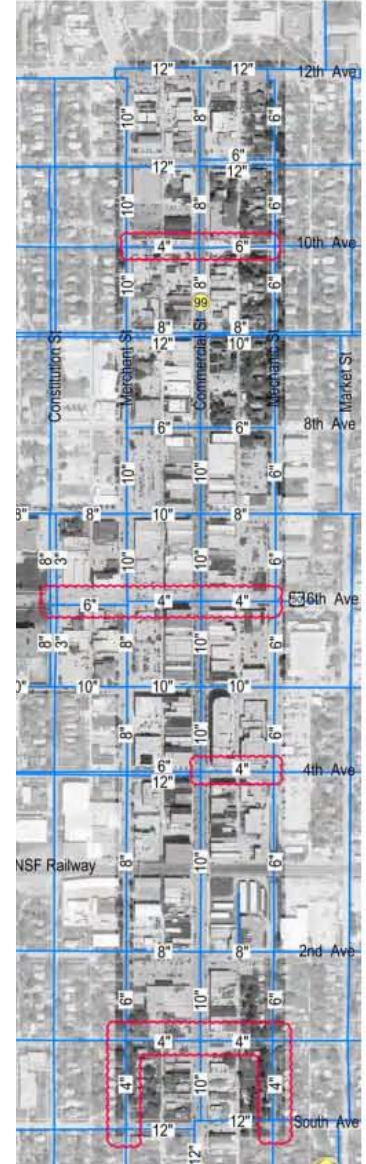


Residential Unit Occupancy Rates



III- Infrastructure Upgrades

- Infrastructure deficiencies can limit the types of development achievable
- Water
- Sanitary Sewer
- Drainage Systems
- Alley's & Sidewalks
- Power
- Parking



III- Future Anchors



- The first question of economic development: “What would be awesome right next to you?”
- Enhancements to existing anchors
- Density of like businesses within a sub-district
- Planned pathways
- The rule of four
- Maintain fabric-interconnection



Figure 1.1 Downtown Use Districts

III- Integration

- Adaptively reusable
- Recruit and market to same use or shared demographics/ psychographics
- No “starchitects”
- Opportunities from changing traffic patterns
- Public amenity creation
- Minor planning adjustments must be made, but stay true to the core
- We are links in a chain- leave things in a better place for the next director



III-b- Incentives

- What is available in your core?
- What actually works?
- What is ONLY available in the core?
- Investment thresholds
- Beyond monetary (time, expertise)
- You can't lead with incentives
- Communities can prioritize



III-b- Legislative

- Revitalization areas
- Master Developer Agreements
- Historic District formation
- Chronically Vacant Property Ordinances
- Property Tax Collections
- Modified Egress Agreements
- Horizontal Lot Lines (with covenants)
- Eminent Domain

[illegible]

III-b- Logistical Support

- Developments can take a lot of staff time
- Code/zoning familiarity
- Code Teams
- Pre-negotiated processes
- Data in a handy format
- Anchors prepared to sit with a prospect
- Site selection tours with infrastructure experts



III-b- Entrepreneurial Capacity

- “Like” business styles generally work in concert with one another
- Most cores need entrepreneurs (and most entrepreneurs need cores
- Educational Support
- Logistical Support
- Finance
- Market knowledge



Become your own boss this year.

AT FHTC, WE BELIEVE IN A THREE-LEVEL APPROACH TO MAKING YOU A SUCCESSFUL BUSINESS OWNER: MASTER A SKILL, GET THE EDUCATION YOU NEED TO RUN A BUSINESS, AND EXPAND YOUR BUSINESS THROUGH THE USE OF THE MANY TOOLS AND RESOURCES AVAILABLE IN OUR REGION.

Sessions for the course include: Your Business Plan, Market Research, Licensing & Insurance, Business Financing, Accounting & Taxes, Human Resources, Daily Operations, Business Expansion, E-Commerce, and more.

For this course, we have partnered with Emporia Main Street and the ESU Small Business Development Center to offer a comprehensive training program for potential and current small business owners who bring talent and opportunity to our business community.

Our goal is to show you the resources and knowledge to make you successful. Your training and support only begins with this course. Graduates of SYOB will be eligible to apply for several financial opportunities to make starting a business more affordable and successful.

COURSE DETAILS:

Start Your Own Business (BUS 251)

February 3 through March 12, 2015
Tuesdays & Thursdays | 6 p.m. to 9 p.m.
Flint Hills Technical College Main Campus

The tuition and enrollment fees are \$290. Limited scholarships from ESB Financial will drop tuition & fees to \$100. SYOB is a 2 credit hour class.

