

KCI Area Development

Thursday, February 7, 2013 Minutes

In attendance were Dan Whitney, Chris Byrd, Dave Mecklenburg, Gene Hanson, Ron Williamson, Dyanne Bean Guest, Valerie McCaw, Jay Burrell, Kyle Elliott, Jade Liska, Matt Eblen, Mark Reik, Yvonne Seckington, Jeff Elsea, Mark McHenry, Roger Lewis, Randy Gorton, Travis W. Kiefer P.E, Kim Palomarez, Jabbar Wesley, Aaron Schmidt, Brian Nowohty, Jenni Glass, Pete Hall, Ed Bradley, Ed Ford, Pat McCole, Pat Daniels, Alicia Stephens, Morgan Bell, and Lenah Kamau.

Land Availability Presentation

Dan Whitney led the group first in a review of the housing update and market discussion. Whitney said that in the Kansas City area, the housing market vibrancy has been an up and down cycle and right now it is a bit lower compared to other mid-western states, with permit trends still low but on the rise, although the rate of change is faster. Whitney noted that when you take out unavailable or far out lots the numbers of land available lowers quickly. According to Whitney, change in current new home activity from January 2012 shows total subdivisions to be 1,133 (-26), total homes under construction 1,788 (+405), total newly furnished unoccupied homes 821 (-243), undeveloped lots 79,025(-317) and developed lots to be 25,859 (-2,501).

Whitney said that in the market share graphics (based on permits) from 2006- 2012 there has been a growth from 0- 40% in the different counties with Johnson County having the highest tallies at 35.9% (due to higher income) and Platte County coming in fifth at 10.01%. He also noted that there have been 153 more starts than closings in the last 4 months overall with Platte County having 35. Whitney said that the resale of home inventory has picked up in the last year. The number of undeveloped lots has gone down to 79,025 and is not expected to increase. Whitney said that closing numbers are going up and continue to rise every cycle. He noted that there has been a metro-wide 2.7 total months supply of housing inventory which has been the lowest it has been in over 5 years. It was also noted that Platte County has an up tick in construction especially town homes. There have been steady home closings and an increase in lower price points. There is still dominance of a 325/425,000 price point.

Whitney concluded by pointing out some observations in the housing market. These include more buyers looking for houses with the political scare tactics having less impact on home buying. Spring sales are predicted to be more active. There have been 200 more permits than forecasted metro wide bringing the number from 4300 to 4500.

KC Parks & Recreation Board Update

Mark McHenry with Kansas City Parks made a statement that the Parks Board was probably not looking to make changes to the area plan. He said City Planning should be taking a lead on 1st and 2nd Creek and that KC Parks just wants to be part of the discussion. Pat Daniels added that city ordinances are already very restrictive. He pointed out that he would not be comfortable having more restrictions as the ones already present are bad enough. Valerie McCaw with VSM Engineering pointed out that clients in the area need to know the restrictions and be ready for when someone markets the area and gets investors. Pete Hall with Curry said that the developers need to start being in discussion with large land owners in order to see what can be started and agree on such issues as costs and prices. He also pointed out that some of the challenges being faced are that any particular large areas of land may have diverse ownership and thus will have a chain of bureaucracy for

decisions to be made. He also pointed out that some of these large land areas are long-term, family owned parcels and so the family is reluctant to sell it.

Chris Byrd said there need to be plans that are feasible and economic since the City is not able to raise the funds and thus the developers end up having to pay for the whole project. He also noted that workforce housing is still a need. Aaron Schmidt with Hunt Midwest said there are seven existing plans right now. At some point this needs to be actually developed. Dave Mecklenburg said he would like to see plans consolidated and costs being cut while still reaching the goals and getting everything ready for when the investors come in. He also said that once we get investors building and the area growing, the zoning will be very light. School districts will also receive tremendous pressure to build schools. Mecklenburg continued to say that parts of Platte County have not been developed because of the terrain. There is not much usable land for parks and compared to the marketplace, Platte County did not have as many outlying communities. In addition, Mecklenburg pointed out there is an established pent up demand in the next five years with housing recovery starting at mid/upper price point with more buyers actively looking for new homes. He also said subdivisions that had been previously neglected are starting to clean up with more growth.

