

JOINT MEETING OF  
OVERLAND PARK CITY COUNCIL  
AND  
OVERLAND PARK PLANNING COMMISSION

October 6, 2004

Councilmember Carl R. Gerlach called the Joint Meeting of the Overland Park City Council and Overland Park Planning Commission to order at 6 p.m. The following members were present, constituting a quorum:

Mr. George Kandt; Mr. Jim Hix; Ms. Marcia A. Gilliland; Mrs. Terry Happer Scheier; and Mr. Dave Janson. Mayor Ed Eilert, Council President Thomas C. "Tim" Owens, Mr. Terry Goodman, Mr. Neil S. Sader, Mr. Daniel Carbery; Mr. Fred Spears; and Mr. John H. Thompson were absent.

Chairman Edward Reitzes; Vice Chairman David Hill; Mr. George Lund; Mr. Richard Collins; Ms. Janie Thacker; Mr. John Skubal; Mrs. Kay Sorensen; Mr. Tom Lance; and Mr. David White. Mr. Charles Hunter and Ms. Sharon Holsinger were absent.

Also present were: Mr. John M. Nachbar, City Manager; Mr. Bob Watson, City Attorney; Mr. Roger Peterson, Director of Planning and Development Services; Mr. James Cox, Director of Parks and Recreation; Mrs. Kristy Stallings, Director of Finance, Budget and Administration; Mr. Bart Budetti, Senior Assistant City Attorney; Mrs. Penny Postoak Ferguson, Assistant City Manager; Mr. Sean Reilly, Manager, Communications; Ms. Evalin McClain, Assistant City Manager; Mr. Bob Lindeblad, Administrator, Current Planning; Mr. Mark Stuecheli, Senior Transportation Planner; Ms. Marian Cook, City Clerk; Mr. Brian Shields, City Traffic Engineer; Mr. William Ebel, Manager, Maintenance Operations; Mr. John Rod, Administrator, Long-Range Planning; and Mrs. Barbara Potts, Recording Secretary. Approximately 10 people were in the audience.

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Councilmember Carl R. Gerlach said the purpose of tonight's meeting is to discuss a very exciting project, the proposed High Pointe Arena and Entertainment Development Project Plan. As he explained, this item was presented at the Finance, Administration and Economic Development (FAED) Committee meeting last night and was recommended to the City Council and the Planning Commission for further discussion.

PRESENTATION OF THE PROPOSED HIGH POINTE ARENA AND ENTERTAINMENT DEVELOPMENT PROJECT PLAN.

Senior Assistant City Attorney Bart Budetti stated that he would briefly cover the statutes that are applicable, placing this meeting in the subsequent process and context. He explained that K.S.A. 12-1770(a) authorizes the City to establish special bond projects that are eligible for financing by Special Obligation Bonds, payable from a pledge of revenues from Transient Guest taxes, which are collected from taxpayers doing business within that portion of the City occupied by the special bond project. He said these are commonly known as STAR Bonds. Any city proposing to undertake such a special bond project has to first prepare a project in consultation with the Planning Commission of the City. For such a project, the statutes require a summary of feasibility and marketing studies, as specified in the law, as well as a description of

the buildings and facilities proposed to be constructed or improved as part of the project. For the City to adopt such a special bond project, the process includes the adoption of a resolution by the Governing Body stating that the City is considering the adoption of the project plan. Subsequently, there would be new public hearings held on the project plan and adoption of the project plan by a two-thirds vote of the Governing Body. Additional approvals related to special use permits and rezonings may also be necessary and would follow the normal course of approval. In addition to any approvals required by the City, he explained that the secretary of the Kansas Department of Commerce must review and approve the issuance of the STAR Bonds according to the criteria set forth in the applicable statutes. However, prior to the adoption of the aforementioned resolution by the Governing Body initiating this process, the Planning Commission must first make a finding that the proposed project plan is consistent with the intent of the Comprehensive Master Plan for the development of the City. Until that finding is made by the Planning Commission, no further action can be taken, and the project cannot move forward. The request for such a finding by the Planning Commission is scheduled for the Planning Commission meeting on October 11, 2004.

At this early stage of the process, Mr. Budetti pointed out that the intention is for the project plan to be a generalized and conceptual plan and not a detailed plan that may ultimately be included as a preliminary development plan to accompany a request for a rezoning of the subject property. The detailed information on matters, such as storm water drainage and traffic, will be provided later as part of the subsequent rezoning and/or special use permit application. It is also important to note that should the Planning Commission at its October 11, 2004, meeting find consistency of the project plan with the City's Master Plan, there can be no assurance that it will be automatically and necessarily followed by approval of any subsequent application for rezoning or approval of a preliminary development plan. While the statutory process is somewhat unique in the sense that the Planning Commission does not ordinarily make such findings on conceptual development plans, the determination of a proposed project's consistency with the Master Plan is a normal and ordinary part of the rezoning and special use permit approval process that is regularly followed by the Planning Commission. He stated that his summary was concluded regarding the legal context for moving ahead with this application.

