MINUTES

Audio Tape No. 586-7

The Governing Body of the City of Leawood, Kansas, met for a Governing Body Meeting at City Hall, 4800 Town Center Drive, at 7:00 P.M. on Monday, May 12, 2003. Mayor Peggy Dunn presided.

Councilmembers present: Louis Rasmussen, Mike Gill, Gary L. Bussing, Scott Gulledge, James E. Taylor, Sr., Shelby Story, Patrick Dunn, and Jim Rawlings.

Councilmembers absent: None

Staff present:
Scott Lambers, City Administrator
Chris Claxton, Dir., Parks & Recreation
Sid Mitchell, Chief, Police Department
Ben Florence, Chief, Fire Department
David Ley, City Engineer
Diane Binckley, Dir., Planning & Development

Patty Bennett, City Attorney
Shannon Marcano, Ass’t. City Attorney
Karl Weinfurter, Info Systems Spec.
Deb Harper, City Clerk
Emily Gleasure, Deputy City Clerk

[from April 22, 2003, Planning Commission meeting]
1. Ordinance approving rezoning request from REC to R-1 preliminary plat and preliminary site plan for property located at 8901 Sagamore, [Leawood Country Club] [Estates of Old Leawood]

Mayor Dunn called the meeting to order at 7:00 P.M.

Mayor Dunn stated that on the previous day, Sunday, May 11, 2003, each member of the Governing Body had received a large packet of material from Doug Patterson, attorney for the applicant. She stated she wished to have that information made part of the public record.

Councilmember Dunn commented on the voluminous amount of information given to the Councilmembers at the last minute. Councilmember Dunn stated there were at least 37 pages of information that had not been before the public, staff or Planning Commission previously. He stated he felt it was inappropriate for the Governing Body to utilize the information in making a decision tonight, leaving two alternatives: 1) the Governing Body be directed to not consider the latest submitted information and the applicant not present arguments based upon the information, or, 2) this matter be continued to such time that all parties had sufficient time to review the information.
Councilmember Rawlings said he also did not have an opportunity to read the material and could not comment nor pass judgment on the information supplied in it. He wished to declare that he had been a member of the Woodside Racquet Club since 1989, and knew very casually one of the owners who was also one of the applicants. He attended the November 25, 2002, interact meeting, but tonight’s meeting was the first formal presentation he had attended.

Councilmember Taylor disclosed a personal relationship with the applicant’s attorney, Mr. Patterson. However, for the record, he wished to make clear he had no discussions with Mr. Patterson on tonight’s issue nor input into the presentation. Councilmember Taylor mentioned that he had reviewed the Planning Commission’s tapes and had read the applicant’s material.

Councilmember Gill stated he had received e-mails from constituents and had spoken to Attorneys Wetzler and Patterson regarding questions he had had about this issue. He stated he had read the applicant’s material also.

Councilmember Gulledge stated he had received the applicant’s material today. In regard to Councilmember Dunn’s remarks, Councilmember Gulledge felt the material should be reviewed and that a continuance should occur. Councilmember Dunn stated the material he felt should be reviewed was under the tab heading, “Highest and Best Use”, by Integra, despite the hardship it would cause to all who had come out tonight for the meeting.

Councilmember Gulledge made a motion for a continuance until June 9th. Councilmember Dunn seconded the motion.

Councilmember Gill stated he would prefer for the meeting to proceed, not asking for a continuance until the applicant had a chance to present his material and the citizens’ comments could be heard.

Councilmember Rasmussen stated he would also prefer to proceed with the meeting. He suggested that the comments be limited, excluding those that pertained to the information delivered yesterday to the Governing Body.

Councilmember Taylor called for the question, seconded by Councilmember Gill. The motion passed unanimously. Mayor Dunn presented the question, to continue the evening’s matter until June 9th at a Special Call Meeting. The vote failed 3-5: Yea: Councilmembers Dunn, Gulledge and Story. Nay: Councilmembers Rasmussen, Bussing, Rawlings, Taylor and Gill.
At 7:25 P.M., Mayor Dunn acknowledged that Mr. Patterson, attorney for Leawood Country Club Partners, (LLC), would have 30 minutes to present their plan. Mr. Patterson explained to the Governing Body that Sunday’s delivery was made due to the topic of the “Highest and Best Use Study” brought up in the Planning Commission meeting on April 25, 2003. At that time, Integra was hired to put the information together. Mr. Patterson received the material on Saturday, May 10th, and it was delivered to the Governing Body the next day, May 11, 2003. The study looked at the reason to change the zoning use, and, if changed, to what type of zoning.