Mecklenburg said that it would be a unique opportunity for the Northland, based on the Kessler Plan to have a city within a park. He said that this would be a good time to revisit the plan of having a park in the center of 1st and 2nd Creek which would be also a good opportunity for great home values. Set up properly, this is a great opportunity for Kansas City to build a crown jewel.

First Creek Sewer Project Update

Aaron Schmidt said Phase 1 is under construction but slow going as there is a lot of rock under I-435. He said that the first pipe was already in the ground and that an intercept or line will be done at the end of the year.

Ed Ford updated the group that there was a Planning and Zoning meeting today and an update on sewers would be forthcoming.

On the real estate report, Alicia Stephens said that the office vacancy is high.

KCI Area Development

Thursday March 7, 2013 Minutes

In attendance were Duane Soper, Tim Dougherty, Brian Nowotny, Jeff Elsea, Shelie Daniel, Greg Martinette, Kyle Elliot, Jade Liska, Jenni Glass, Ron Williamson, Mike Riek, Matt Eblen, Travis W. Kiefer, Jabbar Wesley, Kim Palomarez, Wes Minder, Chris Byrd, Randy Gorton, Jim Hampton, Ed Ford, Darren Hennen, Alicia Stephens, Morgan Bell and Lenah Kamau.

Platte County Transportation Needs & Priorities Discussion

Darren Hennen from Olsson led the group in a review of Northland Transportation Projects. He pointed out that the list of projects was not in any order of priority and that all the projects are being looked at and will be worked on in terms of two main categories which are: available funding and safety. Hennen also added the expansion and improvement of transportation could include light rail. Hennen gave an update on the main projects that are underway and said most highways will need safety enhancements. He added there is a lot of growth in terms of businesses and population and thus traffic keeps getting heavier. The major project highways mentioned include: 92 Highway from Kearny to Platte City, I-35 New Kearny Interchange, 152/ I-35 interchange, I-29/ I-35/ 169 (redesigned – 8 ramps within 1 mile), I-29/44 interchange (outer road funded), 72nd/ I-29 (scoping to understanding issue), 210/I-435 Interchange, 291, I-35/435 and Parkville 45 Highway to 435.

In regards to the Fairfax Bridge which connects KCK to Riverside through Hwy 635, Hennen said the project is moving forward and is getting a lot of support. The project has prioritization from MODOT and since it is on both the MO and KS side, MO contributes half and KS the other half of the funding. In regards to the Broadway Bridge, Hennen said it is an expensive and complicated project and it will only get worse as population and businesses in the Northland increase. Jim Hampton said there needs to be talks about a new bridge from the North to the South. Hennen agreed and added that morning traffic on 169 is usually backed up to Metro North and there needs to be capacity improvements.

He added that Hwy 152 is already an issue and is going to continue to be an issue as Platte County grows especially with the developing of 1st and 2nd Creek. Hennen added there needs to be an understanding of the capacity design of Hwy 152 and how it can be expanded in the future as it acts as a connector to Leavenworth where a lot of business originates from.

In regards to the light rail, Hennen said the State has retired bonds and is allowing capital projects to be done. He added that the State is considering new bonds initiatives and the idea is being discussed at the Greater Kansas City Chamber. These initiatives include higher education and State Parks. He said the parks will not carry Platte County and, as far as higher education goes, the only qualifying school is Metropolitan Community College. Hennen also said the other project would be the light rail that would have the potential to connect the north and the south but there is still not surety that the project qualifies. He also said the bonds issue and transportation tax should be separate subjects.

Hennen added that ease of transportation is becoming more and more important especially because of the expected growth in the Northland and, if the bond issue through the State passes, the issue of light rail should be submitted. Hennen continued to say that MODOT is looking for business input and needs a priority list.

