City of Leawood
Planning Commission Work Session
Mixed-Use Developments
May 14, 2013

In attendance:
Commissioners: Mike Levitan, Ken Roberson, Kelly Jackson, Lisa Rohlf, Marc Elkins, Kip Strauss and William Ramsey.
Staff Members: Mark Klein, Justin Peterson, Franki Shearer, Richard Coleman and David Ley

Mr. Peterson: The City of Leawood added the Mixed-Use Development classification in December, 2002 into the Leawood Development Ordinance. Since its adoption, three of the four developments have begun construction. The fourth is at the southeast corner of Mission Road and 135th, and a plan was approved but no construction has begun. A number of properties throughout the city are planned to develop as Mixed-Use.

Mr. Klein: Part of the reason for adding Mixed-Use is the city knew Park Place Development wanted to apply, and at that time, there was really no zoning district that would have allowed that kind of use. The criteria for Mixed-Use developments are different than those in the other districts. I thought it would be helpful to go through some of the regulations. In addition to the setbacks for structures and also for parking, which all commercial districts have, there is also a building setback of 75 feet. This is measured from the building footprint to where the zoning changes. SD-CR has a residential setback of 125 feet, and SD-NCR has one of 75 feet. Mixed-Use developments require a minimum of 10 acres. We wanted to ensure the development has enough land to do something comprehensively. A deviation is available if the land is land-locked or the land was dedicated after right-of-way. The floor area ratio of the base section is .25. This is the total floor area divided by the total square footage of the land area. If a development comes in dedicating right-of-way, the project gets credit for that. In addition, the floor area ratio is calculated a little differently in the Mixed-Use development than in other commercial developments. In Section F Below, it provides an automatic discount to the residential square footage of 25%. This is because it was believe the residential use would have less impact than some of the retail and even some of the office uses. In addition to the automatic 25% discount, a development also could get up to a maximum of 55% discount on residential. This was approved by Governing Body.

In the Mixed-Use, we require 20% residential and 30% commercial, based on the total square footage of the project without any discounts. There is flexibility in those calculations. Within the residential portion, we do not allow more than 15 units per acre. A minimum of 80% of the units within the unit have to be a minimum of 1,000 square feet. None can fall below 750 square feet. Open space is calculated in other commercial districts by pervious ground; the Mixed-Use Development allows open space for plazas and other such areas. Buildings have a height limit of 90 feet. We also allow additional bonuses as far as increased open space on a 1-1 ratio, and also cultural uses.

Mixed-Use Developments offer the convenience of live, work, play and stop. This helps with safety because people are in the area 24 hours a day, making the retail area seem a little more secure. Creating an area such as this saves energy with encouraging less vehicular traffic. This also creates an opportunity for a variety of looks and feels, which is important to Leawood.

There are several types of Mixed-Use Developments, including vertical with residential over retail or residential over office. Mission Farms is an example of this. There are potential issues with this; for example, restaurants on the first floor can cause odors for residential units above. Noise is another potential issue. A possible solution is to offer a buffer between the two with office. Another type could be horizontal. Park Place is an example of this, where residential is provided in the development but is not above retail. Another type is a walking neighborhood, which is a combination of both: vertical and horizontal. Pedestrian connections are an integral element of these developments, creating walkways, bicycle paths and perhaps connections to regional trails or trails leading to other developments. The goal is to keep everything in a ¼-mile distance.

Mixed-Use allows for a variety of settings with a streetscape. It really doesn't have the street trees, parking along the front or wide sidewalks. Park Place has central amenity areas, such as the ice skating rink in the winter and open green space in the summer. As Justin mentioned, a few of these developments have begun construction, the first of which was Mission Farms. It was originally zoned SD-CR and then converted in 2002 to Mixed-Use. This is a walking development with residential above the retail as well as apartments and single-family villas. Park Place is horizontal with a number of residential uses. Parkway Plaza is also horizontal with two condominiums. When Parkway Plaza came through, the Planning Commission struggled with calling it Mixed-Use because it had an interior private street with parking, thus separating the commercial from the residential. Land designated as Mixed-Use is shown on the Comprehensive Plan, including the parking lot on Ward Parkway with the underpass, 103rd and State Line, Town Center Plaza and 135th Street Corridor with the exception of Plaza Pointe, which is already built out.

Tonight, we would like to talk about where the city is with Mixed-Use. The city has an advantage with already having one of these in place. We would like to discuss some items tonight and consider possible changes. Residential density is limited to 15 units per acre with the overall floor area ratio of .25. Building height, floor area ratios and minimum acres for development are regional across all development districts and is something we would want to keep to ensure the area is large enough for a comprehensive development. I'd be happy to answer any questions.