LLC Partners have asked to rezone their property from REC to R-1. The issues to be addressed were flooding and public safety, impacting the community detrimentally if left as a country club. The Partners wished to eliminate the commercial lease on the property, improve the flood plain and build homes on proposed 20 lots. The plan would take the 16-acre parcel and divide it to include a 6-acre tract to be open space (to be a public or private park determined by the Planning Commission). Currently of the 16 acres, pervious surfaces are 9.13 acres. Under the plan submitted for 20 lots, the pervious space would be increased from 9 acres to 13 acres. The hard surfaces (parking lots, roofs, driveways) of Leawood Country Club had 6.26 acres. Under the residential district R-1 plan, that would go down to slightly less than 3 acres. A study by Larkin indicated that over half of the 16-acre area was in the 100-year flood plain (8.3 acres). In the plan, the area in the flood plain would be reduced to 6.2 acres, none of which would be on private property, but rather in the open space.

Mr. Patterson stated their plan met the Golden criteria. The criteria included: 1) consideration of the character of the neighborhood; 2) the zoning and uses of property nearby; 3) suitability of the subject property to the uses to which it has been restricted; 4) the extent to which the removal of existing zoning restrictions will detrimentally affect nearby property; 5) the length of time the property is vacant; and 6) the relative gains to public health, safety, and welfare, and destruction of values as a result of the zoning application. Mr. Patterson admitted their plan did not conform to Leawood’s master plan, and that they were asking the Governing Body to change the master plan, as it had been done before, in response to new change and improvement to the city.

Mr. Patterson mentioned that Leawood’s Development Ordinance (LDO) changed the authorized uses of REC. Those rules would have to be followed unless the LLC Partners stated they were going to be a legal non-conforming use, and use the property as it had been used previously. By using the property as a legal non-conforming use, if a major catastrophe occurred, the club would not be allowed to rebuild. The property would have to then be used as the LDO stipulated, and the only allowable use would be a private park.

The “Highest and Best Use Study” indicated demolition of the subject property and redevelopment of the site into a single-family residential site. Mr. Patterson entered the Flood Study into the public record. It stated there was significant risk in maintaining any facility on the site because of the flood plain.
At 7:55 P.M., Mayor Dunn stated that the next two hours would be devoted to citizen comments.

Richard Wetzler, 3000 W. 121st Street, stated he represented residents and members of LCC. He said they wished to deny the applicant because: 1) the current zoning was correct and shouldn’t be changed; 2) area property owners would suffer real (economic and social) costs loss; 3) there was an emotional attachment to the LLC; and 4) the LLC created the character of the neighborhood. The residents suggested using the site for park or other recreational purposes. The LLC has been vacant since last September because the developer chose not to open or use the facility for any purpose. The residents in the area bought their homes to be close to open space. The greatest economic loss that would occur if this plan was approved would be to the properties adjacent to it.

Doug Carter, 2512 W. 88th Street, spoke for the LCC Founders Association, Inc. He stated they were committed to reopening the club. The one and only reason the club failed was because the members’ group paid too much with a $3 million debt placed on the club. The club would succeed if reopened because, having gone through foreclosure, the point of debt had been eliminated.

Mr. Carter played a 5-minute videotape of activities at LLC.

Mark Lieb, 8914 High Drive, spoke on behalf of the Leawood Homes Association, as its past president stating the fundamental issue at stake was recreational opportunities in the city. The residents are concerned about the balance of land use and how it affected their lifestyle. Mr. Lieb stated three petitions had been circulated that showed support for keeping the area recreational, and that more than 2/3 of the residents favored keeping this land recreational. He corrected Mr. Patterson’s term of the six acre “nature” area as being a “detention base” area. Mr. Lieb mentioned the entire neighborhood benefited from REC use, and questioned whether the new owner had made any effort to keep it as such.