Tim Dougherty from Remax asked if there were any talks of plans to improve Hwy 92. Hennen said there still were not. Dougherty also asked where there are examples of successful light rails and from these where the funding comes from. Ed Ford said cities such as Portland, Denver, St. Louis and Houston are examples in the mid-west that Kansas City is looking at. Kyle Elliot from KCMO Planning said all non-vehicle transportation is subsidized and that the only place where light rail pays for itself is in Tokyo, Japan. Hennen said the light rail is a bigger priority to young professionals and is not key to traffic to the airport. Alicia Stephens said light rail is not a priority for people to and from the airport but it will be a major influence for KCI Corridor businesses. Hennen said light rail set up should be in places with a lot of economic activity so it will be able to facilitate networking and economic activity.

Ford said commuter rail will be voted on later this year and will include a route in Clay County but nothing for Platte County. Ford continued to say the difference between commuter and light rail is that commuter rail builds on existing tracks while light rail construction starts from scratch.

Jenni Glass added that there needs to be expansion of Hwy 9 through Parkville considering the student enrollment growth being anticipated at Park University.

Shelie Daniel informed the group there will be On the Move listening sessions across the State, the first one being at KCI Expo Center and she encouraged participation. Daniel said there was a link on the MODOT site where anyone can go and add suggestions of projects to the list. Darren Hennen asked how long the website would be up. Daniel said it would probably be up until the end of summer.

Duane Soper said there needs to be a consistent voice from the Northland. Alicia Stephens said we need a list that is as inclusive as possible. Chris Bryd said the Ambassador Bridge over 435 was still outstanding and that it is MODOT's obligation. Darren Hennen said if it is not on Kansas City's list then it will not be on PIAC's list. Alicia Stephens said the list helps in identifying all pots of funding and the players.

1st & 2nd Creek Name

Chris Bryd said this is an opportunity to give this area of the city its own name. He said the marketing group is also discussing the issue and brain storming for a good marketable name for the area. There was a suggestion of the name 'Twin Creeks' for the area.

KCI Area Development Team

Thursday April 4, 2013

In attendance were Chris Byrd, Ed Ford, Gene Henson, Kim Palomarez, Brian Johanning, Brian Nowotny, Travis W. Kiefer, Matt Jarrett, Greg Martinette, Jay Burress, Mike Reik, Kyle Elliott, Beverly Roper, Matt Eblen, Mark McHenry, Valerie McCaw, Jeff Elsea, Ron Williamson, Shelie Daniel, Ed Bradley, Tim Kristl, Jim Hampton, Duane Soper, Brian Clow, Jabbar Wesley, Alicia Stephens, Diane Jones and Lenah Kamau.

Chris Byrd informed the team that renewal of the Platte County transportation tax passed. Alicia Stephens noted that many people were reached out to at no cost through email and social media. Ed Bradley said the commissioners were very supportive and that Kansas City Mayor Sly James also supported the renewal.

1st & 2nd Creek Task Force

Byrd said a meeting was held in the Kansas City manager's office to discuss how the City wants to move forward. He said instead of hiring an outside consultant, the City manager will put together a task force that will include both public and private representation, along with stakeholders, to see how best to undertake this project and move forward. He added that the project is presently at ground zero and the task force will be looking at what it is going to look like and what will be needed for the project to become a success, since it is a such a big project - almost building a city within a city. He added that the task force will also look at whether any new ordinances need to be put in place. Byrd said the Parks Department was looking at new rules for land use and this included the fact that development must be 150 feet back from a parkway and will require a special use permit. He added that most of the roads in this area will be parkways. The City preference is not to have much commercial development on parkways but that this would limit development in the watersheds. The Platte County EDC will work closely with the Parks Department to ensure that a compromise is reached. Alicia Stephens said the task force is a short term task force with a long term project to complete and that it would include Planning, Public Works, Parks and the private sector. Mark McHenry said the task force could be stepped up to a sort of commission. He commended the PCEDC team for doing a good job of laying the groundwork. He also said there needs to be an attractive name in place as soon as possible to enable marketing to proceed. Mike Reik asked how the KCI Area Development Team fits into the equation when the task force is in place. Byrd said the KCI Area Team will continue what they are already doing and that the task force will only be a small group. He added that the KCI Area Team is very instrumental in providing information and support as it comprises of individuals from key industries and departments that will help with the project. Stephens said this group has focused so long on 1st & 2nd Creek, but the name of the group is KCI Area Development and that focus should be expanded to include other issues that deal with the KCI Corridor.