Comm. Elkins: Am I correct in my perception that the development community is not executing on Mixed-Use the way the city had hoped it would? I am curious about what our collective expectations were in 2002.

Mr. Klein: I think we were going down that road. Some of the developers were willing to do it; unfortunately, the economy took a downturn and some just couldn't overcome that. We now have a problem of partially constructed developments that have declared bankruptcy. The banks currently own the property and do not want to be developers. In order to get rid of the property, they will offer it at a very low price to somebody who typically is just interested in the one store or parcel and not the entire development as a whole. The city wants to see the developments developed in a way that creates a sense of place and develops comprehensively. Back in 2006, Mission Farms had office, retail and residential. The residential portion was located on top of a retail center. There were also brownstone buildings in the back with structured parking. The economy took a downturn; the partners involved started having disagreements as to whether to move forward or not. It has not developed, and the plan has expired.

Comm. Elkins: Do you think the lack of execution on Mixed-Use Development projects is primarily a function of the bad economy in 2008, or have you gotten feedback from developers that it is just too hard to do, even in a good economy?

Mr. Klein: I think it's both. We see a lot of developers who have gotten very good at doing a certain type of development, and moving to a Mixed-Use development gets them out of their comfort zone. The banks also won't lend as well on these because they are not as proven. However, Park Place has created one. Prairie Fire is also in the process of creating one in Overland Park; however, star bonds were a part of that.

Comm. Levitan: Prairie Fire would not have happened without the star bonds, which are available because of the museum coming in.

Comm. Elkins: I've always been astounded that Park Place has had the staying power they've had. They are uniquely blessed with the financier that they have.

Chair Rohlf: What are the components of the three we have that would make them successful? What do we like about them and what do we not like? You know what's working and what's not from a financial perspective. Are there things we could take from those developments that we would want to see again?

Mr. Coleman: A lot of it is the management.

Chair Rohlf: Do you think the Mission Farms concept is viable?

Comm. Roberson: They are empty or rented; they couldn't sell most of them.

Chair Rohlf: Is it that concept or its location or a function of what else is there?

Comm. Roberson: People can't get financing on those units, so 48 out of 60 are rental units at this point.

Comm. Levitan: The west side along Indian Creek is full.

Comm. Roberson: Those are apartments.

Comm. Levitan: Yes; I am illustrating the difference. There is a wait list of 17 units with an average salary of $120,000, and they hit it out of the park on the Mission Farms side.

Mr. Coleman: They were $.5 million.

Comm. Ramsey: The Mission Farms construct was developed in early 2000s.

Chair Rohlf: What does the rest of it look like? We saw it come in when Doug just wanted us to have an idea of what was going in over there. It looked much more like what the Leawood site looked like, and then he changed it. What are they doing with the rest of that land now? It was going to be very similar to the Leawood Mission Farms.

Mr. Coleman: On the Overland Park side?

Chair Rohlf: Yes, is that still a Mixed-Use?

Mr. Coleman: They have a couple retail shops.

Chair Rohlf: Did they sell off the south side of that?

Mr. Coleman: No, they still own it, I believe.

Chair Rohlf: Do we know what they're going to do with it?

Mr. Coleman: It's office.

Comm. Roberson: Mission Farms on the Leawood side is now going to be putting in apartments.

Mr. Coleman: We had a developer want to put apartments on 135th Street, much smaller than our ordinance allows.

Comm. Levitan: To answer your question, I don't think you're going to see a lot of density on the Overland Park side. They're going to do one-off type properties all the way up to Nall.

Chair Rohlf: How many acres is Prairie Fire?

Comm. Levitan: It's about 30 acres.

Chair Rohlf: What they seem to be doing there is putting in big things with attraction factors, things that we probably wouldn't allow.

Comm. Levitan: Keep in mind, the west side is just two one-off buildings.

Chair Rohlf: But they look big.

Comm. Levitan: But there's not a lot of density. The density is in the middle phase, which is yet to be built.

Chair Rohlf: It's not the boutique-type stuff like Park Place started off to be. They were trying to sell it as a Main Street type feel. What would really work?

Comm. Levitan: They are under contract with an apartment developer; I forget how many units. Then it has REI, Fresh Market. Phase 2 comes into the middle with Main Street with office above retail, the hotel, a museum, entertainment district and then multi-family, which is all under construction. We're projecting occupancy in the middle section in mid to late '15.

Comm. Pateidl: Where is Shields going to be? Is that the structure that's going up now?

Mr. Coleman: Did Shields work with REI?

Comm. Levitan: REI is more of a specialty for hardcore rock climbing, canoeing; Shields is more like Dick's but almost a better operator.

Chair Rohlf: I thought Shields was in Corbin.

Comm. Levitan: They're going in to Corbin.

Comm. Ramsey: How will this differ from Zona Rosa?