Connie Cardell, 8915 High Drive, represented the Friends of Old Leawood Pool and pointed out the lack of recreational space north of I-435 in “Old Leawood”.

William O’Connor, 8029 Manor Road, stated he had been a member of LLC since 1989. He asked the Governing Body not to subsidize LLC, but to keep the REC zoning the same. He suggested obtaining professional management for the club.
Mark Curfman, 2812 W. 90th Street, stated he had lived in the LLC neighborhood for the past twelve years, having moved there from Washington, D.C., specifically because of the club being part of the fabric of the neighborhood. Speaking as an architect and urban planner with 25 years of experience, he addressed the issues of land use and planning issues. As to neighborhood compatibility, the density calculation was misleading because it included the natural area/detention basin as part of the calculation when in fact a substantial physical barrier separated it. The proposed development was much denser than the adjoining neighborhood. The city needed to recognize the importance of open space as it applied to the city’s current standards.

Michael Fink was called by Mayor Dunn, and it was determined he had left the Council Chambers.

Debra Filla, 8505 Belinder Road, informed the Governing Body of the original reasons why the Kroh Realty Company developed the LCC property as REC. She stated she felt the reasons were still applicable.

David Wise, 5401 W. 86th Street, spoke for Save Leawood Country Club Association. Mr. Wise stated, as a realtor, the two factors buyers consider when purchasing a home in “Old Leawood” were the location and the setting. He felt the perception of this area would be irrevocably changed if the green space were taken away.

Gordon Henke, 8901 High Drive, spoke on the necessity of keeping the footbridge on 89th Street for access to State Line. Mr. Henke was also concerned about the waste sewer lines under the LCC property that served 30+ houses, that potentially would be dug up. He stated the new owners took down the pool slides and the baby pool; should LCC be maintained as a recreational facility, he felt the owners should be responsible for replacing those items.

Nancy Flaspohler was called by Mayor Dunn, and it was determined she had left the Council Chambers.

Mayor Dunn called Gary Mallen; Mr. Bill O’Connor, 8522 Cherokee Lane, spoke for Mr. Mallen, who had prepared data on the projected revenue that could be generated from LCC members.

Corey Inman was called by Mayor Dunn, and it was determined he had left the Council Chambers.

Hannah Stechschulte Vargas, 9026 High Drive, spoke on the importance of green space.

Elizabeth and Allie Fields, 8124 Lee Boulevard, passed out photos to the Governing Body depicting LCC in its last days of operation. Allie Fields spoke on the importance of the LCC swim team for Leawood children who are unable to participate on the city team.
Mayor Dunn called Katherine Rowe; Ms. Sharon Grevet, 4303 W. 93rd Street, spoke for Ms. Rowe. Ms. Grevet stated Ms. Rowe had done research on the benefits of open space. She provided data on property values in relationship to proximity of green space.

Tina Carter, 2512 W. 88th Street, referenced the article on LCC in *Leawood: A Portrait In Time* by Ann Morris, which contained four pages of LCC history.

Robert Sjolin, 3217 W. 82nd Street, felt the change in the zoning was the desire of the minority rather than the will of the people. Mr. Sjolin pointed out that developing the property would destroy mature trees and wildlife.

Ginevera Moore, 9006 High Drive, opposed the plan that she said the developers had not shared with the neighbors. Her concerns included the flooding of Dyke’s creek, the 17-foot high retaining wall, the inadequate research for digging on the site, and the density of the development.

Jeff Griffith was called by Mayor Dunn and it was determined he had left the Council Chambers. It was disclosed by another citizen that he opposed the plan.

Bill Lowe, 9107 Lee Boulevard, showed photographs of the limestone that LCC sits upon. He stated the planner had refused to acknowledge the problems that could be anticipated with building on the limestone site.

Helen Stechschulte, 9009 High Drive, stated other residents had voiced her concerns and she would pass on speaking. She stated she was opposed to the plan.

Patricia Wetzel, 8927 High Drive, stated she was concerned with losing the green space if rezoning was approved as, once it was gone, it could not be restored.

Terry Benson was called by Mayor Dunn and it was determined he had left the Council Chambers.