A) Updates and Considerations

Stephens said Aaron Schmidt provided an update on the sewer, that it was slow moving but moving nonetheless. She also said there were challenges with the topography. Brian Clow said the design for 2nd Creek was already up and that construction will begin on two phases within a week. Stephens reminded the team about 1st & 2nd Creek ground breaking to be held on Wednesday 04/10.

Marketing 1st & 2nd Creek

Byrd said the issue of having a name change has been discussed quite extensively and that it would be difficult to market with the name 1st & 2nd Creek watershed. He said names such as Westport, the Plaza, Waldo, Power and Light are names that people hear and identify with the area and even the lifestyle. Byrd said there needs to be a name that will make sense and that will evoke an image of what the area looks like. Stephens said she has used the name 'Twin Creeks' in some meetings but that the challenge is subdivisions within the area will have their own names. Byrd asked for suggestions as to how to come up with a name. Ed Ford suggested a contest in the local school districts to allow the kids to come up with a name. Valerie McCaw seconded the idea. Stephens said if that's the route that will be taken, there needs to be a sub-committee to help with sorting the responses. She also suggested the Northland Young Professionals. McCaw said NYP should be the judges of the responses that came in. Alicia said she would look in to getting the NYP to work with her and also that it needs to be determined what grades/ classes will take part in the contest. Byrd said it would be a good idea to have a name by the end of the school year. Ford asked if there will be a prize for the winners, as an incentive. McCaw said she will donate three \$50 gift cards, for first, second and third prizes. Ford said he will get a couple of tickets to a Sprint Center event. McHenry said he will give tickets to the zoo/ water parks. Reik said the kids will need more

information about the area to come up with an appropriate name. Stephens said she would be glad to go to the classes and provide more information to the kids. Commissioner Beverly Roper said the name was originally 1st and 2nd Creek in Paxton Downs.

Road Projects Updates

Shelie Daniel said the pre-construction conference is going on this week. She said there will be rehabilitation of the bridge on I-29 to the airport and that the project will begin the evening of April 15 with closures for 21 days. Daniel added that there will be modifications to allow more lanes on Cookingham and that the backup plan is to send traffic to Mexico City Avenue and then back to I-29. Stephens said another option would be 112th and Ambassador then to Cookingham. Daniel said MODOT will not designate that route as a backup but that it is an option. Stephens said letters will be sent to area businesses and PCEDC member businesses to notify them of the closures. Bradley said 72nd Street from Prairie View to 9Hwy is closed for construction.

Updates from County/ City

Ford thanked Platte County for their support of the Health levy. Commissioner Roper thanked everyone for support of the roads tax and said that it was one of the best utilized taxes she had ever seen. With regard to KCI Airport, Ford said the Aviation Department has hired a PR firm to help with presentation and proceedings of getting the message out as to what is happening with the project and that if everything goes according to plan some contracts will be approved as early as next year with construction taking place in three to five years. Byrd said Platte County has greatly improved the trail system. He said through the Public Improvement Advisory committee, a lot of trails have been built in the Line Creek area. He added that the trail on 64th street south was quite busy and it was good to see all the improvements. Stephens said that at the commission meeting, Parks Department had all of their grants laid out. Brian Nowotny said 17 grants were issued, one of them being in Riverside to extend the trail. Stephens said without the matching money from the County, a lot of communities would not be able to build the trails they have. McCaw commended Wes Minder for all his work on the Line Creek Trail as he took a lot of time to plan it.

Bradley said the Northland Chamber committee met with the cities of Riverside and Gladstone to talk about ongoing projects. He said most of Gladstone's projects are not highways and that project prioritization will be done next week. Stephens said the Northland has done a great job at pulling the projects together.

KCI Area Development Team

Thursday May 2, 2013

In attendance were Mike Van Buskirk, Nick Suarez, Brian Votava, Daniel Erickson, Brian Nowoty, Brain Clow, Travis Kiefer, Aaron Schmidt, Pat Daniels, Mike Reik, Ed Ford, Jeff Elsea, Beverlee Roper, Jabbar Wesley, Jay Burress, Randy Jacobs, Jenni Glass, Valerie McCaw, Tim Krisl, Ed Bradley, Mark McHenry, Gene Hansen, Jade Liska, Sabin Yanez, Duane Soper, Jim Harpool, Jim Hampton, Alicia Stephens, Diane Jones and Lenah Kamau.