Comm. Levitan: You've got an attraction component with the American Natural History Museum.

Comm. Ramsey: But from the multi-use standpoint, I'm just trying to compare and contrast Zona Rosa to Park Place or this as an example.

Comm. Levitan: It's the same concept. Obviously, Zona Rosa is really dense.

Comm. Ramsey: That's my impression.

Comm. Roberson: But they don't have very much in the way of residential. I know of one building, but they don't have a lot. It's mainly office and retail.

Comm. Levitan: Their percentage of retail is really high.

Comm. Roberson: It is high, and the percentage of retail is high with a lot of empty storefronts.

Comm. Levitan: And retail Mixed-Use is problematic. I was telling Richard this weekend if you looked for a place to eat at Bristol or Cheesecake Factory, it's a two-hour wait. If you went to Park Place, there's nobody on Mother's Day.

Mr. Coleman: I was thinking about that and thinking there aren't a lot of restaurants I would want to take my mother to.

Comm. Jackson: The fish place that's coming in.

Comm. Levitan: The boutique retail does not work there. The mom and pops are getting crushed by the rent, and national retailers don't want to be in there. They'd rather go to Town Center or Town Center Crossings.

Chair Rohlf: You get more people.

Comm. Levitan: And as I was telling Richard earlier, we're still a "pull up in front of the storefront and walk in" type of community. As much as the density is attractive, we still want convenience.

Chair Rohlf: He's probably hoping now that his apartments take off.

Comm. Levitan: Yes, the daytime population will increase because of AMC.

Chair Rohlf: He needs to change his marketing focus on the retail because it's too high end. You're not going to get people to shop in those boutiques with $1,000 shoes. What would you like us to comment on, Mark?

Mr. Klein: What I would like to discuss is some of the things you like about the Mixed-Use and some goals to incorporate in. Do you feel the current density is appropriate? Do you think it should be bumped up? What do you think as far as the density?

Chair Rohlf: The area left on 135th, how big is that? Is it a big section?

Mr. Coleman: The old farm part is 80 acres, and then there's more. I think it is several hundred acres.

Mr. Klein: Basically, the Regniers own pretty much all this area along 135th Street, including the old airport property. At one point about 7-8 years ago, they wanted to do a very large development, probably not unlike Prairie Fire in the fact that they were talking about having some public/semi-public uses located within there as well. They have the advantage that they are the single property owners so there is no land assembly issue as with a lot of areas. They also own the property as opposed to having to borrow to get the land. They have not come in to talk to us lately. They hopefully will be very involved in this 135th Street Corridor study we have going on and we'll learn from them what's going on. 135th Street Corridor is primarily Mixed-Use. It does have a number of challenges. Residential is located on the north side of 133rd Street and the south side of 137th Street. Some challenges will come with the increased density. The buildings can be a little bit taller, but some buffering will be necessary. We have the reverse frontage roads of 133rd and 137th Street to offer access into those developments, so that's a nice feature that already exists and is being constructed.

Comm. Levitan: Is Villaggio MX-D?

Mr. Klein: No, it was split zoning.

Mr. Coleman: It's defunct.

Mr. Klein: Part was zoned Office and the rest was zoned General Retail. Part of the challenge is the infrastructure is already in with a couple buildings. Cornerstone is the same way, except it has even more buildings constructed. Do you feel that the residential density is appropriate?

Comm. Ramsey: I'm not nearly as worried about the density between residential and commercial as much as I am about the transitional elements from the residential that are already there to the Mixed-Use.

Mr. Klein: As far as taking care of the transition, do you see a reduction in the height of the buildings as they approach the residential?

Comm. Ramsey: I'm not sure, but you know what City Council went through with that Price Chopper at 135th And Mission. I'm not sure, but I would bet that along this corridor, we're going to have the same issues. That's why I'm saying I think the issue is not the Mixed-Use; it's going to be the transition from those residential subdivisions that are already there into the Mixed-Use activity, no matter what your density is. I understand what you're asking because the density issue is what the developer is going to be most interested in. But before the developer can ever go in there, I think we're going to have to at least talk or acknowledge that if we don't deal with the transitional elements of what's there to what might be there, we're going to miss the boat.

Mr. Coleman: I think that's something that will probably be addressed in the 135th Street plan.

Comm. Ramsey: That's fine. I'm just saying I think that's the larger issue because it's always "not in my backyard."

Comm. Jackson: The piece I didn't like about the Mixed-Use was we would give them greater density for putting in any amenity, even if it was a useless waterfall sitting in a corner that no one could even access. If you could combine that with adding additional buffering near the housing developments, it might be worthwhile to give them more density at that point.

