

# Merriam Grand Station

# Redevelopment Project



City Council  
July 11, 2022



# Activity To Date:

- May 10, 2021 - Council approves a funding agreement with Drake Development for city expenses related to their public incentives request
- June 14, 2021 - Council approves Ord #1823 amending the I-35 TIF District to add the “Kmart” properties, bounded by Shawnee Mission Parkway, Antioch Road, W. 64<sup>th</sup> Terrace, and Eby Avenue – excluding La Petite Academy.
- December 13, 2021 - City Council study session to review economic development tools including tax increment financing (TIF)

# Activity To Date (cont.):

- April 25, 2022 - To facilitate Drake Development's property tax abatement request, Council approves Ord #1839 removing from the I-35 TIF District the property where the proposed apartment buildings are to be located
- May 4, 2022 - Planning Commission finds that the Shawnee Mission Parkway and Antioch Road (SW Corner) Redevelopment Project Plan for Project Area M (Kmart properties) is consistent with the intent of the comprehensive plan for the development of the City
- May 9, 2022 - Council approves Resolution No 922 setting June 27, 2022 as the Public Hearing date to consider the Project Plan for Project Area M

# Activity To Date (cont.):

May 10, 2022 - Joint City Council/Planning Commission work session with Drake Development and city staff to review the rezoning/preliminary development plan submittal

June 1, 2022 - Planning Commission conducts a Public Hearing on the Grand Station rezoning/preliminary development plan for the redevelopment of the Kmart properties submitted by Drake Development

Planning Commission unanimously recommends approval of the Grand Station rezoning/preliminary development plan and the associated final plat. There were no public comments.



# Activity To Date (cont.):

June 27, 2022 - City Council continues/tables all items related to Merriam Grand Station to the July 11, 2022 meeting.



# Tonight's Items:

- Staff presentation on the overall project
- Council questions
- Applicant presentation
- Council questions
- Hold a Public Hearing on Shawnee Mission Parkway and Antioch Road (SW Corner) Redevelopment Project Plan for Project Area M
- Final questions of staff and/or applicant

# Tonight's Items (cont.):

- Consider approval of Shawnee Mission Parkway and Antioch Road (SW Corner) Redevelopment Project Plan for Project Area M
  - Motion to waive first reading of the ordinance (Requires 5 affirmative votes of the Council to approve)
  - Motion to approve the ordinance adopting the Project Plan (Requires 6 affirmative votes of the Council to approve)