Chris Byrd welcomed the group and each person gave a self introduction.

1st & 2nd Creek Naming Contest

Daniel Erickson, member of the Northland Young Professionals, informed the group that the NYP judged the contest. He said a total of 30 students from schools in the Northland submitted their entries and that these were scored in four different categories including: Creativity, relevance, originality and marketability. He said prizes had been donated for the 1st through 5th-place winners. Fifth place went to Lauren Lyford from Platte County High School who came up with the name 'Valley Creek.' She received a \$ 25 Zona Rosa gift card donated by the PCEDC. Fourth place was Joey Evano from Park Hill High School, for the name 'Promito Creek'. He received a \$25 Zona Rosa gift card donated by Pro Staff. Third place was Bethany Pierce from Smithville High School for the name 'The Vines'. She received a \$50 Zona Rosa gift card donated by Hunt Midwest. Second place was Alisa Craig from Smithville High School for the name 'Grey Stone Valley'. She received a \$100 Zona Rosa gift card donated by V.S.M Engineering. First place went to Ashley Murphy for the name 'North Brook Valley'. She received two tickets and a parking pass to the Bruno Mars concert at the Sprint Center, donated by Councilman Ed Ford. Alicia Stephens said the names will be submitted to the PCEDC Marketing Committee and Board for final recommendation and approval.

Horizon's Office Update

Brain Votava with NorthPoint Development said the southern portion of the Horizons Development site has been set aside for office use, up to 1M square feet. The first office building will be started in about 75 days. He said a stone bridge has already been put in and they are installing paving tiles and trees. Votava added that NorthPoint will be relocating their offices to the new building, along with two other tenants. Votava said \$25+ per foot rent is common for that type of building and with incentives they are able to offer occupancy for an effective rate under \$20 per foot. He noted that a headquarters facility increases the City of Riverside bonus significantly. Ed Bradley asked if Briarcliff is full. Votava said there is about a 90% occupancy rate. Jabbar Wesley asked how many buildings will be in the office park. Votava said it depends on what kind of layout will be in demand; they have a total of 1M square feet.

Platte County Office Market

Michael VanBuskirk with Zimmer Real Estate Services first gave a background of Zimmer, telling the group that Zimmer was founded in 1948. Over the years, Zimmer has developed three billion-dollar projects, 3000 acres of commercial real estate and 30 million commercial square feet. The company has 17 current public sector clients, and developed the first STAR Bond District established in Kansas and the first LEED certificate speculative office building in the United States. VanBuskirk said in the first quarter Zimmer had an 18.57% office space vacancy in the KC metro area in all classes A, B and C. He said the strongest market is in the Johnson County area with a 15% vacancy rate and the weakest areas are downtown and the Northland. He added that rental rates for existing buildings average \$17.64/ foot while the Northland average is \$16.15/foot composite of class A-C. In regards to KCI office submarket, VanBuskirk said the earliest buildings were constructed in 1978 in Airworld Center. The office market in the KCI Corridor was down in the '90s but the market trended upward from there. When Farmland Foods consolidated and moved out of their buildings it left a lot of space. VanBuskirk said today the vacancy in the KCI Corridor is about 33%. The Kauffman Foundation owns the 11500 (former TWA) building which is in very good shape because of stable ownership. He also said the Ambassador Building, which is one of the newest buildings in the Northland, has been one of the most active on the leasing side since it has some of the largest floor plates. He added that the 112th Street/Ambassador building, which is the old Community America Credit Union, is available. He said the Citi Cards building has floor plates of about 60,000 square feet and a 20,000 square foot daycare center, but Citi Cards is downsizing and vacating the building, which is now available.

Alicia Stephens said Kansas City is a finalist in a project looking at the Citi Cards building. VanBuskirk said the Ambassador I building was bought by an investor and is now owned by Arvest Bank. It has some vacancy. He added that the Executive Hills Buildings were occupied by PARS/ Worldspan with 200,000 square feet over a period of five years but that they gave back some space and now have about 30,000 square feet. Most of these buildings had building issues and parking spaces have been a big challenge.