Mr. Klein: We would like to create a sense of place, and part of that will be amenities. That is an excellent idea to encourage them to think in ways to provide the transition. With Mixed-Use Development, we want connectivity as well. I know there's going to be a little bit or resistance to that. I think we probably would like to see connections to the trails along 137th Street and 133rd Street to allow people to walk, run and access those developments. I know when we talked about bonuses previously, we had bonuses for increase open space. The developer would come in and say, "We have a minimum of 30% open space. We'll be giving you 40%," but on the plan, it's all little parking lot islands that nobody is going to go enjoy. We just had a plan come forward with a required pedestrian amenity that was in the middle of a parking lot. I can't imagine sitting in the middle of a parking lot with cars on all sides. It does make sense to consider the amenities. Are there certain amenities you think should be considered more?

Comm. Ramsey: What exactly is a bonus?

Mr. Klein: Currently, the Leawood Development Ordinance allows floor area ratio bonuses with a maximum of .25 F.A.R. allowed within the development; however, bonuses are given for various things. There is a limitation of square footage allowed with each bonus. For instance, structured parking above ground gives a 10% bonus. In addition, if they have underground parking, they can go up to 15%. Some of the bonuses are a little subjective in the fact that it is superior site planning, superior architectural amenities, environmental uses within the architecture (shading structures, white roofs, green roofs, detention ponds and rain gardens). Now, Public Works has new standards and best management practices coming into effect, which we didn't see on some of these older developments. They will actually have to think about storm water not only as far as quantity but also as far as the quality of the water as it leaves the site. That's having a little bit more impact. We developed the bonuses prior to those being in place, but B&P is going to require some of those.

Comm. Strauss: LEED certified buildings could be bonuses. I think the open space has to be contiguous; it can't be piecemeal.

Chair Rohlf: Are we thinking in terms of 135th Street, like Regnier's package would be kept that large, or are we talking about corners like we had before?

Mr. Coleman: We would hope they would use the contiguous property for development. They could sell it off into little pieces and then have problems.

Chair Rohlf: Is there any hope that we could coordinate with some of the other owners of properties along 135th Street?

Mr. Coleman: That's what we're trying to do.

Chair Rohlf: The hope is to have something more unified and not just this and that.

Comm. Strauss: It has to have at least 10 acres.

Chair Rohlf: Yes, but we had almost every corner along 135th Street with some kind of residential component, and they were all different. I just didn't know if there was even hope that it could occur.

Comm. Levitan: Did Regnier submit a Preliminary Plan?

Mr. Klein: He didn't actually submit it. They had hired a site planner. The church next to 133rd Street cuts down and then there is an access road coming down to 135th Street. The Regniers own all the property around the church. They are talking about doing a land swap with them to square off their property a bit more and also have shared parking. Of the three developments we've seen construction on, Mission Farms is 70% residential, 30% commercial; Park Place is 40% residential and 60% commercial; Parkway Plaza is 49% residential, 51% commercial. They don't all develop out exactly the same, and they aren't using the minimums. We have seen more people interested in apartments. We have developers coming in wanting them. We tell them we want to see a Mixed-Use, and they want to do apartments. Occasionally, someone will come in and put the package together. Apartments can be part of it; we just want it with those other uses. Leawood has always wanted apartments to be built in such a way that they can be turned over into condominiums in the future if it is ever an option, so it might be a bit more expensive to do this and still meet building codes. We have a limitation on unit sizes with minimum square feet for 80% of the units and none of them smaller than 750 square feet. Some have talked about that as well.

Comm. Pateidl: I want to go back to Bill's point on the transition. I think the floor area ratio is fine, but I think a 40-foot setback from the rear property line is a bit draconian to existing homeowners. It is going to create the "not in my back yard" syndrome. I don't know what the answer to that is, but it seems to be pretty close. The other thing that I don't believe is in the LDO but we saw it with the Mission Farms apartments when we were talking about the trail is that somebody said, "I don't think you want to see the 24/7 lights on the back trail." Then they pointed out that the parking lot would have security lights. There is such a thing as light pollution, and the Mixed-Use is going to bring in more of that. I don't know if we can control that.

Mr. Klein: The Mixed-Use will extend the hours as far as use within the development. You are right that there will be more lights later, but we still have the .5 foot candles required at the property line. Residential lights could be on as well.

Comm. Pateidl: It's the outside lights that create a problem.

Mr. Coleman: The light issue is not going to make any difference because if this was all SD-CR or SD-NCR, it would be acres of parking lot lights. There will be considerably more light in the corridor when it develops out. Prairie Fire will have lots of lights.

Comm. Levitan: But the bulk of the lights will be in the interior.

Comm. Roberson: You're still going to have light; you can't help it.

Mr. Coleman: It's just like when it's cloudy, lights reflect up on the clouds. It's a lot of light.