Mr. Greg Musil, Shughart Thomson Kilroy, 9225 Indian Creek Parkway, representing the owner and developer of the proposed Highpointe Arena and Entertainment Development Project Plan indicated that the conceptual plan was first proposed to the Council on December 2, 2003, placing an arena with an entertainment district on the remaining vacant land of the current Overland Park International Trade Center. He explained that the 39 acres would be part of the special bond district, and if approved by Council, the developer can request eligibility for STAR (Sales Tax and Revenue) bonds from the state of Kansas. He commented that this is a unique process, as explained by Mr. Budetti.

Mr. Musil introduced Mr. Steve Graham, RED Development, who has developed unique retail shopping centers and entertainment locations across the country. He also introduced Mr. Carl Yaeger, from Berger Devine Yaeger, which is an architectural firm in Kansas City, Missouri, who has completed the artist's rendering of this project.

Mr. Musil stated that the project plan is consistent with the Future Development Plan of the City of Overland Park. He explained that staff has distributed an analysis to determine the types of uses that have been planned on this site in the past, the types of uses currently planned and the types of uses surrounding this site. When considering these uses, the developer's desire is that the Planning Commission and City Council will be able to make a final decision to enable the developer to move forward with this project.

Referring to the site plan map and the artist's rendering, Mr. Musil said the site is planned for an 8,000-seat multi-purpose arena and 290,000 square feet to be filled with unique restaurants, entertainment venues and shops that are new to the metropolitan area. He believed this will bring tourists from a four- to five-state area, which is part of the legislature's goal in authorizing the STAR bonds. He explained that the shops will be a unique mixture and have a particular theme that would be active in the arena with its events.

According to Mr. Musil, the plan is to build a project that families can attend, as well as to serve the entertainment needs of people who are visiting the Overland Park Convention Center, the citizens in Overland Park and the people in the surrounding metropolitan area. In the past, this site has been used as a convention center, an exhibit hall and for trade shows, boat shows and gun shows. He said that staff has indicated that the proposed use will be consistent and similar to what has been in this location in the past.

Mr. Musil said two questions are whether or not the City has room for the retail and whether or not vehicles will be able to easily enter and exit the site. He understands that ultimately the developer will have to do a traffic study and discuss the improvements and placement of parking spaces. He commented that there is a huge amount of public dollars already in the infrastructure in this area, and it is sufficient for this purpose. As he explained, 14,500 people enter and exit the Sprint Campus every day; 400 to 500 people enter and exit Black & Veatch every day; and 1,500 people are employed at Universal Underwriters, among other users along College Boulevard. He pointed out that this area is easily accessed from I-435 and Nall.

Mr. Musil believed the acreage in this area is underused. He referred to the parking lot of the Overland Park International Trade Center. He explained that the parking lot is empty day after day because the International Trade Center does not have the use. In his opinion, the Overland Park International Trade Center is an underperforming property in the City of Overland Park. In terms of the location, which is adjacent to the world head-quarters of Sprint, he believed this project would be of the type of use that is consistent with the other use of the land. He stated that the project can be accomplished without additional public investment in the infrastructure and without unduly taxing any of the network of streets in the area. In addition, this site is not close to residential areas.

Mr. Musil reiterated the fact that this property would be used for family-oriented and live entertainment, as well as a more sophisticated dining experience. He referred to Mr. Steve Graham from Red Development who is able to find unique retail entertainment around the nation or a restaurant that is not located in the Kansas City metropolitan area today. STAR bonds are intended to create projects that redistribute

disposable income within Overland Park and designed to bring people from outside the City to pedestrian-friendly access to entertainment venues that will draw new dollars and new economic impact into the City of Overland Park.

The subject project will go through the regular process, similar to the normal development process, including traffic studies and the preliminary plan process. As explained by Mr. Musil, the purpose of the meeting on October 11, 2004, and the public hearing on November 15, 2004, is to more closely define the project, getting very specific about the types of users and tenants. By the time the City agrees to enter into the development agreement, the Planning Commission and City Council will know the answers to most of the issues. Following that, the developer will present a plan that the City will agree is consistent with the Future Development Plan, as well as consistent with the past development plan of Overland Park. He believed this project builds on the existing infrastructure of the City of Overland Park, which is a mix of residential, office, retail and entertainment uses that give the City a tax base that every other city in the county and every city in the metropolitan area envies. He further believed this to be a one-of-a-kind and once-in-a-lifetime opportunity to build on the economic base of the City. This project will make the City stronger and more visible than it is today, plus complete it in a manner that is compatible with the high quality and the careful planning that Overland Park has brought to the table in the past. He offered to answer questions.