Tim Kristl asked why there has been much success in retail and residential markets but none in office markets in the Platte County area. VanBuskirk responded by saying that some companies downsize, and some just get to the airport and want their offices to be located there. He commented that where company's decision maker lives often determines whether the company takes offices in the area. The dynamics of the market at any given time also makes a difference. Stephens asked why the Sprint facility drew so many offices towards the south side of the city when it came into the market. VanBurskirk said there was enough velocity in the market and the timing of the economy was just right and so offices just absorbed the vacancy.

Jim Harpool asked what could be done to fix the situation. VanBurskirk said there need to be new companies coming in and taking up the major buildings such as the Citi Cards buildings, rather than the same old companies moving from one office to another. Harpool said the area has old buildings, small floor plates and parking issues and noted that that Platte County has made a lot of infrastructure improvements. He asked if the new airport terminal would lead to any improvements. VanBurskirk said it would help, as a lot of companies would want to be close to the airport. He added that the new sections of Ambassador Road and Skyview have been positives.

Valerie McCaw said a good way to market Northland buildings would be to market the issue of convenience, since the highways in the south part of the city are much more congested with traffic. She asked how much the telecommuting trend had affected office space occupancy. VanBurskirk said it is the main affecting factor as companies do not need office space as much, with employees working from home, but it increases owner-occupancy opportunities.

Bradley asked if the Kansas tax law change made a difference. Votava replied there has been a lot of talk of companies moving but that no action has been taken yet. He feels a lot of companies will be seriously considering putting up buildings and offices in Kansas based on how much they can save and the incentives offered.

Pat Daniels said the local government as well as the airport-owned industrial park has a significant bearing in the marketplace. He asked how much effect the government has on private-sector office occupancy. VanBurskirk said this has thrown a lot of competition into the mix, as some of the best products in the market that could have gone private are now government owned. Stephens said almost all counties have public participation and that it takes both the public and private sectors to make things happen. She added that any businesses moving into on-airport government property do not have the opportunity of owning the ground.

Ed Ford asked if having Google high speed internet available in these buildings would help. VanBurskirk said this would really and noted that there are not many internet providers available in a lot of these areas. Ford also asked if some of the buildings can be put to creative use such as having schools/ universities in them. VanBurskirk said it would be a great opportunity for schools and colleges to move in and even possibly owning the buildings. Harpool asked if improving the parking ratio would make a difference. Nick Suarez said this would not help as typically the tenants who need more parking also need larger floor plates. VanBuskirk concluded by saying support from PCEDC and KCADC is very important as there is a need to get some big companies into the area.

KCI Area Development Team
August 1, 2013

In attendance were Jeff Elsea, Beverlee Roper, Duane Soper, Valerie McCaw, Ron Williamson, Jabbar Wesley, Jade Liska, Jay Burrell, Chris Byrd, Matt Jarrett, Jim Harpool, Matt Eblen, Brian Clow, Travis Kiefer, Roger Lewis, Alicia Stephens and Morgan Bell.

Chris Byrd welcomed the group and introduced Jim Harpool who gave a presentation on MD Management's plans for Ambassador Drive.

Ambassador Drive discussion

Harpool began his presentation by leading the group through the development of the KCI Corridor TIF. MD Management owns 1500 – 2000 acres in the Northland, 330 of those acres is in the Ambassador/KCI TIF Corridor. The challenge MD now faces is what to do next.

Chris Byrd asked if they considered doing any multifamily. Harpool responded no, some is zoned agriculture and the rest for industrial and commercial. The southern portion of the corridor, Hunt Midwest has plans for senior housing but that piece of ground does not yet have sewer.

Harpool reported Sam's is under contract for 18 of the 30 acres off Tiffany Springs & Ambassador. The northwest portion is zoned industrial and MD is unsure about what to do with the area along I-29. Harpool said two groups are looking at doing multifamily. MD has talked to a few dealerships but until there is more residential in the area, there is not a lot of interest from the dealerships.

