

How Kansas City's Power & Light District Ignites Communities With Live, Work, Play Areas

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In the 1940s and 1950s, the urban lifestyle was preferred by many Americans. People shopped local whether for groceries, clothes, or other day-to-day needs. It wasn't uncommon to have a coffee shop within walking distance. Bars and restaurants may be located downstairs, not across town.

The American love affair with mixed-use development is nothing new. Cities, large and small, stacked buildings with multiple purposes into one area, giving people the ability to take care of all their needs and build a community within a short walking distance. What changed? The emergence of affordable automobile travel led a pied-piper-like movement to the suburbs for the promise of more land and safer neighborhoods.

However, in the last decade, the pendulum has swung back towards communities that provide walking access to a variety of amenities. In a study conducted by the International Council of Shopping Centers, 78 percent of adults and 85 percent of millennials said they would consider moving to an area that had working, shopping, and "play" amenities nearby. The latter stat is particularly important for city leaders and developers as millennials make up 28 percent of homebuyers, according to a report from the National Association of REALTORS.

In response to this trend, mixed-use developments are sprouting in cities of various sizes and demographics. Whether it's the fountains and brick facades of Branson Landing in Missouri or the posh feel of Brickell City Centre near South Beach in Miami, these areas serve the primary purposes of enhancing the quality of life of residents and driving revenue from visitors.

One of the most successful examples of mixed-use areas is the Kansas City Power & Light District (KCP&L), a dining, shopping, office, and entertainment district in Downtown Kansas City, Missouri. The \$850 million district—named after the art deco Kansas City Power and Light Building—comprises nine blocks on the south side of the downtown loop and is one of the largest development projects in the Midwestern United States. It includes more than 50 bars, restaurants, and shops, and a one-block entertainment area called KC Live! that contains two floors of bars and restaurants, as well as a covered outdoor courtyard and concert venue. KC Live! hosts more than 150 free events annually and is directly across the street from the T-Mobile Center, one of the nation's busiest arenas.



Image courtesy of The Cordish Companies

The KC Power & Light District Story

The impetus for the project, which kicked off 15 years ago, was the decision by Big 12 (then Big 8) Conference organizers to move their basketball tournament from Downtown Kansas City. “At that time, there really wasn’t a lot going on,” explains Rob Hunden, president and CEO of Chicago-based Hunden Partners, a real estate development advisory practice that worked with the city’s Economic Development Commission on an analysis of the initial proposal for development.

“Downtown was mostly surface parking lots and government buildings and [after the loss of the tournament] there was concern about the center, the heartbeat of the community, being hollowed out. The city was also losing conventions at the Kansas City Convention Center.”

In short, the mission was to fix and expand the convention center and to build hotels within walking distance. Moreover, “there was a need to create a district to tie it all together so that when people came out of the convention center or came downtown for a concert, there would be something fun to do before and after, and all the times between events,” Hunden says. “We wanted this to be a place where residents will want to go, where downtown workers will want to be, and where people will purposely want to live. All of these projects, when taken together, created incredible synergy and are driving this live-work-play-visit energy that exists today.”

KCP&L has attracted more than 95 million visitors over the past decade and was instrumental in igniting the revitalization of Downtown Kansas City. In KCP&L’s annual community impact report, Kathy Nelson, the president and CEO of Visit KC and the Kansas City Sports Commission said this of the development, “As we continue attracting large conventions to Kansas City, the Power & Light District is an important

amenity for guests staying downtown. The combination of local restaurants, bars, and entertainment venues creates a multifaceted offering for business travelers, tourists, and Kansas Citians looking to experience the best of our city center.”

KCP&L has also been a key driver in the local real estate market. Since its opening, The Cordish Companies, the developer responsible for KCP&L, has also built three luxury towers: One Light, Two Light, and, in 2023, Three Light. The tower trio added nearly 900 homes to the area and along with other development projects have helped Kansas City establish itself as a destination for new residents as well. John Moncke, KCP&L’s president, told local news station KSHB 41 that the city now draws 60 percent of Downtown Kansas City’s building residents from “out of the market.” In KCP&L’s community impact report, the development states that more than 30,000 people call the area home, a 75 percent increase from 2020.

In a press release regarding Three Light, Brian Platt, city manager of Kansas City said, “The real estate market in Kansas City is strong and continuing to build momentum, and we look forward to future mixed-income developments here that also include workforce and affordable housing.”