Mayor Dunn concluded the citizen comment portion for the evening. Mayor Dunn asked the applicant to speak for fifteen minutes in response to the citizen concerns.

Phil Freeland, 11304 Hemlock, owner and operator of Woodside Racquet Club, and various other clubs with his family, spoke. Mr. Freeland stated he had previously looked at purchasing LCC in the 1980s but felt the LCC-type of club was a dinosaur. LCC was similar to other health and tennis clubs throughout the country. These clubs have had to do major conversions to increase their memberships. He felt that the club would need 2500 memberships (5000 people) to make it operable. At the club’s location, 89th Street would need to access State Line in order to attract that number of memberships. Parking for this number of people was not available on site. Mr. Freeland stated that LCC members were unaware that the club failed to pay employees. Another component that hurt LCC was the community centers because they offered diverse activities to the community.
Eric Enloe, 4740 Roanoke, a senior analyst for Integra, a licensed real estate appraiser and the co-author of the “Highest and Best Use Study”, gave an overview of his participation for the applicant. Mr. Enloe stated his role, as an appraiser, was to evaluate the highest and best use for the LCC property. The two assets that were studied were the highest and best use as vacant land and the highest and best use as it currently existed as a club. Given that the land was not suitable to sit vacant, the property was evaluated as it existed currently. It was concluded that a club could operate on the site if it were a different type of club (changing to a high-power business club), charging lower fees. However, given the visibility and the location of the club in a neighborhood, it was deemed unfeasible financially. The alternative was to build single-family homes that would fit well within the character of the neighborhood.

Mr. Patterson gave the highlights of what had transpired since the negotiations began to buy the LLC property and the contacts with the neighbors.

Mayor Dunn called a 10-minute recess, asking to reconvene at 10:05 P.M.

Mayor Dunn reconvened the regular session at 10:05 P.M., asking for Governing Body discussion.

Councilmember Rasmussen questioned Mr. Patterson concerning a statement on page five of the application, under “Stipulations for Approval”, No. 14. He asked if the applicant would have any difficulty in having inserted after “the City of Leawood” the words “as an intended third-party beneficiary.” Mr. Patterson said there would be no objection to the additional wording.

Councilmember Rasmussen asked who owned the easement on Lot 1372. Diane Binckley stated the utility easement was on the property of a private individual owner. Mike Shuerk, 22810 W. 244th Street, Iola, KS, stated the easement on the south side was a utility easement for a sanitary sewer. In the past there had been a pedestrian bridge across the creek at that location. Councilmember Rasmussen confirmed that in terms of public access, the right to use the bridge and easement to access LCC had been lost over the years.

Councilmember Rasmussen inquired who owned the easement that included the 89th Street bridge that gave access to the old golf course from State Line. Mr. Patterson stated it was the city’s easement, on the street right-of-way. Councilmember Rasmussen confirmed with Ms. Binckley that the city owned the property that included 89th Street. It continued from the street’s dead end to State Line, and the city would be responsible for maintaining the sidewalk and bridge. The proposal was for the city to vacate the right-of-way. Joe Johnson stated that area east of the bridge was on private property and that in 1996 there had been discussion about removing the bridge because of the restriction of water flow that it caused.
Councilmember Rasmussen asked Mr. Carter why LCC didn’t assess its members additional fees when it found itself in financial trouble. Mr. Carter replied it had been the philosophy of the club to keep it a community club available to members of all social strata. The debt was too much to assess each member the thousands of dollars apiece it would have taken to alleviate the debt.

Mayor Dunn asked for confirmation that Genesis’s recommendation was added to Stipulation No. 12. David Ley stated Larkin & Associates reviewed the Genesis recommendation and it was covered in Stipulation No. 12.

Councilmember Gill asked Mr. Enloe that as the property was currently zoned, did his clients overpay. Mr. Enloe stated he had not made an analysis on the appraisal of the property. Councilmember Gill asked him to look at Assumption No. 4 on page three of his report and had he assumed the property was in compliance with all zoning laws for purposes of determining highest and best use. Mr. Enloe replied it was not the highest and best use for how it was zoned when purchased, but assumed how the zoning could be changed. He stated his opinion of highest and best use would differ between zoning REC and R-1.