Alicia Stephens asked if the area had enough power for a data center. Harpool responded not right now. Valerie McCaw asked if the substation at Congress would not support that area. Harpool said they are struggling getting conduit but there is infrastructure in place. Byrd said it would be a perfect location for a large headquarters. Stephens said the challenge is that the KCI TIF is maxed for funds.

Beverlee Roper said the ground is very attractive, with the boomers retiring would it be possible for condos? Stephens responded the old Ramada Hotel is turning into luxury apartments. Roper said she would like to see new, beautiful condos with lakes and pools in Platte County. Harpool said the challenge is to get the KC buyers to break away from traditional housing. He added it's even difficult to find builders who will take on something untraditional. People enjoy that type of housing on vacation but people in the Midwest do not want to live there permanently.

Harpool said when you look at the younger demographics; builders are about 5-8 years behind the demographic curve. Until KC proves otherwise, they won't build non-traditional. Duane Soper added even empty nesters are moving into bigger homes.

Jeff Elsea asked what MD would like to see there. Harpool responded that ideally they would put nice office space there but it's not possible. He would like to see a Corporate Woods type campus but now they're having problems too since the buildings are 35 years old. Stephens added an example of CRB moving out of the KCI Corridor because they wanted Class A space.

Harpool said the next leap will be more difficult because we need residential. Byrd said NorthPoint is putting in multifamily behind Burlington Creek. He added it's a great architectural look with the added amenities. Harpool said the US needs 2.5 million units of housing and there's only 800,000 being built this year. He added we will be in a housing crunch for the next decade and it takes years to catch up. There's four and a half months supply of homes currently on the market and builders have raised prices three times this year. Most young people in this country have never been through a recession before and we are now back to the need for workforce housing.

Twin Creeks Taskforce

Stephens said she is concerned there is not enough commercial in the KCI land use area plan. That is what the Twin Creeks taskforce is focusing on. She added it's a joint effort between the City and the EDC and there is equal representation of private and public. Stephens reported the taskforce met a couple times, first to find the group's purpose, the team viewed Kyle Elliott's presentation of the area plans currently in place. It's difficult to compare the area to Shoal Creek since Shoal Creek has one main owner and there are over 700 land owners in the Twin Creeks KC area. Stephens reported Kyle is preparing maps with the top 50 land owners for the next meeting. The group will also hear presentation from Ernie Wassmann and Frank Lenk about housing and demographics.

There is some discussion about trying to decide what the market will be and going after it. Stream setbacks could be a problem for the area. Stephens said the Twin Creeks KC taskforce is chaired by Ed Ford and Ed Bradley. Byrd said the market is going to do what it's going to do. The challenges are in the larger picture. Stephens said another challenge the current commercial is primarily in the Park Hill District not R3 and R3 will have the biggest residential housing impact.

Airport Advisory Group

Stephens reported the group is meeting every two weeks. They are currently having airport school and learning a lot. The next meeting will be a tour of the airport underside. Stephens added that every terminal has five mechanical rooms so there's 15 mechanical rooms total. She said the group has had a quorum at every meeting. Stephens also reminded the team that the Platte County EDC has not taken a position and will not do so until the education process is complete. She said the advisory group is currently focused on learning and prioritizing the challenges.

McCaw said the three separate building systems worked early on but now the buildings are 40 years old. Stephens said the group has not yet gotten to the point of discussing the new terminal. Roper asked if both sides were represented. Stephens responded there is fair representation of both sides and the chairs have asked members to be very cautious. She added there is bi-state representation and representation for both pro and con.

KCI Corridor TIF

Sam's has extended the timeline and is looking to close mid-to-late September. The group has not looked at revenue and what it means to the TIF. There are many funding needs and the team will have to look at the priorities.

The next KCI Area Development Team meeting will be September 5th at 7:30 a.m. in the Platte County Resource Center.

KCI Area Development Team

October 3, 2013

In attendance were Beverlee Roper, Duane Soper, Ed Ford, Kyle Elliott, Greg Foss, Ed Bradley, Brian Johanning, Roger Lewis, Matt Eblen, Leslie Butler, Mac Crowther, Chris Byrd and Morgan Bell.