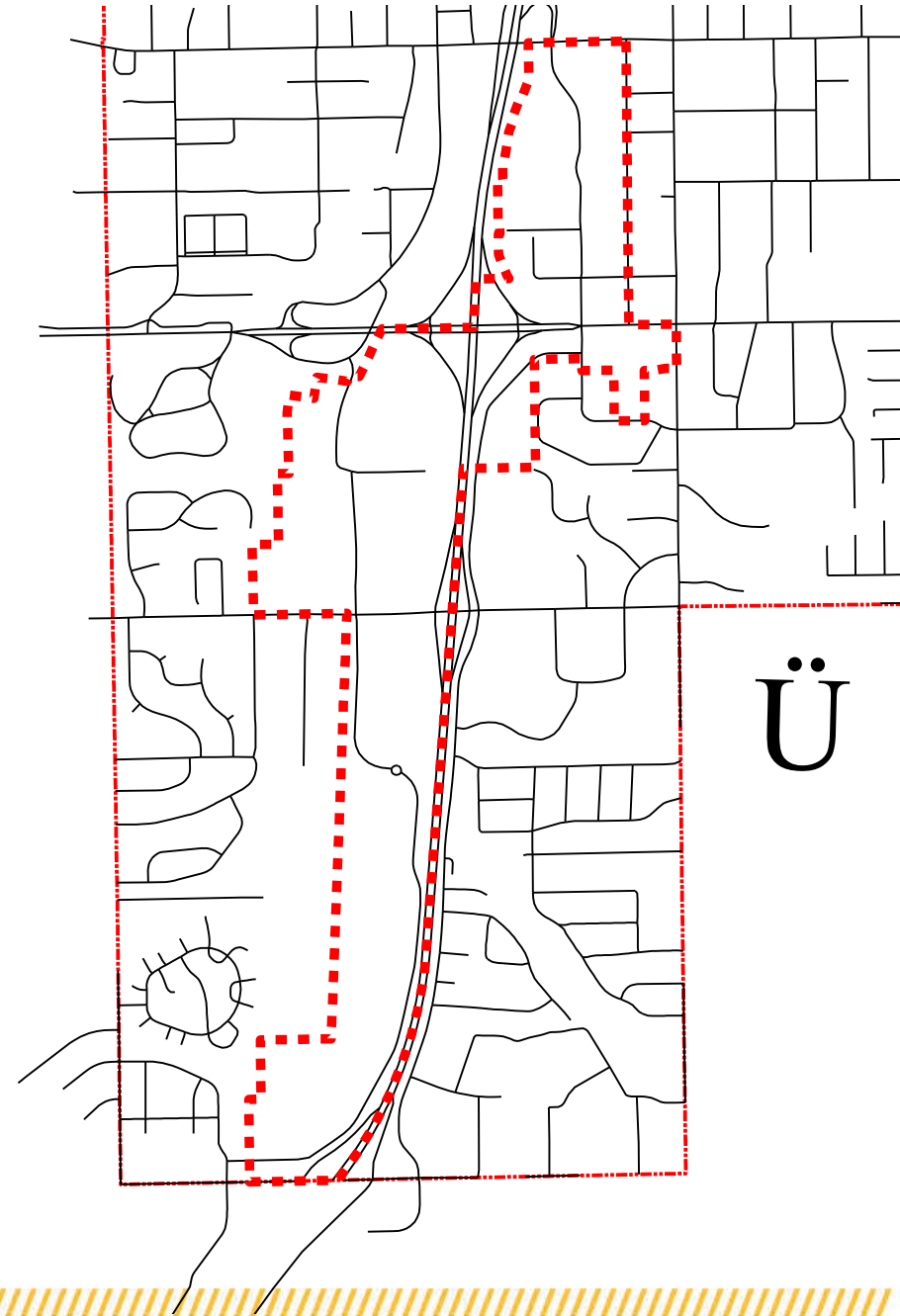
# Tonight's Items (cont.):

- Motion to approve the Redevelopment Agreement (RDA) with the developers, Merriam Grand Station LLC, represented by Drake Development (Requires 5 affirmative votes of the Council to approve)
- Motion to concur with the Planning Commission's unanimous recommendation for approval of an ordinance rezoning and approving a preliminary development plan for the redevelopment of the Kmart and associated properties (Requires 5 affirmative votes of the Council to approve)
- Motion to accept the easements dedicated by the Grand Station Final Plat (Requires 5 affirmative votes of the Council to approve)

