

Minutes

The Governing Body of the City of Leawood, Kansas, met for a Special Call Meeting at City Hall, 4800 Town Center Drive, at 6:00 P.M., on Monday, November 6, 2017. Mayor Peggy Dunn presided.

Councilmembers Present: Jim Rawlings, Julie Cain, Andrew Osman, Debra Filla, James Azeltine, Lisa Harrison and Chuck Sipple.

Councilmembers Absent: None

Staff Present: Scott Lambers, City Administrator Chris Claxton, P & R Director Fire Chief Dave Williams Ross Kurz, IS Director Richard Coleman, Comm. Dev. Director David Ley, Interim PW Director/City Eng. Travis Torrez, Building Official Debra Harper, City Clerk	Patty Bennett, City Atty. Police Chief Troy Rettig Nic Sanders, HR Director Dawn Long, Finance Director Mark Klein, Planning Official Kim Curran, Recreation Supt. Troy Newport, GM, Troon Golf
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Others Present: Kevin Jeffries, President, Chief Executive Officer and Director of Economic Development, Leawood Chamber of Commerce
Carol Lehman, JCCC, and Chair of the Leawood Chamber EDC
Bob Regnier
Monty Spradling, Leawood Chamber

Proposed 2018 Fee Schedule

Review Chamber of Commerce’s Annual Economic Plan

Mayor Dunn called the meeting to order, and welcomed attendees. Mayor Dunn stated City Clerk Deb Harper would be presenting the changes to the proposed 2018 fee schedule.

Ms. Harper stated there was a small number of requested changes to the fee schedule. [See below]

PAGE	TITLE/CATEGORY	PROPOSED CHANGE
8	Other Plan Approvals- Change from ‘Tenant Finish Final Plan’ to ‘Changes to Building Façade/Elevations’ Application	Language change to be in unison with PC and GB staff reports; avoids confusion with building permit for a tenant finish

PAGE	TITLE/CATEGORY	PROPOSED CHANGE
8	Other Plan Approvals- Administrative Review of WiFi Antennae Systems	Addition- \$200.00 Review to ensure LDO specific requirements are met
12	Miscellaneous Construction, and Administrative Building & Fire Code Board of Appeals Application one & 2-family projects	Increase in fee to \$150.00 from \$75.00 [no difference between commercial & single-family application-commercial applications are \$150.00]
12	Miscellaneous Construction, and Administrative No Parking Sign Fee	Addition- [\$200.00] for tear-down/re-builds and other projects as determined by Public Safety. This fee amount recommended by PW to supply, install & maintain signage
12	Miscellaneous Construction, and Administrative Working w/o construction permit	Language Change – ‘Double Permit Fee’ to Working w/o construction permit-
16	Park Facility Rental Tennis Court Rental	Range from \$4.00 - \$5.00 for resident and \$8.00- \$10.00 for Non-resident fee
17	Pool/Lessons/Leagues/Classes & Camps Individual pool pass	Increase to \$40.00 for Individual; \$55.00 non-resident Increase to \$30.00 for Sr. Citizen; \$45.00 non-resident Decrease to \$5.00 for replacement card
17	Pool/Lessons/Leagues/Classes & Camps Superpass Program	Increase to \$55.00 for resident; \$65.00 non-resident
17	Lessons, Leagues, Classes & Camps Current is \$40.00 for resident; & \$45.00 non-resident [no ranges]	Reduction and adding range to \$20.00-40.00 for resident; and Reduction and adding range to \$25.00 -45.00 for non-resident
21	Caribbean Course	Reduction of \$25.00 across the board Reduction of \$5.00 for additional participants
22	Banquet Center Vista 154 – in sync with sales brochures and rates	Reduction of \$200.00 for ‘All Day access’ wedding reception; Removal of Service Charge across the board
24	Daily Fees	18-Hole - Increase of \$1.00 on non-prime time; and \$2.00 on Prime Time Twilight Rate – Reduction of \$24.00 in Prime Time [CORRECTION] Evening rate-Increase of \$2.00 for non-prime time; and \$1.00 increase on Prime Time
26	Special Programs - Ironhorse Golf Assn.	Increase of \$2.00 on discounted rates for members across board
27	Special Programs – Intermediate Pass Holder	NEW Category- \$1,999 rate
27	Leagues	Increase of \$2.00
28	Off-Season Rate	CORRECTION- \$31.00 instead of \$36.00

Councilmember Sipple asked about the double asterisk footnotes for the Daily fees, as it appeared there was only one discounted rate. Mr. Newport advised a twilight rate line item would be added and remove the double asterisk comment.