Comm. Levitan: If you put too many limitations on certain elements, you will deter development. Those developers will go to other municipalities.

Comm. Pateidl: Regarding the other comment you made about residents above a restaurant and having a problem with noise or smell, I'm not sure we should be mandating or dictating that. I think that's where market-based economy takes its place. Leave that up to the developer.

Mr. Klein: I think you're right. I think those are just options of the different types of Mixed-Use.

Mr. Coleman: We don't mandate any of that.

Comm. Pateidl: I hope we don't. We're talking about how we feel about this going forward. I hope we don't get into that kind of stuff.

Mr. Coleman: I don't think so because I think we want to be more flexible but somehow ensure that we have good, experienced developers. I think that is a big part of it. We have some defunct projects, such as Cornerstone, and Church of the Resurrection was the developer and was inexperienced. Villaggio had a people that were not experienced.

Comm. Levitan: Corporate Park on the Overland Park side.

Mr. Coleman: Parkway Plaza is another example. I'm not sure how you ensure getting a good developer, but I think it is very important.

Comm. Elkins: One of the themes that seems to appear in all these developments is that the residential piece seems to be the stumbling block. Should the whole idea of Mixed-Use be revisited? It's nice in theory, and the aesthetic is nice at Mission Farms, but as you have said, ¾ of it is rented.

Comm. Roberson: It's rented because they cannot get permanent financing. They don't qualify for FHA or any other permanent financing situations. If you're going to have condos, they need to qualify for 30-year financing. Right now, those are cash transactions. Banks will lend a 30-year ARM on a 5-year note, but that's about it.

Comm. Elkins: Parkway built those two really high end condominiums. I know that the retail space has struggled, but it has at least eked out somewhat of a survival. Even at Park Place, Melanie and Alpert did as much retail as they possibly could until they hit the limits, and now we're forcing them to go to residential. I like the idea and the aesthetic, but economically, it seems to be the stumbling block.

Comm. Jackson: I don't think you can fill that entire region with Mixed-Use, and I don't think you want to. Can you put lots of residential between a couple Mixed-Use? The plans they threw up at the speaker we heard at Hereford House had something between the Mixed-Use that was much less dense.

Mr. Coleman: They had some open park areas that were running into public spaces.

Comm. Jackson: I don't know that you could get a developer to do that.

Mr. Coleman: Jim High talked about moving the density toward these nodes, such as the area at 135th and Roe. I would expect to see higher density near 135th Street and the main arterials and lower density closer to the residential area.

Comm. Jackson: Can we break them up some way? Also, think about the demographics you brought to us a few months ago. Everybody is getting a little older. There's too much office space in the area already. I don't see a lot of office space necessarily getting incorporated into these things. How do those demographics make sense?

Mr. Coleman: This study has a small market analysis component to it, so they'll look at that and tell us probably in some time frame what the market says, to some extent. The idea is this corridor has developed over 20-30 years. Maybe there is a major office complex in one area. Maybe in another area, it's more residential. Another area could be more like the entertainment area in Prairie Fire. I don't know; it will depend on the developers and how they see the market. Then there's the management.

Comm. Elkins: Is there any merit to the idea of a Mixed-Use Development that's just office and retail without a residential component?

Mr. Klein: Right now, within the SD-CR District, it would allow both office and retail. The biggest limit with regard to office is the General Retail has a limit of 50 feet as opposed to 90 feet. It does seem that the Mixed-Use does offer a number of advantages. I know we said that the residential seems to be lagging, but that's what we're seeing most of them want to do right now. When the condominiums came in, they struggled perhaps because of the ability to get financing, but the apartments seem to be renting fairly well right now. Having Mixed-Use with the residential component as part of that will provide more population to actually be able to take advantage of some of the retail and offices located down here. Part of the issue that we have with this corridor is there are a lot of plans on the books with regard to office and retail. Corbin has a tremendous amount of retail associated with it. I think there probably needs to be somewhat of a residential component to allow more population in this area. Further complicating this is that the single-family residential is probably not going to fit really well between 137th and 133rd Street because 135th Street is very busy. We're proposing to add a third lane on each side to make it a six-lane road. Then 133rd Street and 137th Street are intended to carry a lot of the traffic into those developments within that corridor so you don't have a lot of curb cuts along 135th Street.

Comm. Ramsey: The original concept when KDOT turned over K150 and we did the study on it was 133rd – 137th were to function as frontage roads. Olathe, Leawood and OP all agreed that's what they were going to do on K150.

Mr. Coleman: It was to relieve the traffic on 135th so that you don't have as much.

Comm. Ramsey: The agreement was there were to be no curb cuts on 135th because of the relief of 133rd and 137th.