Mr. George Lund asked for more details regarding the arena.

Mr. Musil replied that the arena would be used for small sporting events, other events and concerts. He explained that the arena will be state-of-the-art in acoustics. He pointed out that this arena will not take the larger events, but with the convenience and the demographics at this location, it will take the appropriate sized ones for Overland Park.

Mr. Edward Reitzes inquired about the design of the parking lot for the arena.

Mr. Musil said there will be 1,400 parking spaces in one area and 1,250 in another area, as well as 450 empty parking spaces on the south end of the building. He said the parking is less than what they would like to have. However, the 1,400 parking spaces will be adequate to support all of the retail areas. He assured the Planning Commission and the City Council that the developer will work with City staff in regard to the parking issue.

When asked by Mr. Reitzes if a parking garage is planned, Mr. Musil said there is no structured parking on the plan because of the expense. As has occurred in the past, the dilemma is not in finding the land for the project, but finding an adequate amount of parking.

Mr. David White asked if the developer has had any feedback or opposition from the surrounding property owners, such as Sprint.

Mr. Musil replied that they have had little feedback or concerns regarding this project. In the summer of 2003, the developer talked with the people who own approximately 22 acres of undeveloped acreage that is zoned industrial. In working with the staff, the developer hopes to incorporate the undeveloped land and point this facility

towards the convention center. He said there might be a second phase in entertainment, retail and office, making this a mixed use that would include residential, so that professionals can walk to and from work.

Mr. David White inquired about the Olathe arena that is also in the development process and asked whether or not it would have an impact on the proposed Overland Park facility.

Mr. Musil indicated that there would not be two arenas built in Johnson County. He said two of them could not survive. He believed the arena in Overland Park is the best location demographically and geographically. He explained that Olathe has been working on theirs for about four years, but the secretary of commerce approved only one-third of the STAR bonds that they needed to build the project. The City of Overland Park is asking for much less in STAR bonds than Olathe requested, because this project is 70 percent funded by private debt individuals.

Mr. David Hill agreed that it is good planning to strengthen the connection between the Overland Park Convention Center and the proposed project. He supports the proposed project.

In response to Mr. Hill's question about the collection of sales tax if the ticket sales are outsourced to ticketing agencies in Missouri, Mr. Steve Graham said a surcharge will be part of every ticket regardless of where it is sold.

Mr. Musil explained that the revenue on a ticket is not a sales tax, but an excise tax, and it will be paid on every ticket.

Mr. Graham indicated that the arena sales are a pretty small part of the sales of the overall project. He explained that most of the sales tax will come from the entertainment district and the entertainment venues, and this is what finances the project.

Although the City may outsource the selling of tickets, City Manager John Nachbar said the City will still have control over the tickets.

Mr. Musil believed that when they get to that stage, the City and the operator will have a unity of interest to capture every sales tax dollar possible.

In terms of the parking spaces, Mr. Richard Collins asked if there is any chance of negotiating with Sprint to be able to use some of their parking. Mr. Musil confirmed that the developer is in the process of talking with Sprint about a shared parking agreement. He agreed that this would be very useful to the project.

When asked by Ms. Janie Thacker about the future tenants at the Overland Park International Trade Center and the existing properties, Mr. Musil said the International Trade Center provided wholesale to retailers. He explained that it is not a sales tax generator for the City because they do not charge sales tax at that level. Although the International Trade Center has been a high paying tenant, it has been an inconsistent tenant. He said that Sprint used to have offices in 267,000 square feet of the lower level, but their lease expired in 2003. He commented that the developer would need to determine what is needed from a parking standpoint

or otherwise. He pointed out that the parking area used for Sprint, Universal Underwriters and Black & Veatch will be vacant, and thus, more accessible to the people visiting the arena.

In response to Ms. Thacker's question as to whether or not the Overland Park International Trade Center and that property are still part of this ownership, Mr. Musil said it is more than a partnership. As he explained, the only part of the existing structure that is in the special bond project is the exhibition hall. The International Trade Center will remain and be an integral part of the project.

Mr. Tom Lance expressed concern relative to the parking. He asked whether people would enter the arena on the lower level or the upper level.

