### **Karbank Development**

### Frequently Asked Questions 2.0



#### **GENERAL OVERVIEW**

#### What's happening now?

The City is negotiating with Karbank to finalize a development agreement that meets the needs of both parties. Among other things, the City is advocating for maximum green space, public access restrooms for park visitors, and ample parking for park visitors.

#### What's next in the process?

On August 7th, the Planning Commission discussed Karbank's application for rezoning – which is when the land use of a certain area is changed – and held a public hearing as part of that application. The next steps in the process are:

**September 11th**: The Planning Commission will meet to make a recommendation to Council to either approve the rezoning application and preliminary development plan, deny the rezoning application, or grant a conditional approval, which means that the applicant must meet certain requirements in order to get approval.

**September 14th:** The City Council will discuss the creation of a Tax Increment Financing (TIF) district, which is the structure that the City is proposing to allow money from the development to pay for the creation of the park. For more information on TIF, see our glossary of development terms **here.** 

**October 2nd:** The Planning Commission will meet to discuss the final development plan. For more information on the difference between a preliminary and final development plan, see our glossary of development terms here.

**October 12th**: The City Council will meet to make the final decision on all components of the proposed development.

For more information on development terms, see our glossary.

If needed, the City could shift these dates or hold special called meetings. Sign up for updates **here** to stay informed about the next steps of the process.

#### **PUBLIC INPUT OPPORTUNITIES**



#### SAFETY AND COMMUNITY COHESION

How are pedestrian safety concerns of nearby residents being addressed?

Karbank prioritizes low-traffic tenants in its developments. Karbank historically leases to a tenant mix of professional services, boutique firms and unique retail. A common characteristic of these types of tenants is low traffic and minimum employees.

Additionally, the City is requiring that the traffic circulation for the proposed development be designed with the safety of children and pedestrians in mind. The entrance to the development on 50th Street has no access to the parking garage (where most if not all of the office employees will park), so there will be minimal impact of development-related traffic to the children walking to and from school on 50th Street. It is likely that the only traffic entering and exiting the development on 50th Street will be for patrons of the pavilion tenants, limited retail accessible from the west side of the main mixed-use buildings, and the City Park, which will have 10 dedicated parking spaces in Karbank's parking lot just south of the pavilion(s).

Karbank has completed a traffic study, which will be included in the Planning Commission's September 11th meeting packet. The City will work with its traffic engineers to determine and mitigate any areas of concern. The Kansas Department of Transportation (KDOT) is also reviewing the traffic study for pedestrian safety.

The City Council and Police Department will continually monitor impacts to traffic and work to mitigate any concerns. Residents are encouraged, as always, to reach out to their Council Members or the Police Department with any and all safety concerns.

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#### **RAINBOW BOULEVARD**

How will this proposed development address the overall safety and connectivity concerns along Rainbow Boulevard?

Specific safety improvements at 50th & Rainbow Blvd. were recommended by the resident-led 2021 Westwood Complete Streets Task Force, including a sidewalk on the north side of 50th Street. This development will accelerate and fund most if not all of the construction of this sidewalk.



In a separate process, the Cities of Westwood, Westwood Hills, and Mission Woods are working with the Kansas Department of Transportation (KDOT) and several other partners through the Mid America Regional Council's (MARC) Planning Sustainable Places (PSP) program to determine safety issues on Rainbow Boulevard and develop recommendations to enhance pedestrian safety. Full details of this separate process are available via this link. The current Karbank proposal is being included in the PSP study; however, recommendations for design improvements to Rainbow Blvd. at 50th St. resulting from the PSP won't be included in Karbank's final proposal, due to differing timelines, stakeholders and requirements. For more information about the PSP process, visit the project site <a href="here">here</a>.



#### **RAINBOW BOULEVARD**

Why is the City considering a proposal for redevelopment of the corner of 50th & Rainbow Blvd. prior to working on redevelopment opportunities on 47th and Rainbow?

The Shawnee Mission School District has a certain timeline for selling the old Westwood View Elementary School property. In order to gain public benefits desired by the community – such as increased park space and unique retail – from both the proposed private investment and the ability to control the redevelopment on the southwest corner of 50th and Rainbow, the City must act now. This proposed private development is unique – the developers are asking for no tax incentives from the City and instead are diverting the tax dollars from the increased property value to the City for public infrastructure, particularly for a public park.