Councilmember Gill asked Mr. Enloe if the hypothetical club he was proposing in his report, with 2500 members paying $50 apiece, would have the same revenue if the club had only ¼ the amount of members paying $200 apiece. Mr. Enloe stated it was not as costly to operate with a higher membership number.

Councilmember Taylor questioned Mr. Patterson concerning the total 16.3 acreage and the percentage of it being green space. Mr. Patterson stated the impervious acreage was currently 6.26 acres, with 10 acres being green. With R-1, the impervious acreage went down to less than 3 acres, with 13 acres being green. Councilmember Taylor asked the projected lot price for each of proposed homes. Mr. Patterson replied $250,000-300,000. Councilmember Taylor asked what the expected net profit would be. Mr. Patterson replied the net profit over several years, after costs, would be approximately $1 million.

Councilmember Dunn questioned Mr. Enloe as to whether he had talked to any of the LCC members or former board members when he prepared the study. Mr. Enloe replied no, but that he had visited the club facility and reviewed Leawood city history. He stated he was aware of renovations that had taken place at the club several years ago when making his assessment.
Councilmember Dunn asked Mr. Patterson why an appraisal of the club had not been conducted prior to Mr. Enloe’s retention on May 2, 2003. Mr. Patterson stated that after meeting with the Planning Commission it was concluded that the club was not viable and it was not until February that it was determined that there would be problems doing anything on this property. When Larkin reported that 51% of the improvements on the property were in the 100-year flood plain, it was decided to move past keeping the club and rezone the property. It was decided a professional should conduct a study on highest and best use. Before the study was done, the facts, which included that it was situated on the flood plain, had been bankrupt twice, and would cost a large amount to renovate it to make it usable, had convinced the applicant to rezone. It was determined that the type of exercise club they wished to build could not be built as the city’s zoning did not allow it. As of December, all that would be allowed under the current LDO was a private park, and no proposal for one had been submitted to staff. Mr. Patterson stated within a 100-year flood plain the most suitable use for property would be residential housing.

Councilmember Gulledge asked if LCC was run on a cash or accrual basis. Mr. Patterson stated the LCC had moved a lot of their debt on the balance sheet. While it looked like they had made a large profit, they hadn’t paid people or the bank. Councilmember Gulledge confirmed with Mr. Patterson that LCC had used “creative” accounting. Mr. Patterson stated the physical inventory was $17,000 off what the books showed and, additionally, there was no backup to the checks as to how the money had been spent.

Councilmember Bussing asked what was planned for the six acres of open space. Mr. Patterson stated it had not been determined, but that they would be open to dedicate it as a park. The proposed park would not be maintained by the city.

Councilmember Bussing questioned the Hall report on renovations of LCC, which indicated $2.3 million was needed to make the club viable. It was determined the “Highest and Best Use Study” described a proposed club, not the existing club, and what it would take to renovate it. Mr. Patterson stated the $2.3 million was needed to rebuild the pool and repair the existing club.

Councilmember Bussing asked Mr. Patterson about the soil report, and the possibility of building on a rock quarry. He was concerned about blasting in the area, and Mr. Patterson stated, after checking with PSI, they would stipulate that there would be no blasting.

Councilmember Bussing questioned Mr. Lieb about surveys taken on citizens of the Leawood Homes Association. Mr. Lieb stated that in one survey on whether the homes association should spend its own money to pursue rezoning the club, less than 50% of the members approved the idea.
Mayor Dunn commented that there had not been sufficient time to review the “Highest and Best Use Study”, and she suggested that the plan be remanded back to the Planning Commission.

Mayor Dunn asked for a motion to extend the meeting for 30 minutes, as pursuant to State statute. Councilmember Gill made the motion to extend, seconded by Councilmember Story. It was approved unanimously.

Councilmember Dunn confirmed with Mr. Carter that one LCC pool had been constructed approximately ten years ago. Councilmember Dunn and Mr. Patterson discussed the reasoning behind the property owner not asking to zone the property REC.

Councilmember Gulledge deferred his motion to remand.