Mr. Klein: When the economy turned down, some office didn't survive. Cornerstone had office and retail, and it did not survive. Parkway Plaza struggled a little bit. Granted, the residential really struggled there as well, but I think that was in part because of the price point they have those condominiums priced at. If apartments were allowed that could eventually be converted to condominiums if the market ever determined it, you would probably see a lot more interest. Park Place had a similar situation where R1 and R2 were supposed to be The Meridian and R3 was supposed to be another one. One building was five stories; one was seven stories. They were brick and cast stone, and we heard the prices on them were going to be close to $1 million. There just wasn't that type of money out there for that type of product. I think they'll probably have a little more success, especially in today's market and being able to rent, which is what they plan on doing.

Comm. Ramsey: What I've seen happen so many times over the past 35 years (present company excluded with developers) is that they chase what's currently hot. What I'm concerned about is we have the flexibility to work with folks. Right now, apartments are the thing because of financing and the lack of product out there. I saw the same thing happen down at Lake of the Ozarks with condos, and they have people down there now that can't give condos away. I'm concerned that we'll have folks come in and say, "We're all good," and then we wind up with the apartments like we have the condos.

Mr. Klein: That's always a risk. It seems like the office got way overbuilt there for a while, too, especially when Sprint built the campus and then drew everybody into the campus and left all that office space. You're right; there are trends. It almost seems like diversifying your economic base isn't a bad idea as far as the types of uses you have in a certain area to provide a buffer.

Comm. Roberson: Maybe it's just my perception, but I think one of the issues is that we just don't have an abundance of homes that I would consider to be reasonably affordable either for an older or younger couple as maintenance-provided developments. We have a few, but we don't have very many of them. The areas that do have them get snapped up immediately after they go up for sale. We don't have anything quite like that. You talk about putting a buffer and things like that, and those are ideal buffer developments.

Mr. Coleman: What are some examples?

Comm. Roberson: Right behind Hawthorne Plaza, for example, are duplexes. They sell like hotcakes.

Chair Rohlf: Our newest maintenance-free villas are $850,000. Then you're downsizing into something that's twice as much as your house is worth.

Comm. Ramsey: We had The Villas, and they're selling right now for $600,000, and they're smaller than most of the homes. They're all sold.

Comm. Roberson: But we don't have anything in the $250,000 - $300,000 range that's affordable with maybe two or three bedrooms and a basement. We just don't have it.

Comm. Jackson: That might make sense with a lot of 135th Street between the Mixed-Use. I really don't think you can keep putting in retail to fill all that up.

Comm. Roberson: I don't, either.

Comm. Jackson: That gives you a lot more people that might be using the Mixed-Use, also.

Comm. Roberson: You create a development like that and then have retail/office space all within walking or biking distance, it's truly affordable. We don't offer the housing choices here in Leawood that Overland Park does. Not that I want to be Overland Park, mind you, but Overland Park puts up an apartment complex, and it's full. They don't have any trouble.

Comm. Pateidl: What can the city do to promote that?

Comm. Roberson: That's a good question, and I don't know the answer to that, but I think that we don't have that here, and yet we've got Price Brothers. We've got all sorts of developers here who can do it.

Comm. Jackson: Is there something in the ordinance preventing it?

Comm. Strauss: Can we talk to the developers and find out why we're not looking at those kinds of things?

Comm. Roberson: That's how I would start.

Mr. Coleman: You'll see one come in here shortly in Tuscany Reserve. Those are all villas.

Chair Rohlf: But his price break is over $750,000.

Comm. Roberson: That's not what we need in Leawood. It's nice to have. It's great for property taxes.

Comm. Elkins: Will part of this study that we're proposing to do be to talk to the developers as well?

Mr. Coleman: We'll be talking to the property owners. I don't know who the developers are. The developers are someplace in the future. We have someone talking about apartments right now.

Comm. Elkins: Those types of places are being built elsewhere. It might be worthwhile to find out who those developers are and to at least interview them. Quite frankly, I think part of it is reputation. I think the developers shy away from Leawood because of the perception that we're difficult, and perhaps we are difficult; I don't know. As long as we're doing this planning process, it might serve us well to hear from the developers as to what their gripes are. Maybe we'll be deaf to the gripes, but I think we ought to take this opportunity to at least hear what some of those types of places are saying.

Comm. Strauss: Can they even come in with the villas or the apartments if this is all Mixed-Use? They can't just propose villas.

Comm. Elkins: There are substantial places along 135th Street that are not zoned Mixed-Use.

Comm. Strauss: I thought it was all one big bubble.

Mr. Klein: On the Comprehensive Plan, it is.

Mr. Coleman: They could request to rezone.

Mr. Klein: I think there is an opportunity with the 135th Street Corridor study with the public input section for citizens to express concerns and also for stakeholders as well to provide input.