Image courtesy of The Cordish Companies

Mixed-Use Developments Bring Value to Forgotten Areas

Throughout the United States, mixed-use developments are serving cities in a variety of ways. For Kansas City, KCP&L is driving tourists and residents to its downtown area. In other cities, these developments are becoming increasingly valuable because of their ability to change perceptions of overlooked communities. In Fairfax County, Virginia, the Lorton Correctional Complex, a 3,500-acre correctional facility dating back to 1910, was considered one of the nation’s toughest prisons. This led many to view Lorton, Virginia as an undesirable place to live. In a *Washington Post* article from 2016, Rep. Gerry E. Connolly (D-Va.) pointed to the prison’s closing in 2001 as a turning point for the community and said prior to that people were “desperate” to not have a Lorton address.

Today, the majority of the correctional complex has been reimagined as Liberty Crest Apartments, a \$188 million project that, through two phases of development, has produced nearly 200 homes, the Liberty Market with 40,000 square feet of retail space, and Liberty Green, a park and concert venue. Liberty Crest is a centerpiece in a development that now includes three schools, a park, a network of trails, the Harmony at Spring Hill, a senior living community, and the Workhouse Arts Center.

For residents, mixed-use developments work because they often align with a growing consumer desire for inclusive living spaces. “If you create a great place, people aren’t going to want to work from home, they’re going to want to work from the office because they’re part of a great location,” said Hunden.

Considerations for Cities

For a mixed-use district to succeed and be sustainable long-term, diversity and inclusion are crucial because they equal authenticity. “It’s not a mission statement, it’s a success factor,” says Hunden. “The idea is to create something that reflects who you want to be, not who everybody else is. A mixed-use district should be a reflection of its people and place and should involve local entrepreneurs. It should be compelling and interesting, not a typical collection of national chains. That type of diversity is critical.”

At KCP&L, that’s reflected in the presence of their distinct set of homegrown and regional businesses, including County Road Ice House BBQ & Bar, Cosentino’s Market, and Posh KC.

Additionally, city leadership should understand that creating mixed-use districts takes a lot of time, energy, and money, and while the process isn’t quick or easy, it’s worth it. “A lot of times people feel, ‘it shouldn’t be this hard, there shouldn’t be a public subsidy, and we can do this overnight,’ but those things just aren’t true,” notes Hunden.



Image courtesy of The Cordish Companies

Funding Mixed-Use Development: The Biggest Consideration

Regarding funding mixed-use projects, the rules, opportunities, and tools that each community has are different across the country and are usually dictated by state legislation.

“Typically, what we see is that every compelling project uses multiple funding tools to help make a deal happen,” Hunden explains. “Oftentimes, we want to start with what we call project-generated financing. For example, every project generates a variety of taxes including sales, hotel, food and beverage, property, and income. There are many different types of taxes that, for the existence of this development, would not exist. We can rationalize reinvesting those project-generated taxes back into the project. So, let’s use the first 10 to 15 to 20 years of taxes generated by this project to get it off the ground, and after that, it’s all gravy to the city because [the project] will be on the tax rolls. In the end, you get the benefit of all the jobs and other activities that the project is creating.”

In the case of KCP&L, public-private partnerships were a prominent component of funding. “It’s easier to lease up something to a nationally branded ‘XYZ’ than it is to create something authentic, and therein lies the rub,” says Hunden. “The public sector

has to prime the pump to help create critical mass with the private sector developer, so all of a sudden, you're coming out of the ground with something that has critical mass and in fact induces lots of demand. You can't just start off with one little coffee shop and think that's going to start attracting people overnight. It's a long process. You can't change who you are, but you can add to who you are."

Advice for Cities

In the case of the KCP&L project, a huge effort was required by the city, including generating nine different revenue streams, and the tireless work of dedicated leaders and many people coming together to make it happen. "Downtown has been transformed and it is a great example of what can be accomplished even when you think there's no way."

Hunden also points out that it doesn't matter how big or small a city is—what counts is the ability to put key ingredients together to create a compelling, transformative place. "It's about the alchemy of trying to make sure you're filling day and nighttime hours and days of week and months of the year with concurrent and related activities that support each other. So that's why we talk about live, work, play, visit, and enjoy."

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