Councilmember Azeltine asked about the \$.50 charge for record requests. He suggested that perhaps in the future, the first 2 pages would be free, and a charge applied for pages thereafter. Both Mr. Torre and Ms. Harper commented that with many of the open records requests being received via e-mail, a lot of the fees are not charged. The record fee not only covers the copy paper charge, but includes the administrative cost of looking up and retrieving the documents from the record. Most of time, this is already occurring when we received a request via e-mail and it’s a simple record to retrieve and e-mail back.

Review Chamber of Commerce's Annual Economic Plan

Mr. Jeffries distributed additional Summary Data. He spoke about increased recent activity involving the Chamber. Kevin thanked Councilmembers Julie Cain and Chuck Sipple, who served as Economic Development Council [EDC] leaders for two-year terms. Scott Lambers and Richard Coleman attended meetings as well, and that was helpful. The first success of the year was the CrossFirst Bank Headquarters Expansion and Retention project, a \$46 million investment with 175 new jobs over the next five years. They have vacated two buildings on 135th Street.

Mr. Jeffries expressed pleasure that the Element Hotel Final Plan was approved after 2 ½ years. AMC continues to expand. After the current flooding, Mr. Jeffries spoke with building owners about options to mitigate damages. During the EDC meetings, discussions of different programs gave good insight into marketplace activity.

The Chamber has published two issues of Look to Leawood in 2017, one of which featured Mayor Dunn on the cover. The EDC website has a few updates, including a Featured Property section and an expanded property locator.

Councilmember Azeltine asked for information on the mailing list. Mr. Jeffries replied that most of the new business is a result of someone moving to the area to procure expanded space or C-level executives that live in certain zip codes. The Chamber chooses zip codes with significant activity.

Councilmember Harrison asked if it is always just Leawood residents. Mr. Jeffries replied that Overland Park and some Kansas City, Missouri are included as well. This is the only publication that focuses on Leawood. He spoke about job growth of a realistic number of 16%-17%, which didn't show much growth because there is not much new office space.

Councilmember Sipple asked if the number should have decreased when CBIZ moved out in 2015. Mr. Jeffries replied that it should have but did not. He then stated that he attended a seminar put on by the Kansas City Regional Association of Wheelchairs. Their national expert forecasted the opportunity for a real estate recession in 2019.

Councilmember Sipple asked if it would be residential or commercial. Mr. Jeffries replied that his forecast was for commercial. Industrial and warehousing industries are strong, and they are not represented much in Leawood.

He then spoke about building permit data for any new structure or addition over \$250,000 and any tenant finish or remodel over \$100,000. From 2016 to 2017, Leawood experienced growth in dollar value of construction costs for new structures and additions, including significant amounts from Church of the Resurrection, Kansas City Orthopaedic Institute, and Mid-America Orthopedics. Leawood has lost a couple companies, partially influenced by lack of opportunities in the areas of interest and also city incentives. A space with 40,000 square feet in one of the Pinnacle buildings will become available in the beginning of the year, which is a good opportunity to attract new businesses.

The Chamber meetings in 2017 have focused experts' observations on office, multifamily, and residential trends. Hunter Johnson and Mack Wasserstrom, who work with Block Real Estate, feel as though Leawood's greatest upcoming potential is in the office space from 5,000-10,000 square feet. They think it will be difficult to attract large office users due to proximity of and visibility from the highway.

Councilmember Sipple pointed out that the Hallbrook area should be attractive to businesses.

Mr. Jeffries affirmed that it is and that several KCADC projects have considered that area. Parking ratios that many of the office users are requiring are also increasing from 4 per 1,000 to 6 per 1,000. The meeting on multifamily residential had several presenters from Centric Projects . One presenter, Richard Wetzal feels as though the urban products in suburban markets are going to have a difficult time because the urban areas are more desirable for such projects. He also pointed out that it takes 10,000 people to support a grocery store. The Urban Land Institute has stated that investors in the area look for higher rates of return on projects because the job growth in the metro is slow compared to gateway markets such as Dallas, Houston, and San Francisco. Additionally, 100% of the projects in Crossroads, Downtown, or Midtown had tax incentives. Many projects in Lenexa are being incented as well. Additionally, retail that supports the residential is becoming more experiential than commodity-based. Grocery store-anchored retail continues to perform, but the big box stores don't anchor well anymore. Richard spoke about the evolution of the Plaza from residential to office. He also felt the grid streets in the 135th Street Plan would serve as a good foundation for walkability.

Bill Shackelford from Area Real Estate Advisors and Justin Kauffman from Cadence Commercial Real Estate spoke about market trends and their particular developments in Park Place and Ranchmart. Bill stated that suburban shoppers are having difficulty embracing multilevel parking for retail. The current trend is for online retailers to open brick-and-mortar stores, such as Sundance. Chef-driven restaurants are another growth area. Additionally, social media is used heavily to attract customers. Park Place is working to create an identity through signage and also pitching the area as a second location for specialty retailers currently in the marketplace. Mr. Kauffman stated that Ranchmart will be convenience-oriented retailers. Both talked about gathering retailers that make sense for the center as a conscious effort. Additionally, the most successful multilevel use with retail in the country is Crossroads-type development areas.