Comm. Levitan: I think having a developer forum is a great idea. I have a lot of people whisper in my ear that they shy away from Leawood. I think Regnier is a great family, but they're not Mixed-Use people. There are only a handful of those people here in town that can pull it off. If you talk to Melanie and Alpert, they'll tell you they're not getting rich off Park Place. The only way they're going to make any money is if they sell it. Do they have a TDD?

Comm. Levitan: You need a TDD, a CID, STAR Bonds and things like that, but Mixed-Use is not profitable. It is just so expensive to build that I think we need to remain flexible on 135th and not turn away other opportunities. There's not enough retail in the world to fill all that up. Retail is hard enough.

Mr. Klein: Is it the structured parking that makes it expensive, or it is putting together different experts who are used to dealing with a single type of use? It also sounds like the financing is difficult as well.

Comm. Levitan: I think you have to have people like the Price Brothers and even the guys behind Park Place. You need office developers like Ken Block and people that can give a good 360 look at everything they face because it's just tough getting things through. I know Town Center wants to put money into upgrading the property and are running into issues with conflict in tenant standards and trying to attract tenants. If the tenants can't get the build-out the way they need it, they're not going to come. I think getting developer feedback would be a healthy part of the growth process. Yes, there is a tendency to chase what's hot, but the multi-family market is there. These complexes are selling at a really low cap rate. People are making millions off them. Some of the higher end complexes are drawing in higher end people. $120,000 average salary at Mission West is pretty stout, and they're getting good rents at $1.40 a foot.

Comm. Roberson: That's good.

Comm. Levitan: It's impressive. It's not all college housing where your kid is coming out of college with no income. These are people who want to remain flexible.

Mr. Klein: Tonight was just more to introduce the Mixed-Use and get it fresh in everyone's mind. We will also be talking about the 135th Street Corridor.

Comm. Ramsey: Who is the consultant hired?

Mr. Coleman: Design Workshop out of Denver.

Mr. Klein: In addition to that, we will also have the Comprehensive Plan update that's going to be coming up. We hope to take advantage of a lot of the input to help make updates. We would like to look at goals and policies. I realize this is a lot to think about. We'll be having other work sessions to provide more information and more opportunity for input.

Comm. Pateidl: One thing I've heard tonight as it relates to Mixed-Use is that the real concern is if we have an effective use. We have a lot of ground and a lot of potential, but if we get tunnel vision looking into Mixed-Use, I think it might be a mistake. For our purposes now in terms of the consultant and our mindset as we go forward, we should be looking at the effective use of this remaining property and not be focused so hard on Mixed-Use. If we're getting down the F.A.R. and setbacks on Mixed-Use, it's getting awfully detailed, and that's putting us in a pigeonhole that I don't think we feel is the right place to be.

Mr. Klein: That was part of the reason to open up the discussion. Maybe it is hard and fast now. Does it need to be changed? Does it need to be made more flexible? What can we do? Is it enough to say, "These are the rules, and this is what is available"? This is an opportunity to take a look at the box we have right now and open it up and decide how it could be changed to make better opportunities.

Comm. Pateidl: I think we have to get away from just simply the fiscal construction of this thing. I'm hearing tax allowances and different districts and STAR bonds and the AAA rating. If Leawood is really going to make an effective use of this, Leawood may have to step to the plate with some money. I don't think we can set that aside.

Comm. Strauss: If we are thinking Mixed-Use down this whole corridor in Leawood and you step back 20-30 years later, ironically, it's not Mixed-Use anymore; it is kind of all the same. I know it's different within each little 10-acre area, but I think we want to mix it up and have different types of zoning between Mixed-Use and break it up. It is ironically not Mixed-Use if you zone it all Mixed-Use.

Comm. Ramsey: That's right. What I'm concerned about on the apartment issue, for example, is that I would agree that right now, the apartments are hot and people are making a lot of money off them and that's a good thing. What's always in the back of my mind, though, is where to stop with it. Just like you don't want the whole thing Mixed-Use, you really don't want the whole thing apartments. I understand that we're going to get into this in the study, but how much is enough? That's what I always struggle with on these deals.

Comm. Levitan: That applies to retail, office, everything.

Comm. Ramsey: Absolutely; it's finding the right density.

Comm. Levitan: The multi-family developers do a comprehensive market study. If it's on the line, I don't know that they pull the trigger. They're just bending to the ways of the economy now. There will be a bubble at some point, but nobody knows when that is.

Comm. Ramsey: I would agree. I don't know that we can make that whole corridor Mixed-Use.

Comm. Elkins: The fact of the matter is that we haven't successfully made any of the corridor.

Mr. Coleman: What would ultimately be there? The city has already decided they didn't want a Mercedes dealership there.