Mr. Carl Yaeger, Berger Devine Yaeger (architectural firm), said they are planning two entries into the building. He explained that the events would be accessed at grade level, and escalators would take people to the second level where the public would be. He said the arena will have retractable seating, so the open area can also be used for an exhibition hall.

In reply to Mr. Lance's question regarding the height of the building, Mr. Yaeger said that it will be around 65 to 70 feet, and the peak of the roof will be at 85 to 90 feet, as requested. He added that it will be about twice as high as the existing exhibition hall.

When asked by Mr. Lance regarding the source of input for the programs and type of tenants, Mr. Yaeger said he is currently working with the developer to determine the requirements. In terms of the parking surface area to be provided on the site, he said the question is how much retail area can be supported. Obviously there is a target on the retail square footage to generate the taxes to support the STAR bonds. It was decided that the parking area will support 290,000 square feet of retail.

Mr. Lance asked for the number of parking spaces that would be needed to seat the 8,000 people in the arena. Mr. Yaeger recommended a three to one ratio of approximately 2,600 parking spaces. The existing parking plus the parking they have provided is 2,700 parking spaces.

In response to Mr. Lance's question regarding the number of events anticipated per year, Mr. Musil said currently there are approximately 144 events held per year. He pointed out that many events will be able to book the arena, such as concerts, ice skating events and even high school graduations. As he explained, many times the Shawnee Mission District cannot accommodate all of the guests for a high school graduation. Since there is no guarantee that the weather will be good, many graduations cannot be held outside. Therefore, they believe the arena will be beneficial, because it can be used as a multi-purpose facility. He believed that the entertainment district will complement the Overland Park Convention Center and draw more conventions to this area. He anticipated that 600,000 to 700,000 people will visit the events at the arena, as well as come for the retail entertainment district. He believed this project will also benefit the Oak Park Mall stores and the shops at 119th Street and Metcalf.

Mr. David Janson asked if any other metropolitan areas of the country have a similar type of project and whether those have been a failure or a success.

Mr. Musil confirmed that they are putting together an analysis of various cities that have similar projects. He referred to an entertainment district located approximately 20 miles from downtown Atlanta, Georgia. He indicated that this arena is a 12,000-seat arena, and it has been phenomenally successful. He informed the Planning Commission and City Councilmembers that the 12,000-seat arena has sports events, family shows and concerts. In his opinion, there is a trend in the market place for arenas and entertainment districts in the metropolitan areas. He believed that a larger arena would support the major events, and a secondary arena, smaller in size, would cater more to the family-oriented shows and minor events.

Mr. Reitzes asked if the entertainment retail concourse would consist of a mix or variety of architectural styles.

Mr. Musil suspected that there would be a variety of architecture, because these users will have their own plans. He reiterated that the strategy is to connect these shops to the Overland Park Convention Center. He said they have discussed the possibility of a glass tower, so the two facilities can be connected.

Mr. Yaeger indicated that the developer wants to create some variation in style so that it creates an entertainment district, as well as giving a person the feeling of walking on a downtown street. He explained that the buildings will change as the tenants change. He anticipated that there will be some one- and two-story buildings in the plan to allow a mixture of shops. He said they also would like to create the ability to actually close the street to traffic if they are having some major event. The plan is to create a pedestrian walkway for different kinds of events, such as art fairs, while directing the traffic flow around the site. He stated that their intent is to provide some variety to each of the tenants, as well as shops that would be complementary to the area.

Mr. Lund expressed his support regarding the variety of tenants. He asked whether the street would be a public street or a street that can be closed down from time to time for events.

Mr. Musil explained that a public street would have different setback issues. As a public street, it can be closed down with the City's permission, similar to the way it is done in the downtown Overland Park area for certain festivals.

In conclusion, Mr. Musil said the developer does not have all of the details in terms of the mixed use district, setback requirements and requirements for public versus private streets. These issues need to be analyzed by the developer and the City staff. He believed this concept needs careful consideration by the Planning Commission and the City Council. The developer's desire is to present the best possible project at this site.

Mr. Gerlach believed an excellent point had been made regarding the connection of the proposed arena to the Overland Park Convention Center. He agreed that the arena needs to contribute to the success of the Convention Center in terms of room nights and shows, giving people a reason to come to Overland Park. He believed this is an exciting project for the City.

Mr. Gerlach announced that this item will be presented to the Planning Commission and to the City Council on Monday, October 11, 2004. He explained that if the Planning Commission recommends approval to the City Council, and the City Council approves the concept, a public hearing will be set for Monday, November 15, 2004, at which time there will be more information for further discussion.

ADJOURNMENT:

Mr. Gerlach declared the meeting adjourned at 7 p.m. Minutes transcribed by Barbara Potts.

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Carl Gerlach, Councilmember