Two different developers are interested in Leawood Plaza. The seller, to-date, has not been interested in selling because it has been difficult to get to a price that is agreeable to everyone. HyVee's deed restriction that the property cannot have another grocery store has been problematic.

Councilmember Filla asked about the size of a Sprouts versus Price Chopper in Ranchmart. Mr. Jeffries stated it is approximately the same. Ms. Filla stated that the Sprouts in Overland Park is a busy store even though it is limited. Mr. Jeffries stated that the area has a good population density with significant traffic. Ms. Cain pointed out that Meadowbrook is developing, which will drive the traffic.

Mr. Jeffries stated that owners have expressed concern that Leawood's ordinances are more geared toward new development and not redevelopment.

Mr. Coleman stated that the criteria are basically the same. Mr. Jeffries brought up the possibility of a different set of codes because of the difficulties that arise when redeveloping an old building. The Urban Land Institute has publications that could be researched to determine what other communities do.

Councilmember Azeltine stated that the code has to be the same unless the city has an architectural district to avoid an issue with the 14th Amendment. Mr. Jeffries stated that some cities have established several districts. Mayor Dunn pointed out that a legal, non-conforming structure is allowed until the proposed changes exceed 50%. Mr. Coleman stated that the International Code Council applies throughout the United States with some differences in localities. Leawood has been working with other Johnson County communities to mesh the code. The codes are very similar with a few nuances.

Councilmember Filla asked for an example of something that would be different for redevelopment. Mr. Jeffries gave the example of the old Core First Bank building at 123rd and State Line. The original plan had a roof style, but it wouldn't work. They worked with the City, and it took a little longer. Mr. Coleman stated that after the Governing Body approved the plans, the owners actually changed the plan for the roof. The City had to determine if it was a significant enough change to go back to Planning Commission and City Council. As it wasn't, they moved forward. There is not an ordinance issue.

Mr. Jeffries stated that sometimes issues arise during the redevelopment process.

Mayor Dunn pointed out that it is a problem if the developer tries to build something different than what was approved. In these circumstances, complaints typically go to the Chamber. Mr. Jeffries affirmed that he does get complaints. Mayor Dunn encouraged communication between Chamber and Staff.

Councilmember Azeltine suggested that the applicant should follow the plan or go back through the process. Mr. Jeffries pointed out that there are times when the plan will not work with the structure. Mr. Lambers stated that Planning Plans are different than Building Plans. The plans need to be consistent. Staff tries to be flexible, but there are times when the applicant must go back through the process.

Mr. Jeffries stated that the example given worked out, but if Leawood Plaza redevelops, there may be hidden issues that arise.

Mr. Jeffries stated that Ranchmart is working on improving the center. There is a major tenant that is close to signing a lease, but this has been holding up the process. Mr. Lambers stated that the City is prepared to move forward with the Capital Improvement Plan [CIP] and is waiting for the applicant to agree.

Mr. Jeffries stated that he feels several business owners are waiting for this to move forward. He is hopeful that it will improve in the next year. He then stated the need for improvements to 151st Street to generate more traffic and asked when those would occur. Mr. Jeffries stated that the density makes it challenging in the area. Councilmember Sipple stated that Jackson County is planning on fixing the bridge.

Councilmember Azeltine asked what would trigger the widening of 151st Street. Mr. Ley replied that improvements to 15st street are scheduled after Mission Road is rebuilt from 135th south to 151st in a two-phase project. Councilmember Sipple stated that the intersection of 151st Street and Mission Road will be improved in the next 1-2 years. Mr. Ley affirmed that left turn lanes will be added at 151st Street and Mission Road in 2018, and the street will get a mill and overlay. Mayor Dunn stated that, eventually, 151st Street will be the same width as 143rd Street.

Mr. Jeffries pointed out that Overland Park continues to build in the area. He then moved on to the 135th Street Corridor. Everything to the west of the area is developed, and the area in Leawood is green field. He continues to receive inquiries from developers, landowners, and others about the process. He hears questions about why development is not more prevalent in Leawood. He speculates that slow job growth is a factor, as is proximity to the highway. Leawood is the second-lowest tax rate in first class in the State of Kansas. Mr. Lambers stated that Leawood and Olathe changed places in the ranking by .004%.

Mr. Jeffries stated that a challenge is being located next to Overland Park, which is half of Leawood's mill levy. Additionally, other cities give incentives and abatements. Councilmember Azeltine expressed interest in learning more about why businesses are moving out of Leawood to Overland Park and what types of incentives might be involved. He stated that Creative Planning and Mariner both received abatements. Mr. Lambers pointed out that both businesses expanded considerably, which contributed to the need to move. Mr. Jeffries stated that Mariner had no place to expand in the building. He is looking at the positive angle that the office space will now be available for new businesses.