Commercial redevelopment opportunities at the southwest corner of 47th & Rainbow Blvd. would likely bring additional money to the City and help fund the City's strategic priorities of facility improvements; street, streetlight, and sidewalk improvements; and maintaining great City staff and services. City staff and elected officials will continue to pursue these redevelopment opportunities.



#### **QUALITY OF LIFE**

What impact to my property value could I expect if this project is built?

Property valuation is complex and ultimately beyond the direct control of the City. However, anecdotally, several examples of single-family residential homes next or close to commercial development exist in our immediate community. These include but are not limited to:

- The Fairway Shops and KU Cancer Center, which back up to houses on W. 51st Ter.
- Commercial and industrial development along 47th St., which backs up to houses on 47th Terrace from Mission Rd. to Belinder Ct.
- Woodside Club and State Line 47 office complex on 47th Pl., which backs up to houses on 47th Ter. between Rainbow & State Line

County property value data indicates that the owners of single-family residential homes on these streets close to commercial development have seen the same – if not higher – average increases over the past 10 years in value than homes in Westwood not next to commercial uses.

In fact, the homes on 47th Ter. between Rainbow and State Line (backing up to Woodside and the State Line 47 office complex) have averaged 19.5% higher property value growth compared to the average of the rest of the City as a whole over the past 10 years. Great parks, good schools, walkable retail and restaurants, and good transportation options are all factors positively impacting property values. Homes immediately surrounding this project are likely to see positive impacts to their value from all of those contributing factors.

For more information about property valuation and appraisals in Johnson County, visit the County Appraiser's website linked **here**.









#### **QUALITY OF LIFE**

What influence could the City have on the office or retail tenants of the development?

While specific leases have not yet been signed, Karbank is prioritizing similar tenants for this development as they have in their existing developments, including The 1900 Building at Shawnee Mission Parkway & State Line. It will likely be a curated mix of boutique professional services, restaurants, and retail. Karbank is a private company and its buildings and financial pro forma will determine the size and style of leasable areas and lease rates.

The City has limited authority on to whom private developers lease space and has no authority on lease rates between a private developer and a private business tenant.

Tenants will be required to comply with the existing City noise ordinance which requires quiet hours from 10 pm - 7 am.

How is the tree canopy being protected?

The City and the developer share a commitment to preserving mature trees. The City has recommended that a comprehensive tree inventory be conducted as part of the development process. This will catalog the species, estimated age, health and condition, and anticipated remaining life expectancy of any mature trees that might be impacted by the development. This information will allow decision makers to weigh the cost and benefits of removing mature trees. Further, a tree protection plan with the aim of protecting trees during construction activities will be recommended as a condition of any approval of the rezoning or development plan.

Additionally, the City is recommending that the developer offset any removal of mature trees by planting new trees (with an established minimum caliper/size) elsewhere at the development. City staff is exploring the possibility of creating a demonstration arboretum in the new feature park, however the specifics of this program will be determined with residents as a part of the park-planning process.



#### COMPATIBILITY AND STRATEGIC ALIGNMENT

How is this proposed development compatible with the City's past land use planning efforts?

In the August 2023 Message from the Mayor (linked <u>here</u>), a full review of the City's past planning efforts relevant to the current Karbank proposal are outlined.

In summary, Rainbow Blvd. is considered a mixed-use corridor where commercial redevelopment activity with smartly-designed transitions into the adjacent residential areas is allowed. Specific to 5050 Rainbow Blvd., which is the site of the former Westwood Christian Church, the plan says that "Joe D. Dennis Park can be expanded onto this site which would allow for additional park features and recreational opportunities in the community" and that the site could be used for "low-intensity development which could include some retail services to nearby residents and businesses along with residential uses." See the entire comprehensive plan <a href="here">here</a>.

Why is the City pursuing ownership of the former Westwood View Elementary School and not just allowing it to be sold by SMSD?

In the August 2023 Message from the Mayor (linked <u>here</u>), an in-depth answer to this question is provided. For more information about right of first offer, see our development terms glossary <u>here</u>.

In summary, the Karbank proposal provides a way to purchase the School site, demolish the building, significantly increase park space, and create a modern, ADA-accessible park based on community input, all at no cost to Westwood residents. All of this would be paid for by Karbank – either through direct donation or by the value created and received by the City through the property taxes on the Karbank development. If the City does not exercise its right of first offer on the School site, it is unlikely – given the City's competing needs of improving City buildings and improving City streets and installing new streetlights and sidewalks – that the City would have the money to modernize the current Joe Dennis Park or add amenities to 5050 Rainbow Blvd. in the near future.