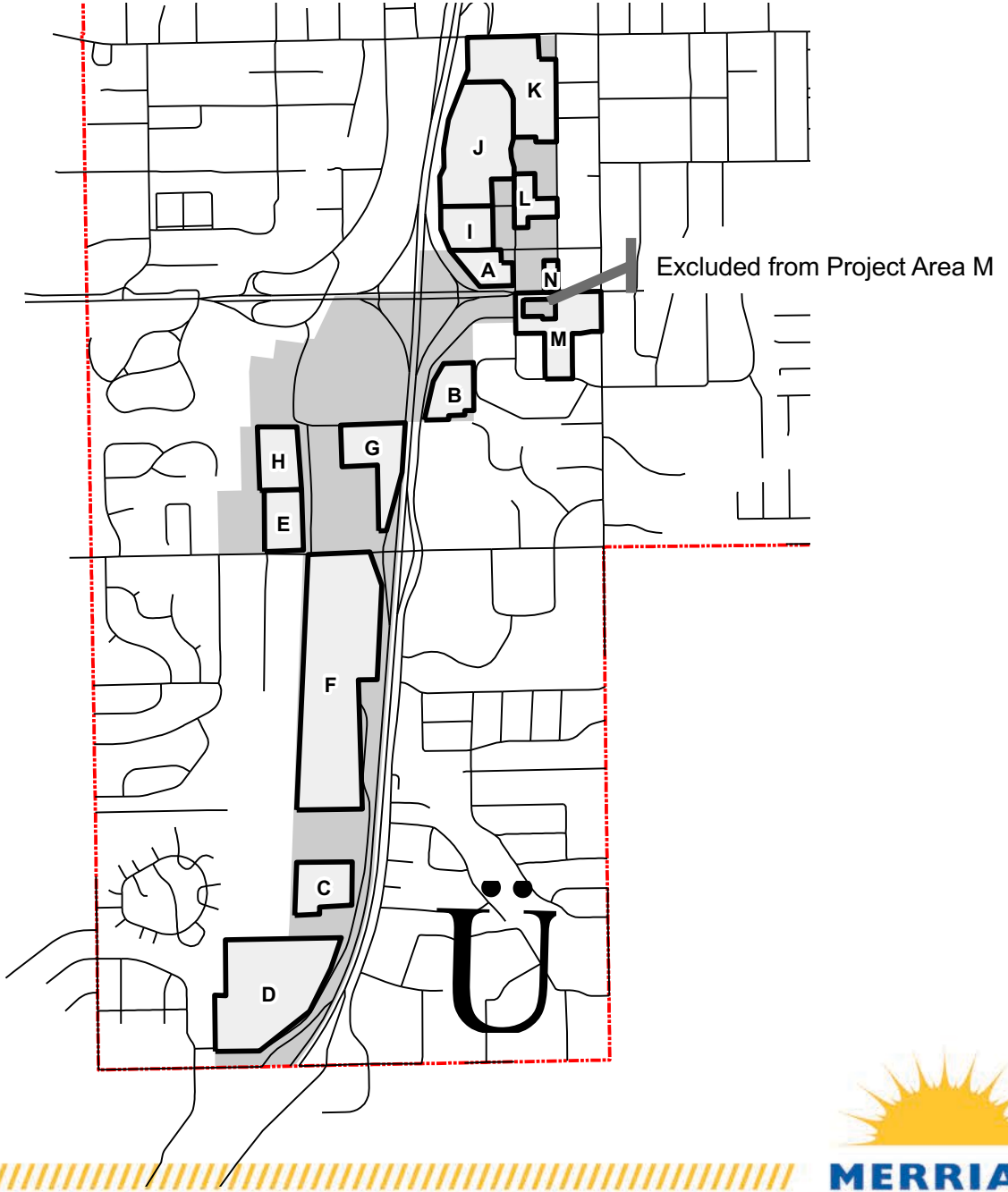


# Shawnee Mission Parkway and Antioch Road (SW Corner) Redevelopment Project Plan for Project Area M

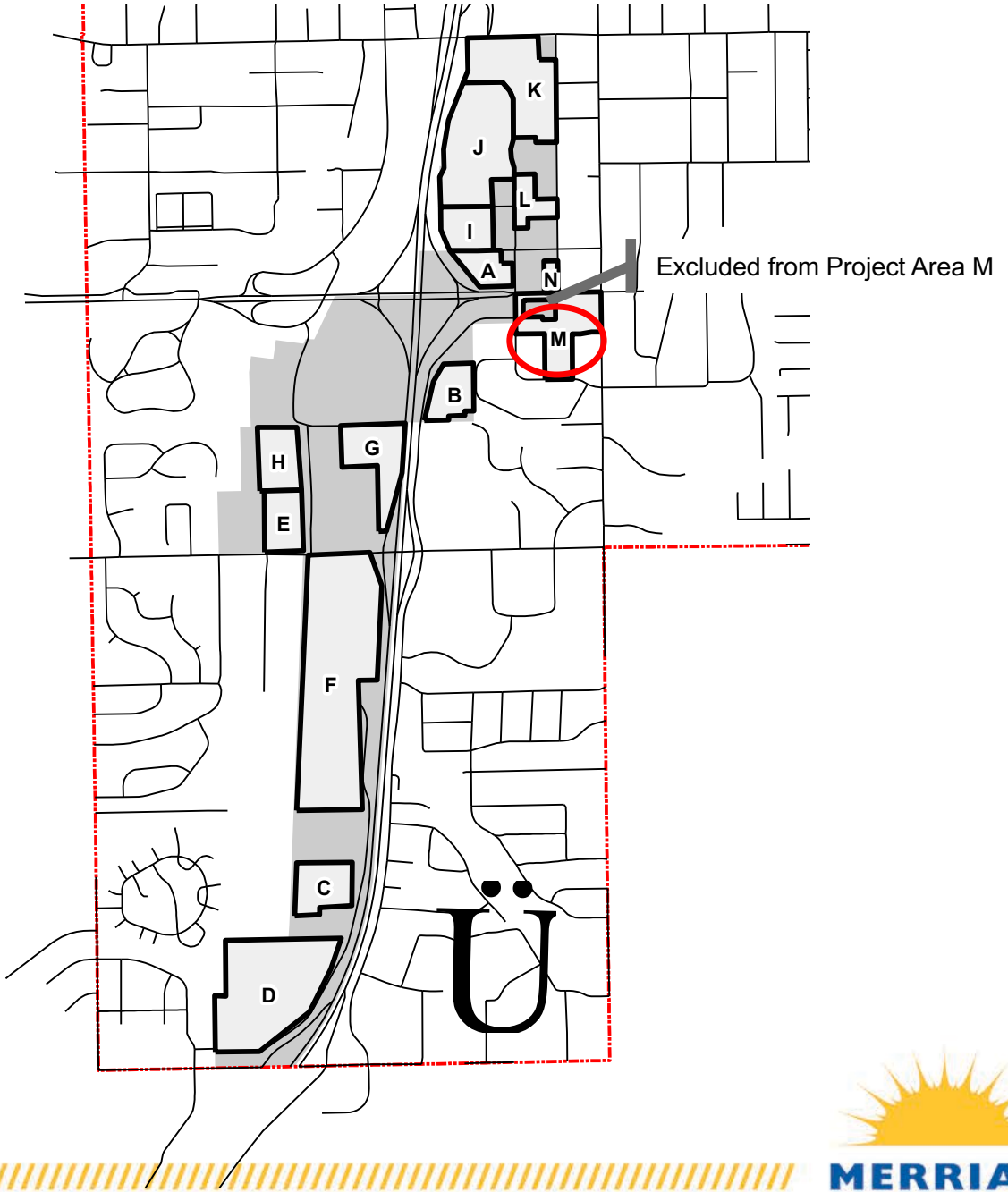
# I-35 TIF District



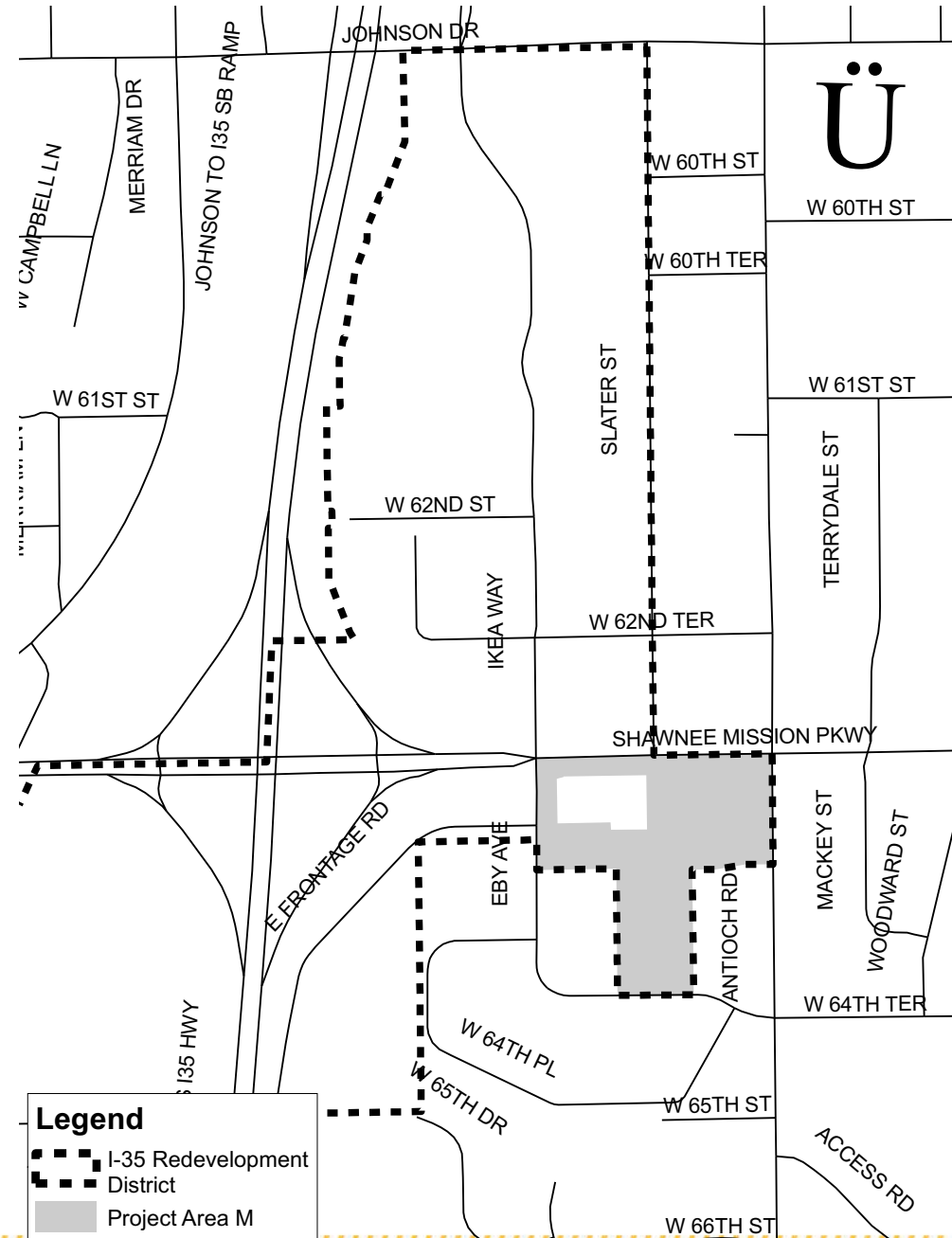
# TIF Project Areas



# TIF Project Areas



# Project Area M





# Shawnee Mission Parkway and Antioch Road (SW Corner) Redevelopment Plan for Project Area M

## Description of the Buildings and Facilities Proposed to be Constructed

The Developer proposes that the Shawnee Mission Parkway and Antioch Road (SW Corner) Redevelopment Project Plan include the following components in the designated area.

Area M: Commercial development consisting of two to seven buildings ranging in size from 1,500 to 20,000 square feet, structures to provide parking for the commercial and residential buildings, and necessary infrastructure in support of the Project Plan.

# Consider a Redevelopment Agreement (RDA) with Merriam Grand Station

- Requires the Developer to construct:
  - Approximately 10,000 sq ft of restaurant/retail space
  - Approximately 10,000 sq ft of civic activity
  - Three (3) out parcels totaling between 9,000 - 11,000 sq ft restaurant/retail space
  - Two (2) Class A apartment buildings with at least 350 total dwelling units
  - A parking structure
- Public improvements including a deceleration lane into development, intersection improvements at Eby and Shawnee Mission Parkway, sidewalks, and a transit stop
- Developer will dedicate at no cost all rights-of-way or easements required for any future construction of underground utilities along Antioch and/or SMP
- Project to be completed by December 31, 2026
- Does not extend the I-35 TIF District expiration year of 2032