Ed Bradley welcomed the group and introduced Mac Crowther. Crowther explained his group is the Midwest partner of ARA. He said the drive for submarkets is the school system and the occupancy around the metro is over 95 percent. Crowther said there is a perception of over growth but the metro is right on track. Looking ahead, there is nothing going on to be very worried about and the future is bright in Platte County. Burlington Creek is the latest example where building was justified. Crowther explained the younger age group is not looking to buy yet and empty nesters are tired of taking care of their home and moving into nicer, luxury apartments. The demand is for properties downtown and the urban core because people want to walk.

Crowther also said apartments aren't suitable for the type of land in the Northland. There is very limited good developable land available. The market is strong and Crowther sees it staying strong as Kansas City is becoming a stronger city. Outsiders want to be here and properties increase in value about 5 percent a year on average in KC. Crowther explained that people come here to buy and they are looking to buy multiple units.

Bradley asked Crowther to talk more about schools. Crowther said schools show areas of economic viability and the benefit is it attracts a strong economy. Ed Ford said at the last Twin Creeks taskforce meeting, the group looked at building permits in the area. Ford said permits were down from Johnson County and Wyandotte County. Crowther said it's more about where there is development. Wyandotte's development is all around the Legends area. Cerner is a big driver and the apartments will do well that. Most of Johnson County's development is around the Lenexa area. Ford asked what a good ratio was for single-family to apartments. Crowther responded it depends on where you look. The difference between apartments really depends on A+ apartments versus B ratings.

Ford asked Crowther for his thoughts on the new Ramada Inn development. Crowther said it will be a tough road because the physical rehab on the building is challenging itself. He said it can be done but it will be very difficult. Duane Soper asked if he thought the area could support another luxury apartment complex. Crowther said yes, demand is not the issue. Ford said the office space being so vacant and B classified was an issue. He said he's seen a lot of types of buildings being converted to residential. Crowther said that would be difficult but it is a common thread. People want walkable options and those are the driving factors for people wanting to live downtown and on the plaza. Up here that sort of development on its own would be tough.

Ford asked if Crowther thought the new KCI development would be beneficial. Crowther said it is a big deal and if the new terminal comes, more employment will drive development.

Matt Eblen asked what buyers are looking at. Crowther said buyers want a return. They are looking at the rent values and all buying is driven by what you can get in rent. That will drive the style and amenities of the apartments. Eblen said he is seeing a trend around universities and asked if Crowther thinks it will happen around smaller universities such as Park. Crowther said yes the demand is off the charts for what people want.

Chris Byrd asked about senior housing and if that is something the community should look at. Crowther said the complex next to Riverstone is a good example. Senior housing is growing rapidly. There is a high demand and population growth and if done right and managed right it can be done very effectively. The most well run properties have a wait list currently.

Eblen asked how we can get the community to support new multi-family housing. Crowther said it is difficult and there needs to be an explanation of what you're building and who will live there. You need to show the community will remain high quality. Crowther explained there is a high cost to buying a complex. Costs are all up and average \$150,000 - \$200,000 per unit. That's a huge investment for the buyer. The classic garden style is preferred and there doesn't need to be a high volume. Burlington Creek has 298 units but there is the demand around the retail.

Kyle Elliott asked what the group needs to consider. Crowther said safety is a big concern for people. The basic economic drivers are where do people want to work, go to school, get my haircut, workout and it still be safe. Byrd added people want to walk but that's different here. Crowther said the reason Burlington Creek is so successful is because people are wanting to be there because they want to walk. Byrd said they broke ground on a loft building and Crowther responded yes, people want to be close to their amenities. He added that is challenging here due to the landscape. That is why the trolley will be successful. It will connect people even more. Around the stops will drive demand.

Bradley asked about the zoning around Tiffany Springs Market Centre. Byrd said it's multi-family to the east. Elliott said people are looking at the north property for that as well. Bradley said apartments follow development.

Foss asked about parks and trails and Crowther responded they are a big deal. People are becoming healthier and pets are more important. Beverlee Roper said MoDOT is expanding 45 highway to 435 and asked if that will help spur development. Crowther said yes and no. It is nice to have a profile out on the highway but that area is still on its own. It might be okay because it's close to development but people will still have to drive.