Councilmember Story stated the viability of LCC was irrelevant to the rezoning issue. The Governing Body’s duty should be to decide whether to keep the property zoned REC or rezone it to residential. A decision could be made after the zoning was decided as to how to develop the property.

Councilmember Taylor questioned Mr. Lieb about the survey of the number of LCC members willing to maintain operation of the club. Mr. Lieb stated of the 1500 members, only 17% responded. Of those 17%, 60-65% were in favor of keeping the zoning recreational. Councilmember Taylor confirmed with Mr. Lieb that the numbers represented approximately 250 people responding, with 170 people in favor of maintaining the current zoning.

Councilmember Rasmussen confirmed with Mr. Patterson that there was a section in the “Highest and Best Use Study” that listed permissible uses for the property under the current zoning. Councilmember Rasmussen asked if Mr. Patterson’s application was filed after the most recent LDO or had it been grandfathered in under the old LDO. Ms. Binckley stated the application was filed prior to the current LDO. Councilmember Rasmussen stated he had not seen anything presented by the applicant stating that they could not comply with uses under the old ordinance they filed under. Mr. Patterson replied there was a legal issue as to whether the applicant would be considered a legal non-conforming use. He stated the December 2002 LDO dramatically changed the authorized usage under REC, and that any changes from usage as a club would be limited to a private park. Councilmember Rasmussen confirmed with Mr. Patterson that the reason the applicant did not look into utilization of the property for any other purpose under the LDO they filed under was because there were no choices of usage.

Councilmember Rawlings echoed Councilmember Story’s opinion that the issue was not the viability of the club, but the issue of green space.
Councilmember Rawlings asked the applicant have an alternative plan for the Governing Body to vote on if the property was to remain zoned recreational.

Councilmember Gill made a motion to call the question, seconded by Councilmember Story. Mayor Dunn stated there was no question to call. Councilmember Gulledge moved to remand the Estates of Old Leawood to the Planning Commission for approval of rezoning from REC to R-1 preliminary plat and preliminary site plan for property located at 8901 Sagamore, based on the additional information provided by Doug Patterson that the Planning Commission did not have when it made its original decision. Councilmember Rasmussen seconded the motion. Mayor Dunn stated the remand would be for the May 27th Planning Commission, and brought back to the Governing Body on June 16th.

Councilmembers Dunn and Story opposed sending the plan back to the Planning Commission.

Councilmember Gill stated he supported a remand, and that he would be against the rezoning of the current plan. Mr. Gill said that if the Governing Body made a motion against the plan, there needed to be some guidance for the Planning Commissions as to what the Governing Body was looking for. He stated he felt the current plan did not meet the Golden criteria. Items he felt should be included in the remand were 1) to consider the entire area around the property and look at the big picture; 2) the evidence that the density per lot was disproportionate to the surrounding area; and, 3) the use issue (green space).

Councilmember Dunn said he was not in favor of a remand, but of a continuance. He felt May 27th was too soon for the remand. Ms. Bincley stated the next meeting of the Planning Commission would be June 10th. Councilmember Rasmussen cautioned that the hearing of the Planning Commission’s recommendations by the Governing Body in July would be running into vacation time. Scott Lambers suggested that the Governing Body not base a motion on an anticipated schedule of when this item would be presented again to the Governing Body.

Councilmember Rasmussen asked that three items be addressed by the Planning Commission: 1) the current plan did not look into other REC options; 2) the compromised access to the property over the years by the neighbors; and 3) the applicant’s position was based on an assumption that should a hazardous event occur, his property would be confiscated.

Councilmember Bussing made the motion to extend the meeting for 10 minutes, seconded by Councilmember Dunn. The motion passed unanimously.

Mayor Dunn asked for further items to be included as directives to the Planning Commission. Councilmember Gill asked that they review Mr. Curfman’s comments on density and open area requirements by today’s standards.
Mayor Dunn asked for a vote on the motion to remand to the Planning Commission on June 10th. The motion was approved 6-2, with the vote being: Yea: Councilmembers Rawlings, Gulledge, Gill, Rasmussen, Taylor, and Bussing; Nay: Councilmembers Dunn and Story.

There being no further business the meeting, Mayor Dunn adjourned the meeting at 11:32 P.M.

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Emily Gleasure, Deputy City Clerk