Chair Rohlf: This must be a money thing, but what about concentrated medical centers or research facilities, campus environments or attraction features, such as a zoo. It could be something different that would attract people here to use what we've already got. What are profitable bigger uses of land? What makes money besides apartment complexes and obviously a brilliantly designed Mixed-Use Development?

Comm. Ramsey: It all depends; are you going to subsidize it?

Chair Rohlf: I don't know anything about that, but it just seems like there is so much concentrated down around KU Med and all of that. Are those just people donating money to build the facilities?

Mr. Coleman: That one is.

Chair Rohlf: Or a theater district; I just don't know what else is out there that would be attractive to developers.

Mr. Coleman: All those things have been talked about.

Mr. Klein: A lot of what we talked about with Mixed-Use is quality of development. We've already tried to incorporate a lot of these ideas currently within the General Retail or Office. We want connectivity. Our ordinance requires pedestrian crosswalks and pedestrian plazas. We have landscaping requirements. Even if they didn't develop all out, as far as Mixed-Use, we would still want to see a lot of those common elements to where you did have the connectivity and you did have the ability to take advantage of those uses rather than everybody pulling out onto 135th Street and driving ½ mile down the road and pulling in to another curb cut.

Comm. Ramsey: The problem we're going to have is Prairie Fire on one end and then State Line Road on the other. Those are pretty massive retail destinations.

Comm. Roberson: You see what happened in-between: failure, lots of failure.

Comm. Levitan: Unless you've got a Cecil Van Tuyl or a Sutherland family, you're going to be hard-pressed and need a subsidy to make it happen. Sometimes, it's a combination of the two.

Comm. Roberson: With Mission Farms, for example, I think with the addition of the apartments they're building, it will make that a much more successful development than it currently is. I don't know whether or not they're going to be able to build those patio homes. I don't know what the price is there, but let's hope they can sell those. Even the Mission Farms single-family area has been slow to develop.

Mr. Coleman: Typically, it's retail following housetops.

Comm. Elkins: I'm still not sure that Prairie Fire is a successful deal.

Comm. Levitan: But Fred's been working on it for thirteen years. The good news is when he went to sell his $60 million in bonds, he sold in three hours.

Comm. Elkins: That's encouraging.

Comm. Levitan: The question is if on Phase 2, they can get the office above retail and recreate what Park Place has done. They're targeting more national retailers; Park Place is all local mom and pops. He's certainly going to build actually a little higher quality than Park Place. He's pretty finicky, but it's going to take time, and he's going to need 50% preleased on Phase 2 in order to kick start it. Phase 1 is maybe 5%.

Comm. Jackson: Then we need to look at who we're going to draw into this area. Where are they coming from? If Sprint goes, is it all for naught?

Comm. Levitan: That's a great point. They killed the market twice, and they could do it a third time.

Comm. Ramsey: I'm not saying this is what's going on here, but I've seen it a number of times where just because cities say it doesn't make it so. In other words, they plan, zone and then say, "We're going to have an upscale shopping center right here." Then it never happens because they're not the developer. That's why I'm not skeptical, but I think this study that we're about to embark on is going to be really critical in terms of not doing the typical, "Okay, here's what we can do," as opposed to the brainstorming that we just started and remaining very flexible. No matter what we say, it's not going to happen unless a developer bellies up to the bar and uses outside money to do it.

Comm. Jackson: You've got to stay flexible in this economy. You could have miniature manufacturing plants everywhere with all this new 3D printing in ten years. Who knows if a lot of this retail goes away?

Comm. Ramsey: That's just it; the cycles are turning so fast that I'm concerned that we could get apartments today, but by the time we're built, we may have moved on to the next thing.

Comm. Pateidl: Leawood is a bedroom community. That is the history with the school, facilities, library, etc. What we're struggling with is what to do commercially to enhance Leawood to bring in further development and residential, be it multi-family or single-family. That's a challenge, and I like Lisa's thoughts. Let's think about other things. Let's think about research centers, etc. It goes back to what I said before that I think we need to look at this as the most effective use of this property. Those are the marching orders I would like to give to the consultant. Once we determine what's effective, how do we make it work? You can tell me I can have a Porsche, but if I can't afford it, I'm not going to get it. This consultant has a big job ahead of him as far as I'm concerned.

Chair Rohlf: It's a start. Is the committee underway? Is it meeting?

Mr. Coleman: We have not started. The contracts aren't signed.

Comm. Jackson: Is Len on the committee?

Mr. Coleman: Yes.

Mr. Klein: This is just a start. Thank you for all your input. I'm sure other ideas will come to you as you think more about it. There will be other opportunities to offer new ideas or thoughts. This was a good start.

MEETING ADJOURNED