# Consider a Redevelopment Agreement (RDA) with Merriam Grand Station (cont.)

- City will be paid an annual administrative fee of \$15,000
- No interest expenses or existing unpaid property taxes that may be included in land acquisition costs are eligible for reimbursement
- Directs Developer to set aside funds for maintenance of the parking structure
- Developer must comply with the City's non-discrimination ordinance
- Land acquisition and developer fees will be paid after the project construction costs are reimbursed
- Project will include some sustainability features that exceed City Code requirements
- Developer must pay all property taxes and cannot protest or appeal property valuation
- Restricts the uses that can occupy the development (Exhibit I)
- Developer will construct an art piece, fountain or similar amenity in the civic area

# Consider a Redevelopment Agreement (RDA) with Merriam Grand Station (cont.)

- Developer will pay up to \$50,000 toward the installation of a crosswalk across Antioch Road to Antioch Park at a location determined by the city
- Developer must maintain certain Civic Obligations for the term of the agreement
  - Dues-paying member and Corporate Sponsor of NE JC Chamber
  - \$2,000 donation to Foundation for Flags4Freedom
  - \$6,000 donation to Foundation for recreational scholarships
  - Headlining (\$5,000) or Presenting (\$3,500) sponsor of Turkey Creek Fest or MDL
  - \$6,000 donation to Shawnee Mission Education Foundation

# Consider a Redevelopment Agreement (RDA) with Merriam Grand Station (cont.)

The public financing for the project will consist of:

- \$4,500,000 (est.) in benefit from sales tax IRBs for sales tax exemption on construction materials
- \$400,000 (up to) in waived city development and inspection fees (developer will pay 100% of third-party inspection fees)
- \$25,125,000 (up to) in TIF reimbursement for eligible expenses. TIF reimbursement will come from the project generated increment and existing I-35 TIF District fund balances
- \$7,800,000 (est.) in benefit from property tax IRBs for the residential development (10-year property tax abatement). Developer will make PILOTs to all taxing jurisdictions at 1994 TIF Base year amount



# Consider a Redevelopment Agreement (RDA) with Merriam Grand Station (cont.)

TIF payments can be reduced/suspended for the following:

- Failure to meet the development schedule
- Reducing the amount of retail/restaurant sq ft constructed
- Retail ceasing to be in operation for more than twelve (12) consecutive months
- Incentives are greater than 30% of the project costs
- Failure to construct the transit stop

# Rezoning/Preliminary Development Plan and Final Plat

- Planning Commission held Public Hearing on June 1, 2022
- There were no public comments
- Recommend removing the following from the allowable uses:
  - Automobile sales and service (no outside service)
  - RDA includes a number of restricted uses
- Final Plat dedicates utility easements
- Staff recommends approval w/conditions
- Planning Commission unanimously recommended approval w/conditions

# Rezoning/Preliminary Development Plan and Final Plat

- City Council approved similar reduced parking ratio for Peppertree Apartments
- Anticipate revised retail commercial parking calculations to meet or be near to City Code requirements
- Reduction in parking spaces positive for the environment

# Conclusion

- Applicant presentation
- Questions for Staff and/or Applicant
- Public Hearing
- Follow-up Questions for Staff and/or Applicant
- Five votes

# Questions



# Applicant Presentation



**MERRIAM**

# Questions













GRAND STATION







# Public Hearing





# Questions



# The Votes

1. Consider waiving the first reading of the ordinance
2. Consider approval of an ordinance adopting the Redevelopment Project Plan for Area M
3. Consider approval of a Redevelopment Agreement (RDA) with Merriam Grand Station, LLC detailing the tax increment financing (TIF) and Industrial Revenue Bonds (IRBs) for the redevelopment of Kmart and surrounding properties
4. Consider approval of an ordinance rezoning Kmart and the surrounding properties to PUD-G, with conditions and adopting the associated preliminary development plan
5. Consider accepting the easements dedicated by the Grand Station Redevelopment Final Plat