If the Karbank proposal is approved, the new City Park would be built within the next two to three years.



What alternatives to this proposal have been or could be considered?

Since the Shawnee Mission School District decided that the Westwood View Elementary would move to 50th and Belinder and vacate the old building in 2021, the City has worked diligently to re-evaluate strategic priorities to determine whether it should exercise its right of first offer with the Shawnee Mission School District on the former Westwood View Elementary School, which expires in February 2024. Rather than issuing a call for development proposals, the City conducted an Urban Land Institute Technical Assistance Panel in 2021 and a City Facilities Assessment and Feasibility Analysis in 2022 to determine whether the right of first offer should be exercised. The goal of these studies was to engage all community stakeholders and technical experts – not just private developers – in this important decision. More information about these studies can be found here.

These activities (as well as the demolition of the Entercom radio station and the demolition of the Westwood Christian Church on 5050 Rainbow Blvd.) signaled to the development community that the City was considering redevelopment around 50th & Rainbow Blvd.

As a result, Karbank approached the City with its proposal, which was determined by the Mayor and City Council at the March 2023 City Council meeting to be aligned with the City's long-term land use planning and strategic direction. No other development proposals for this site have been presented to the City and, due to the provisions of the Funding and Exclusivity Agreement signed by the City in March 2023, no other proposals may be considered unless and until that Agreement terminates.

For more context on the evaluation of alternatives, please see the August 2023 Message from the Mayor, linked <u>here</u>.

Could the plan be changed now or in the future to include residential uses?

Technically, yes. Karbank has said that they are not residential developers. They considered – but have not pursued – adding an additional level to their proposed mixed-use buildings to construct a limited number of luxury residential units. Townhomes, patio homes, and apartments are not included in Karbank's proposal. If ever there was a request to add or convert to residential use to any of the buildings, that request would have to come back to the Planning Commission for a public hearing in order to be allowed. This would be the case even if Karbank were to sell the property to another owner.

FOR MORE INFORMATION,
VISIT THE CITY OF
WESTWOOD'S WEBSITE





Why is the City considering allowing a project that develops new office in this current market?

Karbank is a tenured private developer that has a reputation for building developments and holding them for longer than the average developer. These factors, along with the current high occupancy / low vacancy rates at Karbank's other office developments in Johnson County, and the relatively small scale of the leasable area of office space in the proposed development, influenced the City's comfort with allowing this proposal to be heard by the Planning Commission and City Council during the current public process. Karbank is expected to address this question by providing its use case in its next appearance before the Planning Commission on September 11th.

What role does the City play in the developer's choice of architectural style and building materials?

When reviewing applications for rezoning, the Planning Commission and the Governing Body can refer to specific criteria as set out in the City's Zoning Ordinance. These criteria include, among others, architectural style and building materials, which influence how massive a structure feels (its massing).

The City's Zoning Ordinance does not define what type of building materials must be used in the Commercial Zoning District and there are not additional specific requirements on this site, the Planning Commission has the authority to influence these elements through its direction to the developer and recommendation to the City Council.

What does the City stand to gain from this proposed development?

Because Karbank is not requesting any tax incentives for this project, and instead are diverting the tax dollars from the increased property value to the City, the City stands to gain an enlarged public park, fully funded by private development. Without this private investment in the City, the funds for a new public park would need to come from the City. A project of this scale wouldn't be possible without finding new sources of revenue, like increased property tax or debt issuance.

In past planning efforts, residents have expressed a desire for more unique retail options within City limits, a desire that would be realized in this proposed development.

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Why is the park space to the west of the proposed development not showing any park features in the renderings being considered by Planning Commission?

The City can only begin the park planning process once the sale and purchase of the property related to this proposal closes. Karbank's original proposal showed 3.5 acres of public park space. After hearing feedback from the community about the desire to maximize park space in this development, Karbank independently negotiated with a resident to purchase property to add 0.5 acres to the park (noted in the graphic below by the black diagonal lines). The City was not involved in this transaction.

The City is committed to a robust public engagement process to determine park features, layout and amenities. The City understands that inclusive, equitable engagement is necessary to ensure that all voices are heard and all perspectives are considered. To stay updated on the park process, sign up for the City e-newsletter **here**.