Space is limited—call to enroll now!
Amy Becker at 620.341.1392
or email abecker@fhfc.edu



**FLINT HILLS
TECHNICAL
COLLEGE**

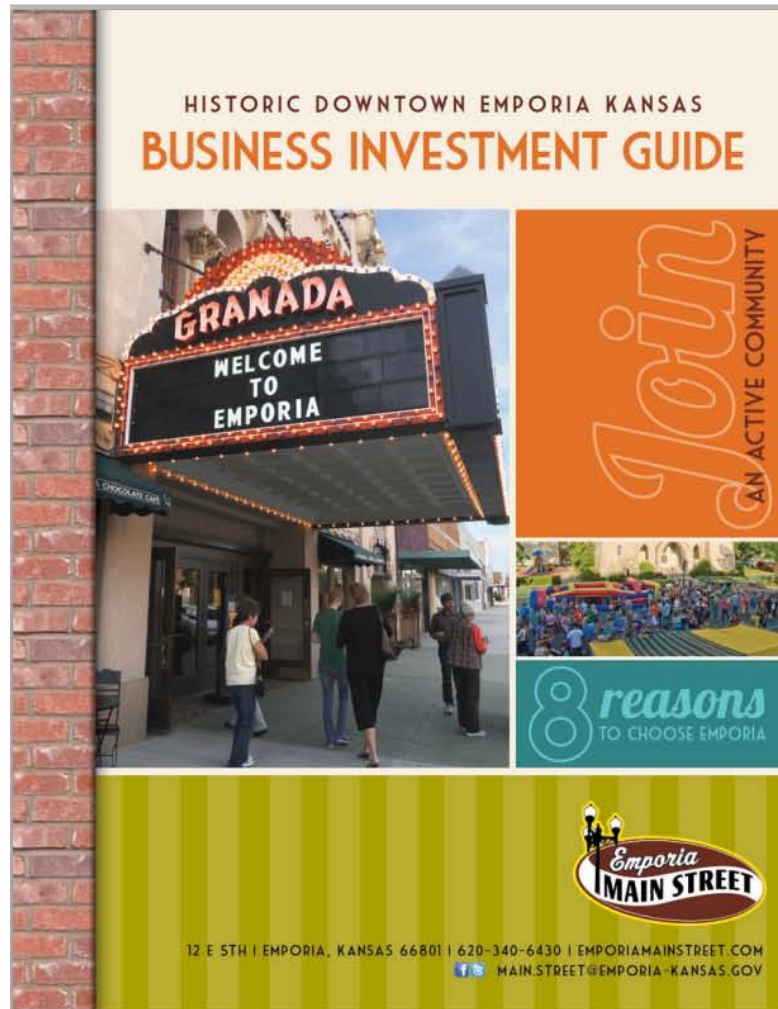
fhfc.edu | askus@fhfc.edu
620.343.4600 | 800.711.6947
3301 West 18th Avenue
Emporia, Kansas 66801-5957

III-b- Pretty Pictures

- Most of us are visual advocates
- Elevations of concepts in their proposed environment
- Pre-Vetting projects publicly
- Prevents **some** of the “good ol’ boy” accusations
- Detailed concepts help eliminate substandard development before it starts



IV- Business Investment Guide



<http://www.emporiainmainstreet.com/wp-content/uploads/2015/03/2015-Business-Investment-Guide.pdf>

IV- CID Document

COMMUNITY INITIATED DEVELOPMENT

DRAFT PHASE 3 PLAN

February 2014



KDOT Project Number 106 P-0768-13

Prepared for: City of Emporia, Kansas
Emporia Main Street
Kansas Department of Transportation
Kansas Department of Commerce



Emporia Downtown , Kansas

1102 Commercial Street

Proposed Mixed-Use Development

Total SF = 30,000 SF

1 FLOOR - Commercial/ Retail

2 FLOOR - Student Housing

3 FLOOR - Student Housing

PARKING - 51 parking spots

Cost

+/- \$3.5 million

+/- \$15,000 monthly debt

Existing Conditions



Proposed Mixed-Use Development



Key Map



<http://www.emporiainstreet.com/wp-content/uploads/2012/03/CID-III-Plan-Final-Complete-Document.pdf>

IV- Defining Success

- Establish Metrics
 - Primary
 - Secondary
- Distinguish Development Types
- Define Timeline Goals
- Prioritize Catalysts
- Gauge Support

***Change
is inevitable.***

***Growth
is optional.***

IV- Establish Metrics

- Permit Dollars
- Buildings Sold
- Net Businesses Created
- Net Jobs Created
- Businesses moving into/out of the core
- Housing Units Created
- Traffic & Sales
- Secondary ethereal metrics