Councilmember Rawlings agreed that the grid feature is good, but he questioned the ratio of retail and residential. Mr. Lambers stated that restaurants are more of a driving factor than retail. Councilmember Rawlings asked if the ratios are being questioned by developers. Mr. Jeffries stated that to-date, no fully developed plan has been presented. Not many people are doing whole developments such as is the desire for the 135th Street Corridor. Even outside the local market, developers are going to just outside the Ft. Worth area with huge population growth because of a more guaranteed rate of return on the investment.

Mr. Lambers pointed out Corbin Park's past struggles and the recent, successful transformation. Prairie Fire is not doing as well, and it is going to be difficult to recover. From 135th Street west of Leawood to I-35, there are not many tracts of land available for large-scale development.

Mr. Jeffries asked what would draw the developers to Leawood since the population centers are farther west. Mr. Lambers stated that 69 Highway is the corridor people are considering. Once developers have gone as far south as is feasible, they will hopefully return to Leawood. A project at 191st Street and Mission is an urban project in the middle of no development. He felt the plan was premature.

Councilmember Filla expressed concern about the cost of housing in Leawood. In Old Leawood, affordable housing is being razed to make room for larger homes, which removes the starter homes. If Leawood wants 10,000 people to support a grocery store, this is a challenge.

Mr. Jeffries stated that the Chamber's next program would address single-family residential. Jessica Spalding has a company called Elux that addresses this topic. He stated that affordable homes in Leawood are in the \$400,000-\$500,000 range. The Elux product is in that price range and would replicate a Brookside feel. It is Smart Home technology and is energy efficient. He felt it is important to stay abreast of trends in the marketplace.

Mayor Dunn pointed out that Leawood, Prairie Village, and Fairway are all going through what is termed reinvestment. Leawood has the Height and Massing Ordinance in order to maintain character.

Mr. Jeffries stated that some cities have different processes for getting feedback from Planning Commission and City Council before a plan is filed. He expressed the importance of considering different processes because the Preliminary Plans require a high level of detail. Some communities allow for details to be worked out closer to Final Plan.

Mayor Dunn stated that the topic might be better suited for another meeting.

Mr. Lambers pointed out that he had a developer say that he works out details with City Staff and then goes before Planning Commission and City Council before a formal application is filed. After checking with neighboring cities, he found that none of them follow that process because of Kansas law. City Council functions in a quasi-judicial capacity. Planning Commission is to be immune from any outside influence whatsoever. The Preliminary Plan is to accompany a Rezoning request so that the Rezoning application is clear because Zoning changes are locked in. He did not disagree that the Final Plans are somewhat extensive to prepare but that it has been the expectation since before his tenure with the City. Councilmember Azeltine stated that he is happy to talk with a developer to give his opinions before an application is filed but that, once the application is filed, it is a quasi-judicial process.

Mr. Jeffries asked if the Planning Commission is in a similar situation. Mr. Lambers stated that the Planning Commission is not governed by state statute in a quasi-judicial capacity but that they are asked to consider it as such. Commissioners are citizens who are not elected, so they are serving as a sounding board. The goal is for them to think outside the box when an application comes forward.

Mr. Jeffries asked if it would be possible to have Planning Commissioners involved in the EDC. Mr. Lambers replied that he would be amenable to having Planning Commission representation. Mayor Dunn stated that she knew a former Planning Commissioner for Kansas City, Missouri who would tell developers that if he spoke to them about a project, he would not be able to vote on it. She emphasized the importance of Open Meeting rules.

Councilmember Harrison asked if there would be a way to communicate with residents around Leawood Plaza to give an update with reasons the City has not inappropriately prohibited development of the property. It was suggested that the Chamber post the update

Councilmember Sipple asked if real estate statistics are available to monitor each month or quarter in terms of occupancy or vacancy when it comes to commercial or retail. It would be interesting but perhaps not important to determine if the City is moving in the right direction with empty, leasable space. Mr. Jeffries stated the importance to continue to consider options in the 135th Street Corridor to keep the process moving.

Mr. Lambers stated that City Council's priority would be to see Ranchmart and Leawood Plaza be a priority and not have the opportunity cost go to 135th Street if it could go into one of those areas. Councilmember Azeltine stated that Mr. Jeffries should ask HyVee what it would take to encourage them to sell the space and alter the stipulation about a grocery store. Mr. Jeffries replied that the price HyVee is considering is reasonable for a non-grocery use.

There being no further business, the work session was adjourned at 7:20 P.M.

Deb Harper, City Clerk