PAGE 1

KANSAS MAIN STREET				
QUARTERLY ECONOMIC REPORT Insert quarter date here				
QUARTER ENDING: January 2015				
CITY: Emporia				
EXECUTIVE DIRECTOR: Casey Woods				
I N V E S T M E N T	1. FACADE RENOVATIONS			
	Name	Address	Amount Invested	
	TOTAL			\$0.00
	2. OTHER BUILDING REHABILITATION PROJECTS AND NEW CONSTRUCTION			
Name	Address	Amount Invested	Source of Funds	
Greg Seibel	526 Commercial Street	\$7,900	private	
Kevin Nelson	1121 Commercial Street	\$8,900	private	
Rich Avery	1120 Commercial Street	\$20,000	private	
Humanitarian Center	215 W. 6th Ave.	\$79,124	private	
Lyon County	430 Commercial Street	\$5,000	public	
Modern Air	106 Commercial Street	\$24,950	private	
Jim Brady	628 Commercial Street	\$16,000	private	
Cory Haag	427 Merchant Street	\$4,100	private	
Tamara Walker	323 Commercial Street	\$5,500	private	
TOTAL			\$171,474	

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MONTH ENDING: January, 2014		CITY: Emporia	EXECUTIVE DIRECTOR: Casey Wo
3. BUILDINGS SOLD			
Name	Address	Amount Invested	Source of Funds
Kelly House	1024 Commercial	\$81,000.00	private
Kelly House 2	1018 Commercial	\$81,000	private
Haag Demo	18 E. 10th	\$30,000	private
Haag Demo	1005 Mechanic	\$15,000	private
Haag Demo	1009 Mechanic	\$57,000.00	private
Haag Demo	1013 Mechanic	\$69,000.00	private
Ocampo	342 Commercial	\$25,000.00	private
Beer 30	402 Merchant	\$200,000.00	private
DMS Productions	727 Commercial	\$165,000	private
TOTAL			\$723,000.00
4. PUBLIC IMPROVEMENTS			
Name	Address	Amount Invested	Source of Funds
TOTAL			\$0

IV- Prioritize Catalysts

- Housing “40%” rule
- Destination Properties
- Unique Amenities
- “Feeder” Projects
- Eyesore Elimination
- Asset Coupling
- Cool factor
- BUT, they have to make money! Projects stop when projects fail...



Broadview

Historic

Before

After



● A mixed use building containing senior living in upper stories, the Broadview's historic renovation was completed in 2012. The renovation utilized historic tax credits, senior living tax credits, demolished an adjacent dilapidated property, and contains a popular first floor restaurant. The Broadview project was the first development to utilize incentives associated with the formation of the Emporia Downtown Historic District.

Granada Plaza and Lofts



- This three story mixed use development acquired its name from our renovated historic Granada Theatre and was inspired by CID Phase I findings.



- The project was completed in 2009, and contains 11 apartments, a restaurant and two service businesses.

Kellogg Plaza and Lofts

Before



● This three story mixed use development is one block from our downtown adjacent University. It replaced a dilapidated residence in a commercially zoned area and was inspired by CID Phase II.

● The Kellogg was completed in 2012 and contains 12 apartments and three commercial first floor spaces. The development helped up solidify a “Black & Gold Zone” concept.

After



Moon Title and Escrow

Before



- Completed in 2013

After



- Moon Title and Escrow represents the conversion of a “non-contributing” building in a historic district to a “contributor”. The multi-use work space utilized zero interest revolving loans, evoked the NRA and absorbed historic tax credits as part of their renovation finance. Business has increased and employee morale has improved in the renovated facility.

Non-Historic Rehabs

Before

After



Local businesses, contractors and architects are adopting design standards with encouragement from the city.



Before

After



The Chelsea Lofts

Before



● The Chelsea will add 49 residential units in a “U” shaped building with first floor commercial. Increased residents will boost area business & the parking addition will solve a tricky infrastructure issue.

● CID Phase III identified the market capacity for housing & commercial space.



In Development



- The Herford building was once a car dealership that went through an unfortunate transition to a Dollar Store. A new conversion will create full usage of the building as a call center with three lower level retail bays.

- The Bourbon Cowboy is a historic rehab project that utilizes a former JC Penny building as an entertainment venue within walking distance from Emporia State University.



- The 714-718 Commercial Building is another former car dealership in the process of historic rehabilitation. The upper story will become loft apartments, while the lower story will become an open floor format with retail and service options working in concert.

The Breckenridge



Coming Soon!



●The Breckenridge Hotel & Convention Center is an abandoned former High School on the west edge of the downtown being converted into an 87 room hotel and 500 person convention center scheduled to open in 2017.

Questions?

